NEW ISSUE - BOOK-ENTRY-ONLY

RATINGS: (See "RATINGS" herein)

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority (as hereinafter defined), assuming continuing compliance by the Authority with their respective tax covenants described herein, under existing law, interest on the 2020A Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and does not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals. In addition, interest on the 2020A Bonds may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations. Interest on the 2020B Bonds (as hereinafter defined) is included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code. Interest on the Series 2020 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed. See "TAX MATTERS" herein.

\$75,675,000* THE CAMDEN COUNTY IMPROVEMENT AUTHORITY (Camden County, New Jersey) REVENUE REFUNDING BONDS (ROWAN UNIVERSITY PROJECT), SERIES 2020 consisting of:

\$65,270,000* Revenue Refunding Bonds (Rowan University Project) Series 2020A \$10,405,000* Revenue Refunding Bonds (Rowan University Project) Series 2020B (Federally Taxable)

Dated: Date of Delivery

Due: As Shown on Inside Front Cover

The \$75,675,000*aggregate principal amount of Revenue Refunding Bonds (Rowan University Project), Series 2020, consisting of: (i) \$65,270,000* aggregate principal amount of Revenue Refunding Bonds (Rowan University Project), Series 2020A (the "2020A Bonds"); and (ii) \$10,405,000* aggregate principal amount of Revenue Refunding Bonds (Rowan University Project), Series 2020B (Federally Taxable) ("2020B Bonds") and together with the 2020A Bonds, the "Series 2020 Bonds") are being issued by The Camden County Improvement Authority (the "Authority"), a political subdivision and public body corporate and politic of the State of New Jersey (the "State"), pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); (ii) a bond resolution of the Authority duly adopted on March 12, 2020 (the "Resolution"); and (iii) a Trust Indenture dated as of July 1, 2020 ("Indenture"), by and between the Authority and TD Bank, National Association, as trustee (the "Trustee," "Paying Agent" and "Registrar").

The Series 2020 Bonds will be issued in fully registered form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. Individual purchases of the Series 2020 Bonds will be made in book-entry form (without certificates) in denominations of \$5,000 or any integral multiple thereof. Principal of and interest on the Series 2020 Bonds will be payable at maturity, stated or otherwise, by the Trustee. So long as Cede & Co. is the registered owner of the Series 2020 Bonds, payments of principal of and interest on the Series 2020 Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as defined herein) which will, in turn, remit such payments to the Beneficial Owners {as defined herein) of the Series 2020 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2020 Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Series 2020 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2020 Bond.

Each of the 2020A Bonds and the 2020B Bonds will be dated the date of delivery thereof and will bear interest at the rates per annum set forth on the inside front cover, payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2021, until maturity or, solely with respect to the 2020A Bonds, earlier redemption, and will mature on July 1 in the years and in the principal amounts set forth on the inside front cover. The 2020A Bonds are subject to redemption prior to maturity as set forth herein. See "DESCRIPTION OF THE SERIES 2020 BONDS - Redemption Provisions" herein.

The Series 2020 Bonds are being issued by the Authority on behalf of Rowan University ("Public University"), a leading public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, N.J.S.A. 18A:64M-1, et seq. The proceeds of the Series 2020 Bonds will be loaned to the Public University by the Authority pursuant to a Loan and Security Agreement dated as of July 1, 2020 ("Loan Agreement"), between the Authority and the Public University, and will thereafter be used by the Public University, together with other available funds, to: (i) currently refund and redeem all of the Authority's outstanding Lease Revenue Bonds (Cooper Medical School of Rowan University Project) Series 2010A, maturing on or after July 1, 2023 (the "Refunded 2010A Bonds"); (ii) pay the cost related to the termination of that certain Swap Agreement, dated February 6, 2019, by and between the Public University and Royal Bank of Canada, in connection with the refunding of the Refunded 2010A Bonds; and (iii) pay the costs and expenses incurred by the Authority and the Public University in connection with the issuance of the Series 2020 Bonds. See "PLAN OF FINANCE" herein.

The Series 2020 Bonds are special and limited obligations of the Authority payable solely from and secured by the Pledged Property (as defined in the Indenture), which include, among other things, all Loan Payments as defined in the Loan Agreement) to be made by the Public University under the Loan Agreement and amounts on deposit in certain funds and accounts established pursuant to the Indenture. The obligation of the Public University to pay Loan Payments provided for in the Loan Agreement and to perform its obligations under the Loan Agreement is absolute and unconditional. The Loan Agreement is a valid and enforceable unsecured general obligation of the Public University payable from legally available funds of the Public University. Pursuant to the Indenture, the Authority will assign (with certain reservations) its rights and benefits under the Loan Agreement to the Trustee as security for the Series 2020 Bonds. See "SECURITY FOR THE SERIES 2020 BONDS" herein.

THE SERIES 2020 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR 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 IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2020 BONDS ARE PAYABLE SOLELY FROM AND SECURED BY THE PLEDGED PROPERTY (AS DEFINED IN THE INDENTURE) WHICH INCLUDES LOAN PAYMENTS RECEIVED FROM THE PUBLIC UNIVERSITY PURSUANT TO THE LOAN AGREEMENT AND OTHER AMOUNTS PLEDGED TO THE SERIES 2020 BONDS UNDER THE INDENTURE.

This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to their making an informed investment decision.

The Series 2020 Bonds are offered when, as and if issued by the Authority, subject to the approval of certain legal matters, by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, and certain other conditions. Certain matters will be passed upon for the Authority by its counsel, Maressa Patterson LLC, Berlin, New Jersey; for the Public University by its general counsel Melissa Wheatcroft, Esquire, and by its special counsel, Gibbons P.C., Newark, New Jersey; and for the Underwriters by their counsel, Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania. Acacia Financial Group, Inc., Mount Laurel, New Jersey has acted as Municipal Advisor to the Authority in connection with the issuance of the Series 2020 Bonds. It is expected that the Series 2020 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about July _____, 2020.

CITIGROUP

PNC CAPITAL MARKETS LLC

Dated: July ____, 2020

^{*}Preliminary, subject to change.

\$75,675,000* THE CAMDEN COUNTY IMPROVEMENT AUTHORITY (Camden County, New Jersey) REVENUE REFUNDING BONDS (ROWAN UNIVERSITY PROJECT), SERIES 2020

\$65,270,000 *Revenue Refunding Bonds (Rowan University Project) Series 2020A

Maturity Date	Principal <u>Amount*</u>	Interes <u>Rate</u>	t <u>Yield</u>	CUSIP No.**
July 1, 2023	\$	%	%	
July 1, 2024				
July 1, 2025				
July 1, 2026				
July 1, 2027				
July 1, 2028				
July 1, 2029				
July 1, 2030				
July 1, 2031				
July 1, 2032				
July 1, 2033				
July 1, 2034				
July 1, 2035				

\$10,405,000* Revenue Refunding Bonds (Rowan University Project) Series 2020B (Federally Taxable)

Maturity Date	Principal <u>Amount*</u>	Interest <u>Rate</u>	Yield	CUSIP No.**
July 1, 2021	\$	%	%	
July 1, 2022				
July 1, 2023				

^{*} Preliminary, subject to change.

^{**} A registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services which is operated on behalf of the American Bankers Association by S&P Global Markets Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2020 Bonds and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the Series 2020 Bonds is subject to being changed after the issuance of the Series 2020 Bonds as a result of 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 Series 2020 Bonds.

THE CAMDEN COUNTY IMPROVEMENT AUTHORITY

Voorhees Town Center 2220 Voorhees Town Center Voorhees, New Jersey 08043

AUTHORITY MEMBERS

William R. Hosey	Chairman
Linda M. Rohrer	
Joseph P. Schooley	Membei
William W. Spearman	Member
Reginald C. Stevenson	Member

INTERIM EXECUTIVE DIRECTOR

Christopher A. Orlando

GENERAL COUNSEL

Maressa Patterson LLC Berlin, New Jersey

BOND COUNSEL

Parker McCay P.A. Mount Laurel, New Jersey

MUNICIPAL ADVISOR

Acacia Financial Group, Inc. Mount Laurel, New Jersey

BOND TRUSTEE, REGISTRAR AND PAYING AGENT

TD Bank, National Association Cherry Hill, New Jersey

ROWAN UNIVERSITY BOARD OF TRUSTEES

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Dr. Joe Cardona, Vice President for University Relations

Dr. Thomas A. Cavalieri, Dean of the School of Osteopathic Medicine

Dr. Joanne Connor, Chief of Staff and Liaison to the Board of Trustees

Ms. Theresa Drye, Vice President for Human Resources

Dr. Jefferey Hand, Sr. Vice President for Student Affairs

Dr. Mira Lalovic-Hand, Sr. Vice President for Information Resources and Technology

Dr. Anthony Lowman, Provost and Sr. Vice President for Academic Affairs

Dr. Annette C. Reboli, M.D., Dean of Cooper Medical School of Rowan University

Dr. James Newell, Sr. Vice President for Medical Initiatives and Affiliated Campuses

Mr. Joseph F. Scully, Jr., Sr. Vice President for Finance & CFO

Dr. Monika Williams Shealey, Sr. Vice President for Diversity, Equity and Inclusion

Dr. Horacio Sosa, Vice President for Strategic Ventures and Initiatives

Dr. Tabbetha Dobbins, Vice President for Research

Mr. Ronald J. Tallarida, Vice President for University Advancement

Mr. Steven Weinstein, Esq., Vice President for Government Affairs and External Partnerships

Ms. Melissa Wheatcroft, Esq., General Counsel

IN CONNECTION WITH THE OFFERING OF THE SERIES 2020 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PUBLIC OFFERING PRICES STATED ON THE COVER HEREOF MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS WITHOUT PRIOR NOTICE.

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 SERIES 2020 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

No dealer, broker, salesperson or other person has been authorized by the Authority or the Public University to give any information or to make any representations with respect to the Series 2020 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 Series 2020 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 University and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and it is not to be construed as a representation of the Authority. The information set forth herein relative to 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 Series 2020 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 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 Series 2020 Bonds and the security therefor, including an analysis of the risk involved. The Series 2020 Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the Series 2020 Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the Series 2020 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 Series 2020 Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT ARE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. FORWARD-LOOKING STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE USE OF FORWARD-LOOKING TERMS SUCH AS "PLAN", "EXPECT", "ESTIMATE", "BUDGET",

"WILL", "SHOULD", "BELIEVES" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, CERTAIN STATEMENTS CONTAINED IN THE "INTRODUCTORY STATEMENT" AND IN APPENDIX A. THE PUBLIC UNIVERSITY BELIEVES THAT THE EXPECTATIONS REFLECTED IN SUCH FORWARD-LOOKING STATEMENTS, AND THE ESTIMATES AND ASSUMPTIONS ON WHICH THEY ARE BASED, RE REASONABLE. HOWEVER, ESTIMATES AND ASSUMPTIONS ARE INHERENTLY UNCERTAIN, AND NO ASSURANCE CAN BE GIVEN THAT THEY WILL PROVE TO BE CORRECT OR THAT EXPECTATIONS BASED UPON THEM WILL BE REALIZED. NEITHER THE PUBLIC UNIVERSITY, NOR THE UNDERWRITER, THEREFORE, CAN OR DOES WARRANT THAT THE RESULTS CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS WILL BE ACHIEVED, AND IT IS LIKELY THAT ACTUAL RESULTS WILL DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS. ACCORDINGLY, UNDUE RELIANCE SHOULD NOT BE PLACED UPON SUCH FORWARD-LOOKING STATEMENTS.

References in this Official Statement to statutes, laws, rules, regulations, resolutions (including the Resolution), agreements (including the Indenture, the Loan Agreement, the Escrow Deposit 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 Series 2020 Bonds referred to herein and may not be reproduced or used, in 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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OFFICIAL STATEMENT

Relating to

\$75,675,000*
THE CAMDEN COUNTY IMPROVEMENT AUTHORITY
(Camden County, New Jersey)
REVENUE REFUNDING BONDS
(ROWAN UNIVERSITY PROJECT), SERIES 2020
consisting of:

\$65,270,000* Revenue Refunding Bonds (Rowan University Project) Series 2020A \$10,405,000* Revenue Refunding Bonds (Rowan University Project) Series 2020B (Federally Taxable)

INTRODUCTION

General

This Official Statement, which includes the cover page hereof and the Appendices attached hereto, is furnished by The Camden County Improvement Authority (the "Authority"), a political subdivision and public body corporate and politic of the State of New Jersey (the "State"), to provide certain information relating to: (i) the Authority, (ii) the 2020 Project, as defined and described herein; (iii) Rowan University ("Public University"), a public institution of higher education organized and established by the State pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A.* 18A:64M-l, *et seq.*, located primarily in the Borough of Glassboro, County of Gloucester, New Jersey; and (iv) the \$75,675,000* aggregate principal amount of Revenue Refunding Bonds (Rowan University Project), Series 2020, dated their date of delivery, consisting of: (a) \$65,270,000* aggregate principal amount of Revenue Refunding Bonds (Rowan University Project), Series 2020A ("2020A Bonds"), and (b) \$10,405,000* aggregate principal amount of Revenue Refunding Bonds (Rowan University Project), Series 2020B (Federally Taxable) ("2020B Bonds" and together with the 2020A Bonds, the "Series 2020 Bonds"), to be issued by the Authority on behalf of the Public University.

The Series 2020 Bonds are being issued by the Authority, on behalf of the Public University, under and pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto ("Act"); (ii) a bond resolution adopted by the Authority on March 12, 2020 ("Resolution"); and (iii) a Trust Indenture, dated as of July 1, 2020 ("Indenture"), by and between the Authority and TD Bank, National Association, Cherry Hill, New Jersey, as trustee (the "Trustee," "Paying Agent" and "Registrar").

Certain capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Indenture, a form of which is attached hereto. See "APPENDIX C - FORMS OF INDENTURE AND LOAN AGREEMENT" hereto.

^{*}Preliminary, subject to change.

Authority for Issuance

The Series 2020 Bonds are being issued pursuant to: (i) the Act; (ii) the Resolution; and (iii) the Indenture. The Act, among other things, empowers the Authority to issue its revenue bonds, notes and other obligations to provide funds to finance and refinance eligible public facilities, including for the Public University. For information concerning the Public University, see "APPENDIX A – INFORMATION REGARDING ROWAN UNIVERSITY" and "APPENDIX B - INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS OF ROWAN UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018" hereto.

The issuance of the Series 2020 Bonds and the execution and delivery by the Public University of the Loan Agreement and the Continuing Disclosure Agreement (each as defined herein) was authorized by resolution of the Board of Trustees of the Public University ("Board") on February 7, 2018.

Purpose and Use of Proceeds

The Series 2020 Bonds are being issued by the Authority, on behalf of the Public University, in accordance with the Act to provide a loan ("Loan") to the Public University pursuant to and in accordance with a Loan Agreement, dated as of July 1, 2020 ("Loan Agreement"), between the Authority and the Public University, which Loan, together with other available funds, will be used to: (i) currently refund and redeem all of the Authority's outstanding Lease Revenue Bonds (Cooper Medical School of Rowan University Project) Series 2010A, maturing on or after July 1, 2023 ("Refunded 2010A Bonds"); (ii) pay the cost related to the termination of that certain Swap Agreement, dated February 6, 2019, by and between the Public University and the Royal Bank of Canada ("Swap"), in connection with the refunding of the Refunded 2010A Bonds; and (iii) pay the costs and expenses incurred by the Authority and the Public University in connection with the issuance of the Series 2020 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Security for the Series 2020 Bonds

The Series 2020 Bonds are special and limited obligations of the Authority payable solely from and secured by the Pledged Property (as defined in the Indenture and described below). See "SECURITY FOR THE SERIES 2020 BONDS" herein.

The Pledged Property includes Revenues which include, among other things, Loan Payments to be made by the Public University under the Loan Agreement. The Board of the Public University has, by resolution, authorized the execution and performance on behalf of the Public University of the Loan Agreement and the pledge of the Public University's general obligation to the payment of the Public University's Loan Payment obligations under the Loan Agreement. The obligation of the Public University to pay Loan Payments is enforceable regardless of whether Loan Payments have been budgeted for by the Public University. The Loan Agreement is a valid and enforceable unsecured general obligation of the Public University payable from any legally available funds of the Public University. Pursuant to the Indenture, the Authority will assign (with certain reservations) its rights and benefits under the Loan Agreement to the Trustee as security for the Series 2020 Bonds.

The Loan Payments to be made by the Public University pursuant to the Loan Agreement are equal to the amount of the principal or redemption price of, and interest on, the Series 2020 Bonds due

on each Loan Payment Date and, as applicable, Additional Loan Payments (including, but not limited to, administrative expenses of the Authority with respect to the Series 2020 Bonds incurred by the Authority from time to time) as and when the same become due and payable upon demand pursuant to the terms of the Loan Agreement. Pursuant to the Loan Agreement, the Public University has covenanted to budget in each fiscal year amounts for the purpose of satisfying the Loan Payments to be made by the Public University to the Authority pursuant to the terms of the Loan Agreement. See "SECURITY FOR THE SERIES 2020 BONDS - Loan Agreement" herein.

THE SERIES 2020 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH 1N THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE ST ATE 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 SERIES 2020 BONDS ARE PAYABLE SOLELY FROM AND SECURED BY THE PLEDGED PROPERTY (AS DEFINED IN THE INDENTURE) WHICH INCLUDES LOAN PAYMENTS RECEIVED FROM THE PUBLIC UNIVERSITY PURSUANT TO THE LOAN AGREEMENT AND OTHER AMOUNTS PLEDGED TO THE SERIES 2020 BONDS UNDER THE INDENTURE.

The Series 2020 Bonds are not payable from general funds of the Authority and shall not constitute a legal or equitable pledge or lien or encumbrance upon any of the assets or property of the Authority or upon any of its income, receipts, or revenues, except as provided in the Indenture. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the Series 2020 Bonds. The Authority has no taxing power. The Authority has no claim on revenues or receipts of the State or any agency or political subdivision thereof (except the Public University to the extent of its Loan Payments).

PLAN OF FINANCE

The 2020A Bonds are being issued to finance, together with other available funds, the costs of: (i) currently refunding and redeeming the Refunded 2010A Bonds; and (ii) paying the costs and expenses incurred by the Authority and the Public University in connection with the issuance of the 2020A Bonds.

The Refunded 2010A Bonds will be redeemed on or about August [__], 2020 ("Refunded 2010A Bonds Redemption Date"). The Refunded 2010A Bonds will be called for redemption at the redemption price of 100% of the principal amount of bonds to be redeemed, plus accrued interest to the Refunded 2010A Bonds Redemption Date ("Refunded 2010A Bonds Redemption Price").

Refunded 2010A Bonds

Refunded 2010A Bonds

Redemption Date Principal Amount to be Refunded

August [___], 2020 \$

A portion of the proceeds of the 2020A Bonds, together with certain other available funds, will be deposited with the Trustee, who will, immediately upon deposit thereof, transfer and deposit such amount to TD Bank, National Association, as escrow agent ("Escrow Agent"), for the Refunded 2010A Bonds for deposit in an escrow fund ("Escrow Deposit Fund") pursuant to the terms of an Escrow Deposit Agreement, dated as of July 1, 2020, among the Public University, the Authority and the Escrow Agent ("Escrow Deposit Agreement"). Upon deposit, the Escrow Agent shall utilize such proceeds to purchase direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), which Government Obligations will bear interest at such rates and will mature at such times and in such amounts so that, when paid in accordance with their terms, sufficient moneys will be available to make full and timely payment of the Refunded 2010A Bonds Redemption Price on the Refunded 2010A Bonds Redemption Date.

The adequacy of the deposit provided for the Refunded 2010A Bonds will be verified by Causey, Demgen & Moore, P.C., Denver Colorado, certified public accountants ("Verification Agent"), at the time of delivery of the 2020A Bonds. The holders of the Refunded 2010A Bonds will have a lien on all the Government Obligations; together with any remaining cash held in the Escrow Deposit Fund. Upon payment of all of the Refunded 2010A Bonds, the Escrow Deposit Agreement, subject to certain conditions precedent, shall terminate.

The 2020B Bonds are being issued to (i) pay the cost related to the Swap termination in connection with the refunding of the Refunded 2010A Bonds and (ii) pay the costs and expenses incurred by the Authority and the Public University in connection with the issuance of the 2020B Bonds.

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ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2020 Bonds:

Sources of Funds:	2020A Bonds	2020B Bonds	Total
Principal Amount of Series 2020 Bonds [Net] Original Issue [Premium/Discount]	\$	\$	\$
TOTAL SOURCES OF FUNDS	\$	\$	\$
Uses of Funds:			
Deposit to Project Fund to refund the Refunded 2010A Bonds	\$	\$	\$
TOTAL USES OF FUNDS	\$	\$	\$

⁽¹⁾ Includes Underwriters' compensation, legal, printing, municipal advisory, credit ratings, Trustee, Paying Agent, Registrar, Escrow Agent, Verification Agent and Authority fees, contingency and other fees and expenses.

DESCRIPTION OF THE SERIES 2020 BONDS

General

The Series 2020 Bonds will be issued as fully registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. The Series 2020 Bonds will be dated and will bear interest from the date of delivery thereof. Interest will be payable semi-annually on July 1 and January 1 of each year (each an "Interest Payment Date"), commencing January 1, 2021 until maturity or, solely with respect to the 2020A Bonds, earlier redemption. The Series 2020 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 2020A Bonds are subject to redemption under certain circumstances as summarized under "DESCRIPTION OF THE SERIES 2020 BONDS-Redemption Provisions" herein.

Redemption Provisions

The 2020A Bonds shall be subject to redemption prior to maturity as follows:

2020A Bonds

Optional Redemption. The 2020A Bonds maturing prior to July 1, 20[___] are not subject to optional redemption prior to maturity. The 2020A Bonds maturing on or after July 1, 20[___] are subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Loan Agreement, on or after July 1, 20[___] in whole or in part at any time, and, if in part, in such order of maturity as the Public University may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2020A Bonds to be redeemed, plus accrued interest to the redemption date.

[Mandatory Sinking Fund Redemption. The Series 2020A Bonds maturing on July 1, 20[___] are subject to scheduled mandatory sinking fund redemption by the Authority on July 1, 20[___] in the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued to the redemption date:]

Selection of 2020A Bonds to be Redeemed

The 2020A Bonds shall be redeemed only in Authorized Denominations. If less than all of the 2020A Bonds are to be redeemed prior to maturity and in any principal amount within a maturity, such 2020A Bonds shall be called for redemption in any order of maturity as the Authority may designate with the consent of the Public University. If the 2020A Bonds are registered in book-entry form, and so long as DTC or a successor Securities Depository is the sole Registered Owner of such 2020A Bonds and if fewer than all of such 2020A Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular 2020A Bonds to be redeemed shall be selected on a pro-rata pass-through distribution of principal basis in accordance with DTC procedures; provided that, so long as the 2020A Bonds are held in book-entry form, the selection for redemption of such 2020A Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro-rata pass-through distribution of principal basis, the 2020A Bonds will be selected for redemption in accordance with DTC procedures, by lot; provided that any such redemption must be performed such that all 2020A Bonds remaining Outstanding will be in Authorized Denominations.

If the 2020A Bonds are no longer in registered book-entry form and DTC or a successor Securities Depository is no longer the sole Registered Owner of the 2020A Bonds, if fewer than all of the 2020A Bonds of the same maturity and bearing the same rate of interest are to be redeemed, such 2020A Bonds of the same maturity and bearing such interest rate will be selected on a pro-rata basis within any maturity as shall be selected by the Trustee by lot; provided that any such redemption must be performed such that all 2020A Bonds remaining Outstanding will be in Authorized Denominations.

For purposes of calculating pro-rata pass-through distributions of principal, "pro-rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where (a) the numerator of which is equal to the amount due to the respective registered Owners of the 2020A Bonds on a payment date and (b) the denominator of which is equal to the total original principal amount of the 2020A Bonds.

In the case of a partial redemption of 2020A Bonds when such 2020A 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 2020A Bond of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any 2020A Bond is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such 2020A Bond or such Owner's attorney or legal representative shall forthwith present and surrender such 2020A 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 2020A Bond or 2020A Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such 2020A Bond. If the Owner of any such 2020A Bond shall fail to present such 2020A Bond to the Trustee for payment and exchange as aforesaid, said 2020A 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).

Notice of Redemption

The Trustee shall call 2020A 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 and the consent of the Public University. Such request shall specify the principal amount of the 2020A Bonds and their 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 2020A 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 2020A Bonds, and such 2020A Bonds, subject to the exercise by the Authority of its rights under the Indenture, 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.

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 2020A 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 2020A Bonds of such series are to be redeemed, the identification number and the respective principal amounts to be redeemed of the 2020A Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such 2020A 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 2020A 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 2020A Bonds.

Any notice of redemption of any 2020A Bonds pursuant to the Indenture 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 2020A Bonds or portions thereof which are to be redeemed on that date.

So long as the 2020A Bonds are in book-entry form, the Trustee shall mail such notice solely to DTC and the Trustee will not send redemption notices to Beneficial Owners of the 2020A Bonds.

2020B Bonds

The 2020B Bonds shall not be subject to redemption prior to maturity.

Negotiable Instruments

The Series 2020 Bonds issued pursuant to the Act are fully negotiable within the meaning of the Uniform Commercial Code of the State, subject only to the provision for registration contained in the Series 2020 Bonds.

Book-Entry-Only System

The information contained in this section concerning DTC and the DTC Book-Entry-Only System has been obtained from sources that the Authority believes to be reliable. However, the Authority takes no responsibility for the accuracy thereof. The Beneficial Owners should confirm the information with DTC or the DTC Participants, as the case may be.

Initially, the Series 2020 Bonds will be in book-entry form only. Purchasers of the Series 2020 Bonds will not receive certificates representing their beneficial ownership interests in the Series 2020 Bonds purchased. DTC will act as the initial securities depository for the Series 2020 Bonds. The Series 2020 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 Series 2020 Bond certificate will be issued for each maturity of each series of the Series 2020 Bonds in the respective aggregate principal amount of such maturity as set forth on the inside front cover page hereof, 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 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. So long as the Series 2020 Bonds are maintained in book-entry form with DTC, the following procedures will be applicable with respect to the Series 2020 Bonds.

Purchases of the Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2020 Bonds (the "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 Series 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 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 Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2020 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 a maturity of the Series 2020 Bonds 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 Series 2020 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 Trustee 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 Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal or Redemption Price of and interest with respect to the Series 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the 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 nor its nominee, the Trustee, the Registrar, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or Redemption Price of and interest with respect to the Series 2020 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the Registrar, the Paying Agent, or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2020 Bond certificates are required to be printed and delivered.

In addition, the Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2020 Bond certificates will be printed and delivered to DTC.

So long as Cede & Co. is the registered owner of the Series 2020 Bonds, as nominee of DTC, references herein to the Bondholders or Registered Owners of the Series 2020 Bonds (excluding all references thereto under the heading "TAX MATTERS" herein) means Cede & Co., not the Beneficial Owners of the Series 2020 Bonds.

THE AUTHORITY, THE TRUSTEE, THE UNDERWRITERS (UNLESS THE UNDERWRITERS ARE ACTING IN THE CAPACITY AS A DIRECT OR INDIRECT PARTICIPANT OF DTC), THE REGISTRAR AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE SERIES 2020 BONDS (1) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2020 BONDS, OR (2) CONFIRMATION OF OWNERSHIP INTERESTS IN THE SERIES 2020 BONDS, OR (3) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE TRUSTEE, THE UNDERWRITERS (UNLESS THE UNDERWRITERS ARE ACTING IN THE CAPACITY AS A DIRECT OR INDIRECT

PARTICIPANT OF DTC), THE REGISTRAR OR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE SERIES 2020 BONDS WITH RESPECT TO: (1) THE SERIES 2020 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ITS NOMINEE, OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON ANY SERIES 2020 BONDS; (4) THE DELIVERY BY DTC, ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO THE BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2020 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

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PUBLIC UNIVERSITY DEBT AND CERTAIN OTHER OBLIGATIONS

The Public University has previously entered into certain loan and lease agreements with each of the Authority, the Gloucester County Improvement Authority ("GCIA") and the New Jersey Education Facilities Authority ("NJEFA"), to secure series of bonds, each as more particularly described in Table I below:

TABLE I

SERIES OUTSTANDING	<u>ISSUER</u>	LOAN OR LEASE <u>AGREEMENT</u>	PRINCIPAL AMOUNT OUTSTANDING AS OF JULY 1, 2020	YEAR OF FINAL <u>MATURITY</u>
Lease Revenue Bond (Cooper Medical School of Rowan University Project), Series 2010A ⁽¹⁾	Authority	Lease	\$80,005,000	2035
Revenue Refunding Bonds, Rowan University Issue, Series 2011C	NJEFA	Lease	9,850,000	2025
Lease Revenue Refunding Bonds (Rowan School of Osteopathic Medicine Project), Series 2013A	Authority	Lease	21,980,000	2032
Lease Revenue Refunding Bonds (Rowan School of Osteopathic Medicine Project), Series 2013B (Federally Taxable)	Authority	Lease	19,175,000	2032
Revenue Bonds (Rowan University General Capital Improvement Projects), Series 2015A	GCIA	Loan	34,745,000	2036
Revenue Refunding Bonds (Rowan University Project), Series 2015B	GCIA	Loan	48,155,000	2031
Revenue Bonds (Rowan University Business and Engineering School Projects), Series 2015C	GCIA	Loan	51,550,000	2044
Revenue Refunding Bonds, Rowan University Issue, Series 2016C	NJEFA	Loan	38,685,000	2031
Revenue Refunding Bonds (Rowan University Project), Series 2017A	GCIA	Loan	71,370,000	2033
Revenue Bonds (Rowan University Project), Series 2019	GCIA	Loan	56,600,000	2048

Total:

(1) These bonds are being currently refunded with the Series 2020 Bonds.

The separate lease and loan agreements entered into by and between the Public University and each of the Authority, GCIA and NJEFA, as set forth in Table I above, shall be collectively referred to herein as the "Prior Agreements". The payment of annual lease payments and loan payments under each of the existing Prior Agreements constitutes a general obligation of the Public University, payable from any legally available moneys of the Public University. See "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS ON THE 2020 BONDS AND OTHER PUBLIC UNIVERSITY DEBT"

\$432,115,000

(constituting and referred to herein as the "Aggregate Debt Service Table") herein for a more complete discussion of outstanding indebtedness of the Public University. The Aggregate Debt Service Table sets forth the total payments by the Public University to repay bonds issued on its behalf, including the Series 2020 Bonds. All such debt service constitutes a general obligation of the Public University payable from any legally available monies of the Public University, and, except for the NJEFA's Revenue Refunding Bonds, Rowan University Issue, Series 2016C, such obligations are unsecured.

The Public University is not subject to any contractual or legal constraint on the amount of debt or other financial obligations it may incurred each of the Authority, the GCIA and the NJEFA may, from time to time, issue other series of its revenue bonds in addition to the Series 2020 Bonds, to finance or refinance projects on behalf of the Public University.

Various financing agreements into which the Public University has heretofore entered generally permit the Public University to enter into swaps payable on a parity basis with bond debt service. To date, the Public University, as the fixed rate payer, has entered into the Swap with the Royal Bank of Canada, as the floating rate payer, in the notional amount of \$72,595,000, with a termination date of July 1, 2035, at a fixed interest rate of 2.28850%, with a mandatory early termination date of January 1, 2021. The Public University intends to terminate the Swap on the date of issuance of the Series 2020 Bonds and a portion of the proceeds of the 2020B Bonds shall pay the costs related to the swap termination in connection therewith.

In addition to the above, the Authority issued its Revenue Bonds (Health and Sciences Center Parking Facility Project), Series 2019, in the aggregate principal amount of \$32,687,000 ("Parking Facility Bonds"). The Parking Facility Bonds are secured by certain payments to be made by the Public University and Cooper Health System ("Cooper"), pursuant to certain Parking License Agreements entered into by and between the Authority and each of the Public University and Cooper. The Public University shall pay a monthly license fee, beginning on the date the parking facility commences business operations in an amount equal to the Public University's pro rata allocation of debt service on the Parking Facility Bonds, operation and maintenance costs and certain other expenses associated with the parking facility. The payments to be made by the Public University under such Parking License Agreement would constitute a general obligation of the Public University, payable from any legally available moneys of the Public University.

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ESTIMATED DEBT SERVICE REQUIREMENTS OF THE SERIES 2020 BONDS AND OTHER PUBLIC UNIVERSITY DEBT (1)

The following table sets forth, as of the date of issuance of the Series 2020 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 University's outstanding debt obligations, plus the Series 2020 Bonds, and the total of such principal and interest.

Year Ending	Debt Service on NJEFA	Debt Service on Authority	Debt Service on GCIA	Debt Service on State Supported	Long-Term Lease		vice on the 020 Bonds	Total Debt
June 30 (2)	Bonds (3)	Bonds (4)	Bonds (5)	Obligations (6)	Obligations (7)	<u>Principal</u>	<u>Interest</u>	Service (8)
2021	\$8,370,650	\$12,377,198	\$20,286,631	\$2,058,357	\$14,669,673	\$-	\$-	\$57,762,508
2022	7,668,650	12,348,914	20,471,256	2,078,347	14,962,317	-	-	57,529,485
2023	7,871,650	12,118,323	20,272,006	2,080,466	15,272,235	-	-	57,614,680
2024	8,299,850	12,132,083	20,805,381	1,062,768	15,653,168	-	-	57,953,250
2025	7,291,900	12,038,242	20,337,631	1,062,850	15,985,698	-	-	56,716,322
2026	6,831,175	12,019,987	20,374,506	1,062,880	16,321,298	-	-	56,609,847
2027	9,076,175	11,956,492	20,400,506	1,062,667	16,665,874	-	-	59,161,714
2028	998,925	11,934,875	23,400,881	1,062,661	17,020,906	-	-	54,418,249
2029	1,001,550	11,927,545	23,332,131	1,062,564	17,490,392	-	-	54,814,183
2030	998,550	11,913,348	22,077,556	1,062,517	17,872,981	-	-	53,924,953
2031	451,550	11,906,122	17,292,494	1,062,704	18,305,459	-	-	49,018,329
2032	-	11,884,706	15,309,825	1,062,787	18,771,533	-	-	47,028,851
2033	-	12,373,801	15,235,800	1,093,504	19,246,099	-	-	47,949,204
2034	-	7,722,873	14,424,881	1,093,444	18,341,178	-	-	41,582,376
2035	-	7,710,485	11,752,538	418,288	18,563,768	-	-	38,445,078
2036	-	-	11,746,363	418,276	19,089,178	-	-	31,253,817
2037	-	-	12,008,050	418,218	19,625,526	-	-	32,051,794
2038	-	-	12,009,250	-	20,173,068	-	-	32,182,318
2039	-	-	12,012,450	-	20,845,310	-	-	32,857,760
2040	-	-	12,012,050	-	21,448,492	-	-	33,460,542
2041	-	-	12,009,400	-	22,047,686	-	-	34,057,086
2042	-	-	12,009,750	-	20,029,889	-	-	32,039,639
2043	-	-	12,012,200	-	2,716,778	-	-	14,728,978
2044	-	-	12,015,200	-	407,517	-	-	12,422,717
2045	-	-	4,217,200	-	-	-	-	4,217,200
2046	-	-	4,218,000	-	-	-	-	4,218,000
2047	-	-	4,218,000	-	-	-	-	4,218,000
2048	-	-	4,212,000	-	-	-	-	4,212,000
	\$58,860,625	\$172,365,993	\$410,473,938	\$19,223,301	\$401,526,021	\$	\$	\$\$1,062,448,878

⁽¹⁾ Debt service as of the date of issuance of the Series 2020 Bonds. Totals may not add due to rounding.

⁽²⁾ Includes principal and interest to be paid on July 1 following each period.

⁽³⁾ Includes NJEFA Bonds as follows: (a) the 2011 C Bonds and (b) the 2016 C Bonds.

⁽⁴⁾ Includes Authority Bonds as follows: (a) the 2010 A Bonds, (b) the 2013 A Bonds and (c) the 2013 B Bonds. 32.935% of each interest payment on the 2010 A Bonds is expected to be received as a Subsidy Payment on Build America Bonds under the Internal Revenue Code. The above debt service is net of this expected subsidy amount.

⁽⁵⁾ Includes GCIA Bonds as follows: (a) the 2015 A Bonds (b) the 2015 B Bonds (c) the 2015 C Bonds (d) the 2017 A Bonds and (e) the 2019 Bonds.

⁽⁶⁾ The Public University has received funds through various NJEFA state supported programs that include the Higher Education Capital Improvement Fund Program ("Capital Improvement Fund"), Dormitory Safety Trust Program and the Higher Education Equipment Leasing Fund Program ("Equipment Leasing Fund"). The Public University's portion of debt service through the NJEFA state supported programs include the Capital Improvement Fund, Series 2002 A, Series 2014 A, Series 2016A and Series 2016B; and the Equipment Leasing Fund, Series 2014 A.

⁽⁷⁾ Includes rent paid by the Public University under a lease agreement with various entities.

⁽⁸⁾ Does not include the NJEDA Revenue Bonds (Provident Group – Rowan Properties L.L.C. – Rowan University Student Housing Project) Series 2015 A and B since the debt service payments thereunder are non-recourse to the Public University.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS

General

The Series 2020 Bonds constitute special and limited obligations of the Authority and are payable solely from and secured by the Pledged Property (as defined in the Indenture and described herein). The Series 2020 Bonds are not payable from general funds of the Authority and shall not constitute a legal or equitable pledge or lien or encumbrance upon any of the assets or property of the Authority or upon any of its income, receipts or revenues, except as provided in the Indenture. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the Series 2020 Bonds. The Authority has no taxing power. The Authority has no claim on revenues or receipts of the State or any agency or political subdivision thereof (except the Public University to the extent of the Loan Payments).

"Pledged Property" includes (i) the Revenues; (ii) the Funds and Accounts established under the Indenture (other than the Rebate Fund), including Investment Securities held in any such Funds and Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest in the Series 2020 Bonds in accordance with the terms and provisions of the Indenture.

"Revenues" include: (i) all amounts, including Loan Payments, received by the Authority from the Public University under the Loan Agreement; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture; and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

The Loan Payments to be made by the Public University pursuant to the Loan Agreement are equal to the amount of the principal or redemption price of, and interest on, the Series 2020 Bonds due on each Loan Payment Date and, as applicable, Additional Loan Payments (including, but not limited to, administrative expenses of the Authority with respect to the Series 2020 Bonds incurred by the Authority from time to time) as and when the same become due and payable upon demand pursuant to the terms of the Loan Agreement. Pursuant to the Loan Agreement, the Public University has covenanted to budget in each fiscal year amounts for the purpose of satisfying the Loan Payments to be made by the Public University to the Authority pursuant to the terms of the Loan Agreement. See "SECURITY FOR THE SERIES 2020 BONDS - Loan Agreement" herein.

No recourse shall be had by the Trustee or any Bondholder for any claim based on the Series 2020 Bonds or the Indenture against any director, member, officer, agent or employee, past, present or future, of, as the case may be, the Authority or the Public University, either directly or through the Authority or the Public University, as the case may be, or any such successor body, under any constitutional provision, statute or rule of law or by assessment or penalty or by any legal or equitable proceeding or otherwise. No covenant, stipulation, obligation or agreement of the Authority or the Public University contained in the Series 2020 Bonds or the Indenture or in any document to which the Authority or the Public University is a party shall be deemed to be a stipulation, obligation or agreement of any present or future director, member, officer, agent or employee of, as the case may be, the

Authority or the Public University in his individual capacity, and any trustee, director, member, officer, agent or employee of, as the case may be, the Authority or the Public University executing the Series 2020 Bonds shall not be liable personally thereon or subject to any personal liability or accountability by reason of the issuance thereof.

THE SERIES 2020 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE ST ATE 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 SERIES 2020 BONDS ARE PAYABLE SOLELY FROM AND SECURED BY THE PLEDGED PROPERTY (AS DEFINED IN THE INDENTURE) WHICH INCLUDES LOAN PAYMENTS RECEIVED FROM THE PUBLIC UNIVERSITY PURSUANT TO THE LOAN AGREEMENT AND OTHER AMOUNTS PLEDGED TO THE SERIES 2020 BONDS UNDER THE INDENTURE.

See "Appendix C - FORMS OF INDENTURE AND LOAN AGREEMENT" for a more complete description of the provisions of the Indenture and Loan Agreement.

Loan Agreement

The Authority and the Public University have entered into the Loan Agreement in order to secure the payment of the principal or Redemption Price of, redemption premium, if any, sinking fund payments and interest on the Series 2020 Bonds. Pursuant to the Loan Agreement, the Public University has covenanted to pay the amounts required to satisfy Loan Payments due under the Loan Agreement in the amounts and at the times sufficient to assure that the Authority will not be in default in the payment of the principal of, redemption premium, if any, sinking fund installment, as the case may be, and interest on the Series 2020 Bonds and to pay all other obligations of the Public University as they become due and payable. Loan Payment Dates occur thirty (30) Business Days prior to each Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as applicable. In addition, the Public University is required to make Additional Loan Payments to cover certain administrative expenses of the Trustee and the Authority and other professional fees and the Rebate Amount, if any.

The obligation of the Public University to pay Loan Payments provided for in the Loan Agreement and to perform its obligations under the Loan Agreement is absolute and unconditional and is a general unsecured obligation of the Public University payable from any legally available funds of the Public University. The obligation of the Public University to pay Loan Payments is enforceable regardless of whether Loan Payments have been budgeted for by the Public University. See "Appendix C - FORM OF INDENTURE AND LOAN AGREEMENT" for a more complete description of the provisions of the Loan Agreement.

An Event of Default under the Loan Agreement shall not be construed as an Event of Default under the Indenture.

Refunding Bonds

Pursuant to the Indenture, the Authority may issue one or more Series of Refunding Bonds to refund all or any portion (as determined by the Authority) of any Outstanding Bonds (including all or any portion of the Series 2020 Bonds). Any issuance of Refunding Bonds is subject to the approval of the Authority, and the approval and consent of the Public University, and the satisfaction of certain conditions precedent to the issuance of Refunding Bonds specified in the Indenture. Each Series of Refunding Bonds is entitled to the benefit and security of the Indenture on a parity with the Series 2020 Bonds and all other Series of Refunding Bonds issued within the limitations and provisions of the Indenture.

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THE AUTHORITY

Creation and Powers

The Authority is a public body corporate and politic of the State and was created by a resolution of the Board pursuant to the Act.

The Authority has broad powers under the Act including, among others, the following: to sue and be sued; to enter into leases and contracts; to acquire property by any lawful means, including the exercise of the power of eminent domain; to hold, operate and administer its property; to issue its negotiable bonds and to secure their payment and the rights of holders thereof under a bond resolution; to enter into contracts; to charge and collect charges for use of its facilities and to revise such charges which the Act requires to be charged such that the revenues of the Authority will at all times be adequate to pay all administrative expenses, to pay punctually the principal of and interest on any bonds, to maintain reserves and sinking funds therefor, as may be required by the terms of any contracts with Bondholders, and to make and enforce rules and regulations for the management of its business and affairs.

The Authority was established for, among other purposes, the purpose of providing for the construction of public buildings, transportation facilities, the acquisition of equipment and the acquisition of property owned by the federal government. Subsequent amendments to the Act permit the Authority to provide for the construction of convention halls, solid waste disposal facilities, recreation/entertainment centers, low and moderate income housing, to plan, initiate and carry out redevelopment projects and to provide financing on behalf of certain non-profit entities.

Management

The governing body of the Authority consists of five members appointed by the Board. The Authority's staff is supervised by the Interim Executive Director. The present members of the governing body of the Authority, the expiration dates of their terms as members and their offices are as follows:

<u>Name</u>	<u>Office</u>	Expiration of Term
William R. Hosey	Chairman	January 31, 2025
Linda M. Rohrer	Vice Chairperson	January 31, 2023
Joseph P. Schooley	Member	January 31, 2021
William W. Spearman	Member	January 31, 2022
Reginald C. Stevenson	Member	January 31, 2024

The Authority's mailing address is 2220 Voorhees Town Center, Voorhees, New Jersey 08043.

LITIGATION

Authority

In the opinion of Maressa Patterson LLC, General Counsel to the Authority, there is no litigation pending or, to the best of its knowledge, threatened which would restrain or enjoin the issuance or sale of the Series 2020 Bonds or in any way contesting the validity or affecting the authority

for the issuance of the Series 2020 Bonds, the adoption of the Resolution, or the authorization, execution and delivery by the Authority of the Loan Agreement or any other of the financing documents to which the Authority is a party, or the existence or powers of the Authority.

The Public University

There is no litigation pending or, to the knowledge of the Public University, threatened, contesting the Public University's ability to enter into the Loan Agreement or the Continuing Disclosure Agreement or the validity of the Series 2020 Bonds or the ability of the Public University to perform its obligations under the Loan Agreement or the Continuing Disclosure Agreement, nor is there any litigation pending or, to the knowledge of the Public University, threatened, which, if adversely determined, would materially adversely affect the financial condition or operation of the Public University, the transactions contemplated by this Official Statement or the validity of the Series 2020 Bonds or the Loan Agreement.

TAX MATTERS

ALL POTENTIAL PURCHASERS OF THE SERIES 2020 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE TAX IMPLICATIONS OF THEIR INVESTMENT.

Federal – 2020A Bonds

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority ("Bond Counsel"), assuming continuing compliance by the Authority and the Public University with their respective tax covenants described below, under existing law, interest on the 2020A Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax on individuals.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the 2020A Bonds received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the 2020A Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering its opinion, Bond Counsel has assumed continuing compliance by: (i) the Authority with the covenants contained in the Indenture, the Loan Agreement and in the Certificate as to Nonarbitrage and Other Tax Matters; and (ii) the Public University with the covenants contained in the Loan Agreement and the Certificate as to Nonarbitrage and Other Tax Matters that each will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the 2020A Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the Public University to comply with its respective covenants could result in the interest on the 2020A Bonds

being subject to federal income tax retroactive to the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the 2020A Bonds that may affect the tax-exempt status of the interest thereon.

Ownership of the 2020A Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the 2020A Bonds constitutes disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the 2020A Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the 2020A Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The 2020A Bonds are *not* "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the 2020A Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

Federal – 2020B Bonds

In the opinion of Bond Counsel, under existing law, interest on the 2020B Bonds is included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code.

New Jersey

Bond Counsel is also of the opinion that interest on the Series 2020 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in New Jersey that, if enacted, could alter or amend the Federal and New Jersey tax matters referred to above or adversely affect the market value or marketability of the Series 2020 Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to obligations issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Series 2020 Bonds.

PROSPECTIVE PURCHASERS OF THE SERIES 2020 BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE SERIES 2020 BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

PLEDGE OF THE STATE NOT TO LIMIT POWERS OF AUTHORITY OR RIGHTS OF BONDHOLDERS

The Act sets forth the pledge and agreement that the State will not limit or alter the rights vested by the Act in the authorities organized thereunder to fix, establish, charge and collect service charges and to fulfill the terms of any agreements made with holders of obligations of authorities or in any way impair the rights and remedies of such holders, until such obligations, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged.

NEGOTIABILITY OF THE SERIES 2020 BONDS

Section 24 of the Act, *N.J.S.A.* 40:37A-67, provides that any bond or obligation issued pursuant to the Act shall be fully negotiable within the meaning and for all purposes of the negotiable instruments law of the State and each holder or owner of such bond or other obligation, or of any coupon appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed to have agreed that such bond, obligation or coupon is and shall be fully negotiable within the meaning and for all purposes of said negotiable instruments law.

THE SERIES 2020 BONDS NOT A DEBT OF THE STATE

The Series 2020 Bonds shall not in any way be a debt or liability of the State or any political subdivision thereof or create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof other than the obligation of (a) the Authority, which has no taxing power, the obligation of which is limited to the Pledged Property, and (b) the Public University to the extent of its Loan Payments to which the Public University has pledged its general corporate credit in an amount sufficient to provide for payment as is needed to pay, when due, the principal of and interest on the Series 2020 Bonds.

CONTINUING DISCLOSURE

Consistent with the requirements of Rule 15c2-12 (the "Rule") of the Securities Exchange Act of 1934, as amended and supplemented, on the date of delivery of the 2020 Bonds the Public University will enter into a Disclosure Dissemination Agent Agreement (the "Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C., as dissemination agent, a form of which is attached hereto as Appendix "D," for the benefit of the holders of the Series 2020 Bonds pursuant to which the Public University will agree to comply on a continual basis with the disclosure requirements of the Rule. Specifically, the Public University will covenant in the Continuing Disclosure Agreement to provide certain financial information and operating data relating to the Public University (an "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The financial information to be provided in the Annual Report generally will be consistent with the information set forth in "APPENDIX B - INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS OF ROWAN UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30. 2019 AND 2018" hereto with respect to the Public University. The operating data to be provided in the Annual Report will be the financial and statistical information set forth in "APPENDIX A -INFORMATION REGARDING ROWAN UNIVERSITY" hereto with respect to the Public University. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in the Continuing Disclosure Agreement, the form of which is included in its entirety as "APPENDIX D -FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

The Annual Report will be provided for each fiscal year of the Public University commencing with the fiscal year ended June 30, 2020. The Annual Report will be filed, or caused to be filed, by the Public University with the Municipal Securities Rulemaking Board ("MSRB") in electronic format as prescribed by the MSRB on the MSRB's Electronic Municipal Market Access system ("EMMA") found at http://emma.msrb.org. Audited financial statements of the Public University will be provided to the MSRB, via EMMA, when available.

The Public University has entered into previous undertakings in respect of various other bond issues. In connection with certain of such bond issues, the Public University failed to timely file a material event notice with respect to the Parking License Agreement entered into by and between the Authority and the Public University dated as of May 1, 2019, wherein the Public University agreed to pay a monthly license fee beginning on the date the parking facility commences business operations, which has not yet occurred. The Public University filed the material event notice with respect to the above on July 8, 2020. The Public University has entered into an agreement with Digital Assurance Certification, L.L.C. to ensure timely filing on a going-forward basis.

MUNICIPAL BANKRUPTCY

The undertakings of the Authority and the Public University should be considered with reference to Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code"), 11 *U.S.C.* §§901 to 946. Under Chapter 9 of the Bankruptcy Code, a municipality, which is a political subdivision or public agency or instrumentality of the State, that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court (the "Bankruptcy Court") to adjust the debt of the municipality. Chapter 9 of the Bankruptcy Code does not permit the municipality to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter 9 of the Bankruptcy Code permits a financially distressed municipality to seek protection from its creditors by staying the commencement

or continuation of certain actions against the municipality while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the majority of creditors. Should the Authority or the Public University file a petition in the Bankruptcy Court under Chapter 9 of the Bankruptcy Code prior to the payment in full of the principal of and interest on the Series 2020 Bonds, the Holders of the Series 2020 Bonds would be considered creditors and would be bound by the municipality's plan of adjustment of its debt.

Reference should also be made to *N.J.S.A.* 52:27-40 *et seq.* which provides that any "political subdivision" of the State as defined therein, which includes the Authority and the Public University, has the power to file a petition with the Bankruptcy Court under Chapter 9 of the Bankruptcy Code provided the "political subdivision" has obtained approval of the Local Finance Board. Section 903 of the Bankruptcy Code, 11 *U.S.C.* §903, specially provides that Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality; provided, however, that a state law prescribing a method of composition of indebtedness of the municipality may not bind any creditor that does not consent to such composition and that a judgment entered under such state law may not bind a creditor that does not consent to such composition.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE AUTHORITY OR THE PUBLIC UNIVERSITY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE SERIES 2020 BONDS.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and the issuance by the Authority of the Series 2020 Bonds are subject to the approval of certain legal matters by Bond Counsel. Certain legal matters will be passed on for the Authority by its counsel, Maressa Patterson LLC, Berlin, New Jersey, for the Public University by its general counsel Melissa Wheatcroft, Esquire, and by its special counsel, Gibbons P.C., Newark, New Jersey, and for the Underwriters by Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania.

The various legal opinions and/or certifications to be delivered concurrently with the delivery of the Series 2020 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion and/or certification, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion and/or certification guarantee the outcome of any legal dispute that may arise out of the transaction.

LEGALITY FOR INVESTMENT

The Act provides that: (i) the State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof; (ii) all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and

other persons carrying on a banking or investment business; (iii) all insurance companies, insurance associations, and other persons carrying on an insurance business; and (iv) all executors, administrators, guardians, trustees and other fiduciaries in the State may legally invest any sinking funds, moneys or other funds belonging to them or within their control in the obligations of authorities organized thereunder, including the Series 2020 Bonds, and that such obligations are authorized security for any and all public deposits.

IMPACT OF COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("Coronavirus"), which was first detected in China and has spread to other countries, including the United States, has been declared a pandemic by the World Health Organization, a national emergency by the President of the United States ("President"), and a state of emergency by the Governor of the State ("Governor"). The spread of the Coronavirus has affected global economics and financial markets, which has led to volatility and reduced liquidity. Virtually all sectors of the United States economy, with the exception of essential services, have been reduced or shutdown resulting in significant reductions in the Gross Domestic Product "GDP". Additionally, unemployment in the United States has reached historic levels.

In response, and as noted above, the President declared a national emergency on March 13, 2020, which made available federal resources to combat the spread of the virus. Subsequently, the federal government has adopted multiple bills authorizing various forms of aid including, but not limited to, Medicaid expansion, unemployment benefits and paid emergency leave, immediate cash relief for individuals and a broad lending program for businesses and governmental entities. The Federal Reserve has also lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending and liquidity programs to banks, money market mutual funds, businesses, and certain governmental entities.

Highlights of Actions Taken

Since early February, the Public University has taken a series of actions to help safeguard the campus community from exposure to the Coronavirus, including but not limited to the following:

- In February, the Public University began regularly updating students, faculty and staff about the virus and its impact.
- In mid-March, all activities involving external participants were cancelled and internal events were closed to visitors.
- As concerns about the pandemic further developed, the Public University extended spring break and began preparing for a university-wide closure to students and most employees. Faculty used this period to convert in-class instruction to an online format and online lessons began in late March.
- The Public University discontinued most student work opportunities and announced that all in-person summer Orientation programming was cancelled and all summer classes are being taught remotely.

Following New Jersey Governor Murphy's order to close on March 16, all employees who are able to work from home were ordered to do so and all but essential employees were told they could not return to campus. All on-campus events and activities, including important revenue-generating programs, were suspended indefinitely including classes, workshops, special programs and summer camps. The Public University has also implemented information technology improvements relating to classroom and instructional needs as it transitioned to remote learning and teleworking as a response to the social distancing requirements put in place by the State and it expects to offer hybrid classes that can be attended in person, if conditions allow, or virtually.

Before a decision to close campuses was made, the Public University mounted a University-wide cleaning and sanitizing campaign of all public and office spaces. the Public University has also made available enhanced cleaning, hand sanitizer and other personal cleaning supplies, personal protective equipment ("PPE") and supplies.

Financial Impact

In connection with implementing all of the foregoing, the Public University, as of June 17, 2020 has expended approximately \$1.6 million. In addition, funding losses to the Public University also include a \$11.9 million net loss due to room and board as well as parking refunds issued to students who vacated on-campus housing when residence halls and apartments were closed at the Governor's order and instruction was moved online. The faculty practice plan of Rowan Universities School of Osteopathic Medicine ("RowanMedicine"), which is further described in "APPENDIX A – INFORMATION REGARDING ROWAN UNIVERSITY", also saw a reduction in revenue of approximately \$1.3 million in FY2020 due to the Coronavirus outbreak. The Public University also had its base State appropriations cut by 50% for the last four months of FY2020 resulting in a \$12.2 million reduction of State appropriations with a net impact to Rowan of \$11.6 million as \$0.6 million of the reduction was attributed to a pass through payment that Cooper Hospital receives for its part in educating 3rd and 4th year Cooper Medical School of Rowan University students which is further described in "APPENDIX A – INFORMATION REGARDING ROWAN UNIVERSITY".

Federal Aid

Federal Governmental relief by and through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), passed by Congress, has lessened the economic impact of the unexpected revenues losses. Specifically, through the CARES Act, the Public University has been allocated \$15.6 million with \$7.2 million earmarked for students and the remaining \$8.4 million allocated to the Public University which it plans to use to offset FY2020 losses. The breakout of the funding is as follows:

- \$14.4 million was allocated to the Public University pursuant to Section 18004(a)(1) of the CARES Act, to be utilized as follows: (i) \$7.2 million for students as emergency cash grants to assist those affected by campus disruptions; and (ii) \$7.2 million for use by the Public University to recover from losses from Coronavirus or to help it plan for changes to academic instruction because of Coronavirus.
- The Public University was allocated an additional \$0.7 million under Section 18004(a)(2) of the CARES Act as part of the Strengthening Institutions Program. The

- Public University will utilize these funds to assist in the recovery of losses from Coronavirus disruption.
- RowanMedicine was allocated an additional \$0.5 million as part of the Cares Provider Relief Funding, which provides funding for health care providers.

Financial Savings and Overall Impact on FY2020

The Public University continues to conduct an active review of new expenditures, renegotiating of contracts and adjusting service levels (including, but not limited to, less frequent trash pick-up) which has resulted in the following FY2020 estimated cost saving:

- \$3.0 million in non-salary operating cost savings expected
- \$1.0 million in labor (part time, student salary and over time)

The Public University has also achieved additional cost savings from instituting a hiring freeze on new faculty and staff and a hold has been placed on numerous capital projects to reduce expenses.

Given the losses offset by the cost savings and CARES Act funding outlined above and the YTD surplus that the Public University achieved prior to the Coronavirus outbreak, the Public University does not expect to require the use of its reserves to compensate for any FY2020 losses attributable to the Coronavirus.

State Funding – FY2021

The Public University has applied to the Office of the Secretary of Higher Education ("OSHE") of the State for a share of the \$68.8 million in emergency assistance available for higher education institutions through the Governor's Emergency Education Relief Fund. The OSHE is also expected to distribute an additional \$300 million in funding to higher education institutions for student refunds relating to room and board as well as specific COVID related expenditures not covered by FEMA. While the Public University has applied for such aid, there are no assurances any funds will be made available to the Public University. It is also unclear what the impact COVID-19 will have on State appropriations received by the Public University in FY2021. First quarter State appropriations to the Public University are expected to be \$17.1 million.

Outlook

As the Public University reacts to the evolving risks related to the Coronavirus, it has put together several scenarios for FY2021 dependent upon whether students will be permitted to attend class in-person or remotely and factoring in possible changes in enrollment. Each of these scenarios results in differing levels of required adjustments in expenditures to achieve a balanced budget. At this time, the Public University is planning for an on-schedule resumption of classes for the fall semester with additional measures taken based on Center for Disease Control guidelines and governmental requirements including, but not limited to, maintaining social distancing requirements and enhanced cleaning practices. The Public University also anticipates entering into tent rentals to increase outdoor space for student gatherings to enable social distancing. The impact of the Coronavirus on students and families income may also require the Public University to increase its institutional support.

Ultimately, neither the Public University nor the Authority can predict, and do not predict, the duration, severity or ultimate impact of the Coronavirus, or the intervening legislative and gubernatorial measures in response thereto, upon global, State-wide and local economies and operations, including that of the Public University. Additionally, neither the Public University nor the Authority can predict the effect the spread of the Coronavirus will have on their respective operations in the future. Consequently, historical trends reflected elsewhere in this official statement may not be indicative of results since the Coronavirus outbreak and for the foreseeable future.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P" and together with Moody's, the "Rating Agencies"), have assigned ratings of "A2" and "A," respectively, to the Series 2020 Bonds. Explanations of the significance of such bond ratings may be obtained from Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and S&P, 55 Water Street, New York, New York 10041. Such bond ratings express only the views of the respective Rating Agency. There is no assurance that any such bond ratings will continue for any period of time or that the ratings will not be revised or withdrawn. Any such revision or withdrawal of the ratings may have an effect on the marketability and market price of the Series 2020 Bonds.

INDEPENDENT AUDITORS

The financial statements of the Public University as of June 30, 2019 and 2018, and for the years then ended, included in Appendix "B" to this Official Statement, have been audited by KPMG LLP, independent auditors, as stated in its report appearing in Appendix "B" to this Official Statement.

UNDERWRITING

The Series 2020 Bonds have been purchased from the Authority by Citigroup Global Markets, as representative (the "Representative"), acting on behalf of itself and on behalf of PNC Capital Markets LLC, as co-underwriter (collectively, the "Underwriters"), pursuant to a bond purchase contract, dated July [__], 2020, between the Authority, the Public University and the Representative, on behalf of itself and the other Underwriters (the "Bond Purchase Contract"). The Bond Purchase Contract provides that the aggregate purchase price for the Series 2020 Bonds is \$[_____] (representing the principal amount of the Series 2020 Bonds, [plus/less] [net] original issue [premium/discount] in the amount of \$[_____], and less an Underwriters' discount in the amount of \$[_____]. The Underwriters are obligated to purchase all of the Series 2020 Bonds if any of the Series 2020 Bonds are purchased. The obligation of the Underwriters to accept delivery of the Series 2020 Bonds is subject to various conditions contained in the Bond Purchase Contract.

The Underwriters intend to offer the Series 2020 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 reserve the right to join with dealers and other underwriters in offering the Series 2020 Bonds to the public. The Underwriters may offer and sell the Series 2020 Bonds to certain dealers (including dealers depositing Series 2020 Bonds into investment trusts) at yields higher than the respective public offering yields set forth on the inside front

cover page hereof, and such offering yields may be changed, from time to time, by the Underwriters without prior notice.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Public University or the Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Public University or Authority. The Underwriters do not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.

Citigroup Global Markets Inc., an underwriter of the Series 2020 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

CERTAIN RELATIONSHIPS

Bond Counsel, from time to time, provides legal services to the Underwriters in various matters unrelated to the Series 2020 Bonds or the transaction described in this Official Statement. PNC Bank, National Association from time to time in the future may have banking or other credit relationships with the Public University. PNC Capital Markets LLC is acting as an Underwriter of the Series 2020 Bonds. PNC Capital Markets LLC and PNC Bank, National Association are both wholly owned subsidiaries of The PNC Financial Services Group, Inc.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the Authority with respect to this transaction. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Verification Agent will independently verify the mathematical accuracy of the certain computations provided by the Underwriters regarding the adequacy of the cash deposit, and as applicable, the maturing principal amounts of and interest earned on the Government Obligations, to pay the Refunded 2010A Bonds Redemption Price on the Refunded 2010A Bonds Redemption Date.

The report of the Verification Agent will include the statement that the scope of the engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it and that it has no obligation to update its report because of events occurring, or data or information coming to their attention, subsequent to the date of its report.

APPENDICES

Appendix "A" to this Official Statement consists of certain information concerning the Public University which has been provided by the Public University from public documents of the Public University and from other public or official documents or publications which are referred to therein. The Authority has not confirmed the accuracy or completeness of said information, and the Authority disclaims any responsibility for the accuracy or completeness thereof.

Appendix "B" to this Official Statement consists of the Independent Auditors' Report and Audited Financial Statements of Rowan University as of and for the fiscal years ended June 30, 2019 and 2018, which have been provided by the Public University. The Authority has not confirmed the accuracy or completeness of said information, and the Authority disclaims any responsibility for the accuracy or completeness thereof.

Appendix "C" to this Official Statement consists of Forms of Indenture and Loan Agreement.

Appendix "D" to this Official Statement consists of the Form of Continuing Disclosure Agreement.

Appendix "E" to this Official Statement consists of the Form of Opinion of Bond Counsel.

MISCELLANEOUS

The execution and delivery of this Official Statement has been duly authorized by the Authority and approved by the Public University. Certain information contained in this Official Statement has been obtained from sources other than the Authority. All quotations from and summaries and explanations of provisions of laws, statutes, resolutions and agreements herein do not purport to be complete and reference should be made to said laws, statutes, resolutions and agreements for a full and complete statement of their provisions.

This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or Holders of any of the Series 2020 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Public University or the Authority since the date hereof.

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The execution by its Chairman and the delivery of this Official Statement is duly authorized by the Authority.

THE CAMDEN COUNTY IMPROVEMENT AUTHORITY

В	y:WILLIAM R. HOSEY, Chairman
ROWAN UNIVERSITY	
By: Name: Joseph F. Scully, Jr. Title: Senior Vice President for Finance and Chief Financial Officer	

Dated: July _____, 2020

APPENDIX A

Information Concerning Rowan University

ROWAN UNIVERSITY

General Description

Rowan University ("Rowan" or the "University") is a selective, medium-sized public research university located primarily in Glassboro, New Jersey. It is recognized for its nationally-ranked academic and athletic programs, talented professors, and high-tech facilities. Rowan prides itself on being able to provide its approximately 19,600 students an outstanding education at an exceptional value.

The University's approved degree programs as of June 30, 2020 include 90 bachelor's degrees, 48 master's degrees, eight doctoral degrees (Ed.D. and Ph.D.) and two professional degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.). Students may pursue degrees at the main Glassboro campus, the Camden campus, Cooper Medical School of Rowan University in Camden, the Rowan University School of Osteopathic Medicine in Stratford, online, or at multiple community college locations.

Rowan is continually recognized for excellence by top organizations including *U.S. News & World Report*, *Forbes*, the *Chronicle of Higher Education* and the website *College Factual*.

- In January and March, *U.S. News & World Report* listed Rowan among the best colleges and universities for online education and graduate schools.
- For 2020, *U.S. News & World Report* ranked Rowan #166 overall and #79 among Public Research Universities.
- The Chronicle of Higher Education recently recognized Rowan as the nation's 4th fastest-growing research university among public doctoral institutions in the U.S.
- Both *U.S. News & World Report* and *College Factual* have rated Rowan among the best schools for veterans.
- In 2018, *Forbes* magazine ranked Rowan among the "Top Colleges" in the U.S. and *Money* magazine ranked Rowan among the "Best Colleges" in the U.S..

Location

The University's main campus, on approximately 200 acres in the southern New Jersey town of Glassboro, is about 20 minutes southeast of Philadelphia and about one hour west of Atlantic City. It is approximately two hours from New York City and just a two and a half hour drive to Washington, D.C. The locale provides students all of the advantages of a suburban campus plus opportunities for entertainment, cultural events, and professional opportunities in major east coast metropolises and the nation's capital.

The University has a campus in the City of Camden, New Jersey ("Camden"). In addition to the Camden campus, the University also has two medical schools: the Cooper Medical School of Rowan University ("CMSRU") located in Camden and the Rowan University School of Osteopathic Medicine ("RowanSOM") campus in Stratford, New Jersey.

Rowan has acquired approximately 600 acres of open space in Glassboro and neighboring Harrison and Mantua Townships, some of which is home to the South Jersey Technology Park at Rowan University. A portion of the land on that parcel informally referred to as the "West Campus" was developed into athletic fields. In May of 2016, Rowan sold 100 acres of West Campus land in Harrison Township to Inspira Health Network of New Jersey ("Inspira"). Inspira broke ground in May 2017 on its new \$349 million, 467,000 square foot, 204-bed medical center which opened in December 2019. It is expected to employ 1,400 workers and provide Rowan with a wide range of educational opportunities. It also will act as an anchor that is expected to attract health-care providers, researchers, and businesses to the area.

Mission and Planning

Mission - Rowan University will become a new model for higher education by being inclusive, agile, and responsive, offering diverse scholarly and creative educational experiences, pathways, environments, and services to meet the needs of all students; maintaining agility by strategically delivering organizational capacity across the institution; and responding to emerging demands and opportunities regionally and nationally.

The University achieves its mission through four Strategic Pillars:

Access

We are committed to expanding quality educational opportunities for students by increasing our enrollment capacity; supporting student success; utilizing an increasing array of pedagogies and platforms; and creating new pathways to undergraduate, graduate, post-graduate, and professional studies.

Affordability

We are committed to keeping education affordable by managing costs; diversifying our revenue streams; reducing student debt; limiting tuition increases to the rate of inflation as measured by the consumer price index; and enhancing internship and employment opportunities for our students and graduates.

Quality

We are committed to providing rigorous, experiential, and engaging educational experiences; support for scholarly, creative, and research activities; a vibrant and healthy campus life; a rich intellectual, cultural, and artistic environment; and a safe, supportive, and inclusive culture that respects and values the diversity of all of its members.

Economic Engine

We are committed to benefiting our local and state communities by making every effort to partner with and invest in regional businesses and organizations that contribute in meaningful ways to furthering our mission; preparing an educated citizenry and skilled workforce; enhancing the health of our citizens and the quality of life; and developing innovative products, services, and ideas.

Planning – The University engages in continuous strategic planning in response to the dynamic context of higher education. A concise planning framework is utilized that identifies key external and internal factors that shape the strategic direction of the University, sets long-term goals, articulates operational values, and identifies key performance indicators. At the center of the plan are the four strategic pillars: access, affordability, quality, and Rowan's role as an economic engine for the region. The four pillars express the University's priorities and guide planning and resource allocation.

The functional groups involved in design and execution of the strategic plan include the Board of Trustees, the Executive Cabinet, the Extended Cabinet, and the Deans' Council. The Strategic Priorities Council, University Senate, and University Budget and Planning Committee are representative bodies charged with engaging the campus community in the strategic planning process.

Institutional Status

Rowan was designated as a university by the New Jersey Commission on Higher Education in 1997. In 2012, *The New Jersey Medical and Health Science Education Restructuring Act* (the "Restructuring Act") designated Rowan as the second comprehensive public research university of the State of New Jersey (the "State"), effective July 1, 2013. The University's Carnegie Classification was changed to Doctoral University – Moderate Research Activity by the Carnegie Classification of Institutions of Higher Education® effective September 2016 and then to Doctoral Universities: High Research Activity (R2) in December 2018.

Campus Facilities

Glassboro:

Rowan Hall is a state-of-the-art engineering building that includes classrooms, laboratories, and a 115-seat lecture hall, as well as the Dean's Office. Construction of an adjoining, 90,500 square foot second wing for Rowan Hall was completed in January 2017.

Construction of a new, 98,290 square foot home for the Rohrer College of Business was completed in December 2016. It houses the Rohrer College of Business, the Center for Professional Development, and Hatch House, in addition to 14 classrooms, 10 "specialty" rooms, 7 conference rooms and 85 offices for faculty and administrators on upper floors.

Science Hall, a 140,000 square feet science building, includes classroom and other instructional space, teaching laboratories, research laboratories for faculty and students, offices, meeting and clerical space. The building supports programs in Physics and Astronomy, Biological Sciences, and Chemistry and Biochemistry, and has enabled existing programs to be further developed. Science Hall also features a full-scale planetarium and observatory.

James Hall is a three-story, 135,000 square foot building which is home to its College of Education on the Glassboro campus. The building houses state-of-the-art classrooms and technology, and it includes an early education program with observation and classroom participation opportunities for education students. The building design also incorporates many new energy savings and management features.

Savitz Hall is the site of all primary student services, including the offices of the Vice President for Student Life and Dean of Students, Admissions, Residence Life, the Bursar, Financial Aid, the Educational Opportunity Fund and Minority Achievement Programs, and Multicultural Affairs. Savitz Hall also includes the Division of Strategic Enrollment Management and houses the offices of the Senior Vice President for Student Affairs and Vice President for Enrollment and Student Success.

The Glassboro campus includes 23 additional buildings with classrooms and faculty and administrative offices. Bozorth Hall houses part of the College of Communication and Creative Arts, including classrooms, faculty offices and laboratories for writing, television, radio, and film. Hawthorn Hall houses the Writing Arts and Communication Studies Departments of the College of Communication and Creative Arts. It includes classrooms and faculty offices. Bunce Hall, the first building on campus, houses administrative offices for areas of Finance, Information Resources & Technology, as well as the College of Humanities and Social Sciences, including the Dean's Offices, as well as portions of the College of Performing Arts.

301 High Street is a three-story, 15,000+ square foot building which opened in the fall of 2015. It features a gleaming new University art gallery and is the new home to the Department of Public Relations & Advertising within the College of Communication & Creative Arts ("CCCA"). It also features classrooms, faculty offices, computer labs, and student lounge spaces.

A central chiller plant provides air conditioning to many of the campus buildings. A cogeneration plant provides electricity and steam for heating and domestic hot water production for the majority of the campus buildings. In addition, the University has a 69KV electric substation to provide a reliable electric supply from the local utility company.

The University provides approximately 6,677 beds in 8 residence halls and 10 apartment communities owned by the University or privately owned and operated through public-private partnership or affiliation agreements. Included in these number are the following facilities:

 Holly Pointe Commons, a public-private partnership consisting of 1,415 student beds on the Glassboro campus, was constructed using New Jersey Economic Development Authority issued Revenue Bonds and lent the proceeds to Provident in order to fulfill their

- obligations under the ground lease. The University has no obligation to pay debt service on the Bonds. The Holly Pointe Commons opened in August 2016.
- Just off campus, Rowan Boulevard is a private-public partnership between Rowan, private entities, and the Borough of Glassboro. Key anchors include six apartment complexes for University students, a Barnes & Noble collegiate superstore, a hotel, and an academic building known as the Enterprise Center which houses the Division of Global Learning and Partnerships. The University leases the bookstore building, the apartment complex, and the Enterprise Center.

Camden:

Rowan acquired the historic First National Bank and Trust Company building and annex on the corner of Cooper and Broadway across the street from a building once shared with Camden County College. The 57,000 square foot building was recently renovated to support additional students. The expanded academic facility will enable the Camden campus to grow to 1,200 students. As a part of the academic strategic plan, the University offers new full degree academic programs that are unique to the urban research mission of the campus.

The Medical Education Building ("MEB") houses CMSRU. Design of the six-story, 200,000 square foot MEB was driven by the innovative curriculum, the needs of scientists, and the requirements of the medical school administration. The MEB is located adjacent to the school's primary clinical affiliate, Cooper University Hospital, on the health campus in Camden. Space needs (small, medium, and large group classrooms, laboratories, quiet study areas, etc.) were identified and the building was programmed with these needs in mind. The facility features Active Learning Rooms, a large auditorium, a Learning Commons, a Clinical Simulation Center, and multiple floors of instructional and research lab space.

Stratford:

The RowanSOM Campus contains four major buildings. These buildings house the Rowan University School of Osteopathic Medicine, a Graduate School of Biomedical Sciences, and portions of RowanSOM's faculty practice plan (Rowan Medicine). The 120,000 square foot Academic Center contains academic and administrative offices, conference rooms, lecture halls, study rooms, laboratories, classrooms, a wellness center, a library, a cafeteria, and a television and recording studio. The 100,000 square foot Science Center includes medical laboratories, animal facilities, research labs, and research and faculty offices. The 120,000 square foot University Doctors Pavilion houses the on-site out-patient clinical practices ("Rowan Medicine"), clinical administration, faculty offices, patient procedure and treatment rooms, and teaching rooms. The University Education Center includes administrative offices, such as facilities, financial aid, public safety, information technologies and research administration. It has roughly 60,000 square feet, bringing the total of all four buildings to just less than 400,000 square feet.

Mantua Township:

The Jean & Ric Edelman Fossil Park at Rowan University provides researchers with the best window, east of the Mississippi, into the Cretaceous Period – the heyday of the dinosaurs. It is five miles from the main campus and is to be part of the University's new School of Earth & Environment. Each week in the fall and spring, hundreds of elementary and middle school-aged students visit the Edelman Fossil Park to explore how fossils form, dig for 65 million-year-old fossils that they get to keep, followed by fossil discovery and identification session. School groups of all ages visit The Edelman Fossil Park and each visit is tailored to meet the expectations of the class and teacher and to support curriculum standards. Rowan students have an unprecedented opportunity with access to the Edelman Fossil Park on top of the research that is done at the Fossil Park pertaining to the period of extinction of the dinosaurs.

Academic Programs

Below are summaries of the undergraduate and graduate degree offerings of each college, selected highlights of recent achievements, and a listing of student professional organizations.

The William G. Rohrer College of Business prepares students for professional business careers and growth into managerial positions and graduate study. Eight undergraduate degrees are offered: the Bachelor of Science in Accounting, Entrepreneurship, Finance, Human Resource Management, Management Information Systems, Marketing, and Supply Chain Management. Minors in Business Administration, Entrepreneurship, Management Information Systems, and Marketing are also offered. The curriculum provides students with a common business core and in-depth coverage in the respective major areas. The College of Business also offers a Master of Science in Finance and Master of Business Administration ("M.B.A.") degree with specializations in Accounting, Finance, Management, Management Information Systems, and Marketing. The College of Business also offers an M.S. in Finance designed to prepare students for financial analyst and financial planner positions in corporations and financial institutions. Coursework also helps students to prepare for the CFA (Chartered Financial Analysts) and CFP (Certified Financial Planner) exams, the premier certifications in the finance field. The M.B.A. program provides contemporary graduate business education to professionals of diverse fields and academic backgrounds, and prepares students to take leadership roles in their respective organizations. Certificates of Graduate Studies and Advanced Graduate Studies are also offered.

Student professional organizations include the American Marketing Association; Accounting Society; Beta Gamma Sigma International Honor Society; Bureau of Business Associations; Collegiate Entrepreneurs Organization; Financial Management Association; National Hispanic Business Association; New Jersey Collegiate Business Administration Association Honor Society; Society for the Advancement of Management; and the Society for Human Resource Management.

The College of Education builds the framework for development of the knowledge, skills, and dispositions needed to foster academic achievement, social responsibility, personal responsibility, and social justice in an intellectually rigorous and challenging environment, integrating liberal arts

education and professional studies. The College of Education offers the Bachelor of Arts in Education with recommendations for teacher certification in Elementary Education, Early Childhood Education, and various secondary content areas in Subject Matter Education along with a Bachelor of Arts in Inclusive Education and a Bachelor of Arts in Leadership and Social Innovation. ASPIRE to Teach provides Certificate of Eligibility teacher candidates with experiences and guidance to develop and deliver effective instruction to their students while earning their provisional licensure in New Jersey. Master's degree programs are offered in School Administration, Educational Technology, Higher Education, Reading Education, School Psychology, Special Education, STEM Education, Counseling in Educational Settings, Teacher Leadership, Teaching, and Urban Education & Community Studies. An educational specialist degree is offered in school psychology certification and the Doctor of Education (Ed.D.) degree is offered in Educational Leadership. All of these programs are accredited. In addition, the Ph.D. in Education has enrolled its fourth annual cohort.

Three centers and one clinic are part of the College of Education: The Learning Resource Center – South ("LRC-South"); the Center for Access, Success, and Equity ("CASE"); the Assessment and Learning Center; and the Reading Clinic. LRC-South is one of three teaching and learning centers across the State of New Jersey providing materials and resources that support the education of students with disabilities, helping them to succeed and achieve in the least restrictive environment. CASE is dedicated to conducting extensive research, offering professional services, and engaging in policy creation and reform, impacting the most persistent educational challenges – those which obstruct access, success, and equity in traditionally underserved communities. CASE also provides support to the Ph.D. in Education program. The Assessment and Learning Center is a service unit affiliated with the department of Interdisciplinary & Inclusive Education. As a state approved agency, it provides independent child study team evaluations, functional behavior assessments, reading assessments, and consultations. The Reading Clinic has existed in the College of Education for more than 80 years, serving as an instructional lab for K-12 students and providing one-on-one tutoring that is student-focused and personalized.

Active engagement in related clubs and student professional organizations enhances candidates' professional growth and preparation for careers in education. These include the Health and Exercise Science Club, Elementary Education Club, Early Childhood Education Club, and Students for Literacy Club. In addition, candidates are members of student professional organizations and honor societies such as New Jersey Student Education Association, the Association for Supervision, Curriculum, and Development, National Wellness Institute, Kappa Delta Pi (International Honor Society in Education), the Association of Worksite Health Promotion, the Eastern Athletic Trainers' Association, the Athletic Trainers Society of New Jersey, The National Art Education Association, and Chi Sigma Iota (International Honor Society of Professional Counseling).

The College of Education is strongly committed to retaining high quality teachers and diversifying the P-20 teacher workforce. P-20 is the latest in the evolution of references to education pathways and how they align to the education profession. This term addresses pre-school (the P) all the way through to workforce and career development (the 20). To this end, the College of Education created multiple Rowan Urban Teacher Academy (RUTA) programs, now in their 10th year of

operation, which serve as high school pipeline programs to attract students to work within urban and diverse learning environments. The College of Education created Project IMPACT, whose goal is to increase the representation of males from racially and ethnically diverse backgrounds in the teaching and education professions. Project IMPACT students are provided with financial assistance, experiential learning through the Men of Color Network, professional development, and academic supports as they complete their undergraduate, initial licensure preparation.

The College of Performing Arts at Rowan University develops artists and audiences of the future and promotes the arts as vital to humanity. Through rigorous professional preparation and liberal arts programs, the College of Performing Arts educates students in the disciplines of dance, music, and theatre and challenges them to develop a conceptual, critical, and creative perspective within the contemporary world. The College of Performing Arts creates, illuminates, and inspires audiences and community through public performances and artistic practice for the University and broader region. The College of Performing Arts houses two departments, the Department of Theater and Dance and the Department of Music.

The Theatre and Dance Department offers the following degree options: Bachelor of Arts in Theatre, with concentrations in Acting, Musical Theatre, Design/Technical, and Pre-Teaching; a Bachelor of Arts in Dance; a Master of Arts in Arts Administration; and a Master of Science in Teaching – Theatre Education. The Music Department offers the following degree options: Bachelor of Music in Music, with concentrations in Composition, Education, Jazz Studies, Music Therapy, and Performance; Bachelor of Arts in Music; Bachelor of Science in Music Industry; and Master of Music – Performance and Jazz Studies (on line).

Student professional organizations include the National Organization for Music Education; Phi Mu Alpha Sinfonia (national fraternity of music); Sigma Alpha Iota (international music fraternity for women); Alpha Psi Omega (theatre honor society); and Grammy U (Music Industry).

The College of Science and Mathematics prepares students for careers in industry, research, education, health care, and public service. Dedicated to excellence in undergraduate and graduate education and research and to increasing the number of students choosing these fields of study, the College promotes a student-centered approach to learning in a research-rich environment both inside and outside of the classroom. It is committed to providing students with outstanding degree programs in basic and applied sciences and mathematics and preparing them to function in a multicultural and economically interdependent world. The College of Science and Mathematics also plays an essential role in educating non-science majors.

The College of Science and Mathematics has built a research-focused curriculum in seven departments – Biological Sciences, Chemistry and Biochemistry, Physics and Astronomy, Computer Science, Mathematics, Molecular and Cellular Biosciences, and Psychology. It consists of programs that offer both undergraduate and graduate degrees. Bachelor of Science degrees include Chemistry, Biochemistry, Biology, Physics, Psychological Science, Bioinformatics, Biophysics, Computer Science, Translational Biomedical Sciences, and Mathematics. Bachelor of Arts degrees include Mathematics, Psychology, Chemistry, Computing & Informatics, and Physics. Graduate programs include Master of Arts degrees in Mathematics, Applied Behavior

Analysis, Clinical Mental Health Counseling and School Psychology, and Master of Science degrees in Computer Science, Data Analytics, Applied Biosciences (formerly Bioinformatics), and Pharmaceutical Sciences. Finally, nine certificates of graduate or advanced graduate study are available in several disciplines. The College of Science and Mathematics also offers a Ph.D. in Clinical Psychology. Three of the College of Science and Mathematics's undergradaute degree programs are accredited – the Bachelor of Science in Computer Science by the Accreditation Board for Engineering and Technology ("ABET"), the Bachelor of Science in Chemistry by the American Chemical Society, and the Bachelor of Science in Bichemistry by the American Society for Biochemistry and Molecular Biology. In addition to the above degree programs, the College of Science and Mathematics also offers a Pre-Med & Health Professions program for students interested in professional programs such as medicine and dentistry. The College of Science and Mathematics runs an annual Psychology Research Conference that showcases undergraduate and graduate student research.

The College of Science and Mathematics is engaged in attracting international students to undergraduate and graduate programs as well as developing research partnerships with international scholars and collaborates with a number of internal and external partners on research projects dealing with environmental sustainability, biomedical applications, drug delivery, patient information analysis, and others.

The College of Humanities and Social Sciences supports Rowan University's core liberal arts education with an emphasis on a 21st century professional preparation. Committed to excellence in instruction, research, and scholarship, the College's disciplines promote extensive interaction between faculty and students, attention to the individual development of critical and creative thinking, and the building of interdisciplinary educational programs at both the graduate and undergraduate level. The College's expert faculty and dedicated staff work hard to engage students in active learning both inside and outside the classroom through individual and team-based problem-solving, collaborative research, field trips, internships, simulation programs, study abroad, and peer-to-peer programing.

The College of Humanities and Social Sciences includes seven departments--English, History, Law & Justice Studies, Philosophy & World Religions, Political Science & Economics, Sociology & Anthropology, and World Languages--offering thirteen Bachelor of Arts degrees and numerous minors and certificates. The College also houses a Center for Interdisciplinary Studies offering Bachelor of Arts programs in Africana Studies, American Studies, Area Studies, International Studies, and Liberal Studies as well as interdisciplinary minors and certificates. In addition, the College houses the Exploratory Studies Program for students who have not yet chosen a major and the Pre-Business Program for students interested in business. These programs provide a broad and flexible foundation of knowledge, offering a convenient method for students to obtain skills relevant to a wide variety of careers or other degree programs. At the graduate level, the College of Humanities and Social Sciences offers the Master of Arts in History and the Master of Arts (in both traditional and online formats) in Criminal Justice as well as a Master of Science in Emergency and Threat Response Management and several Certificates of Graduate Study (COGS). Most recently, a new Master of Arts in Diversity and Inclusion has been approved.

The College of Humanities and Social Sciences focuses its efforts on three strategic Clusters of Teaching and Research Excellence: 1) Global Peace and Security; 2) Critical Citizenship and Responsibility for a Changing World; and 3) Ethical, Socio-Economic, and Environmental Impact of Science and Technology. It houses three research and teaching centers: the Hollybush Institute, created in 2007 as an academic and public affairs center inspired by the historic 1967 Glassboro summit between President Lyndon Johnson and Soviet Premier Alexei Kosygin. The Rowan Center for the Study of the Holocaust, Genocide and Human Rights was created in 2017 in hopes of becoming a leading national center in the field of Holocaust and genocide education and research. The Liberal Arts and Sciences Institute for Research and Community Service, founded in 1993, is a new Center for Professional Success which helps students prepare to enter the job market by providing career development programming, support with experiential learning, and oversight of the College's Match Internship program. Finally, the College of Humanities & Social Sciences is home to numerous clubs and honors societies, such as the Pre-Law Society, which assists students with preparing for admission to law school.

The Henry M. Rowan College of Engineering provides programs that are responsive to regional industries, regional economic aspirations, and that address the needs and changing characteristics for leading-edge engineers of the future. Rowan Engineering educates students to harness technology for the betterment of society and to serve as entrepreneurial change agents. The College of Engineering aids in the economic and cultural development of Southern New Jersey, while generating opportunities for its diverse graduates in local, national, and international industries. Ten undergraduate programs are offered, leading to Bachelor of Science degrees in Biomedical, Chemical, Civil, Electrical & Computer, Engineering Entrepreneurship, and Mechanical Engineering. The College of Engineering also offers Bachelor of Science degrees in Mechanical Engineering Technology, Electrical Engineering Technology, and Engineering Surveying Technology and a Bachelor of Arts in Construction Management. The College of Engineering offers Master of Science degrees in Biomedical, Chemical, Civil, Electrical & Computer, General, and Mechanical Engineering, along with a Master of Engineering Management and a concentration in Environmental Engineering. The College also offers an interdisciplinary Ph.D. in Engineering with five areas of specialization and a Ph.D. in Biomedical Engineering.

The Biomedical, Chemical, Civil, Electrical, and Mechanical Engineering programs are accredited by ABET, which is the recognized accreditor for college and university programs in applied science, computing, engineering, and technology. Accreditation requires a continuous improvement process in which input is received from its constituents, both external (e.g., alumni, industry, government agency) and internal (e.g., students). The College of Engineering closely monitors the improvement process, and uses surveys and constituent feedback as a tool for continuous program improvement.

Research activities in the College of Engineering continue to grow, and include sponsorship from federal sources such as the National Science Foundation, National Institutes of Health, Environmental Protection Agency, Department of Defense, and the Federal Aviation Administration. State sources of funds have included the New Jersey Department of Transportation, New Jersey Board of Public Utilities, New Jersey Department of Military and

Veterans Affairs, New Jersey Department of Community Affairs, and the New Jersey Department of Environmental Protection. Each department has also received external support from industrial partners such as Johnson-Matthey, PSEG, Edison Ventures, Lockheed Martin, Sekisui Chemical, and Inductotherm Group.

Service learning is a hallmark of the College of Engineering, and opportunities are provided throughout the curriculum for students to engage in this element of the program. Student professional organizations that have been established to facilitate service learning include the Biomedical Engineering Society (BMES), American Institute of Chemical Engineers (AIChE), American Society of Civil Engineers (ASCE), American Society of Mechanical Engineers (ASME), Engineers without Borders (EWB), National Society of Black Engineers (NSBE), Out in Science, Technology, Engineering, and Mathematics (oSTEM), Society of Hispanic Professional Engineers (SHPE), Society of Women Engineers (SWE), Institute of Electrical and Electronics Engineers (IEEE), Women in Engineering (WIE), and the Tau Beta Pi National Engineering Honor Society (TBP).

The Ric Edelman College of Communication and Creative Arts combines theoretical, creative, and practical learning in balanced programs that prepare students for a diversity of paths in the fields of communication and art. The College of Communication and Creative Art houses six departments: Art, Communication Studies, Journalism, Public Relations & Advertising, Radio/Television/Film, and Writing Arts. Within those departments there are eleven undergraduate majors: Advertising, Art, Art Education, Communication Studies, Journalism, Public Relations, Radio/Television/Film, Sports Communication & Media, Studio Art (Bachelor of Fine Arts), Biomedical Art and Visualization (Bachelor of Fine Arts), and Writing Arts. In addition, the College of Communication and Creative Arts is home to twelve undergraduate minors, two Master of Art programs (Strategic Communication and Writing), nine Certificates of Undergraduate Study, and six Certificates of Graduate Study.

The College of Communication and Creative Arts has undergone significant changes in structure and curriculum in recent years. In summer of 2013, the Department of Art joined the College of Communication, and the reorganization resulted in a change of name from the former College of Communication and a refinement of focus. Recent program additions in the College include the Bachelor of Arts in Sports Communication & Media, the Bachelor of Fine Arts in Biomedical Art & Visualization, an interdisciplinary minor in New Media, and an accelerated dual Bachelor/Master degree program in Writing Arts.

The Division of Global Learning & Partnerships, formerly the College of Graduate and Continuing Education, is the University's vehicle for serving the adult student population. Our students include college graduates pursuing graduate education and credentials; returning college students pursuing the completion of a baccalaureate degree; employees/employers seeking professional development; and life-long learners looking for personal enrichment. The division emphasizes making quality education accessible, convenient, and affordable through delivery modes that address the vast range of adult student needs and preferences. The division administers the admissions process and provides student services for graduate students. Rowan University has established a School of Professional Studies and a School of Graduate Studies as academic units

within the Office of the Provost to oversee development strategy and implementation for programs offered through Global Learning & Partnerships.

The Cooper Medical School of Rowan University welcomed its first class of students in August 2012. CMSRU, formed through an affiliation agreement between Rowan and Cooper Health System, was the first new school of medicine in the State in over 35 years and serves as a catalyst for institutional growth for Rowan's health sciences programs. On June 25, 2009, Governor Jon Corzine signed Reorganization Plan No. 002-2009, which, among other things, provided for the transfer of specific functions and resources used by the Robert Wood Johnson Medical School of the University of Medicine and Dentistry of New Jersey ("UMDNJ") to Rowan by: (i) phasing out Robert Wood Johnson Medical School as part of UMDNJ's larger medical school system; (ii) authorizing and approving the establishment of the CMSRU to replace Robert Wood Johnson Medical School as the primary medical school in southern New Jersey; and (iii) reallocating, subject to annual appropriation, certain funds appropriated by the State Legislature from UMDNJ to Rowan for the purpose of supporting the initial establishment of the CMSRU and the ongoing training of medical professionals in southern New Jersey.

CMSRU offers an array of healthcare-related educational programs. The core focus is the four-year curriculum leading to the MD degree. In addition, CMSRU offers a variety of programs designed to prepare students of all ages for careers in the health sciences, from its ongoing programs focused on bringing health sciences education to Camden's elementary school students, to summer programs for high school and college students exploring a career in the health sciences, to our post-baccalaureate program, designed to prepare students who already have a bachelor's degree to successfully navigate the route to medical school admission.

The curriculum of CMSRU is distinguished by an emphasis on active learning, early clinical experience, and a culture of service. CMSRU is engaged in educational partnerships with area institutions and organizations to promote further educational innovations. For example, an interprofessional education program has been established between CMSRU and University of the Sciences of Philadelphia's Pharmacology program. CMSRU is committed to serving and benefiting the community of Camden.

The Rowan University School of Osteopathic Medicine is a public college of osteopathic medicine located in Stratford, New Jersey. It is the only college of osteopathic medicine in the State, and, until the opening of the CMSRU in 2012, was the only four-year medical school in Southern New Jersey. Established in 1976 as part of the UMDNJ, RowanSOM became part of the University on July 1, 2013.

In particular, pursuant to the Restructuring Act, the RowanSOM, the entire RowanSOM campus located in Stratford, New Jersey, and all assets and resources allocated to the operation of RowanSOM transferred to Rowan University on July 1, 2013. The University also assumed the Graduate School of Biomedical Sciences and its programs, which are delivered by RowanSOM faculty and support the research mission of RowanSOM. These programs include the University's first Ph.D. program. With the addition of RowanSOM, the University became the second public

institution in the nation to have medical schools offering both the M.D. (Doctor of Medicine) and D.O. (Doctor of Osteopathy) degrees.

RowanSOM is in the process of establishing a second academic location as well as a Rowan Medicine office in Sewell, New Jersey. RowanSOM will be in a building constructed by Gloucester County and Rowan College of South Jersey (previously Rowan College of Gloucester County and Cumberland County College). Rowan Medicine is expected to start serving its first patients by the end of fiscal year 2021 and the first class is expected to begin in the summer of 2022.

RowanSOM is recognized within the State for its unparalleled track record in providing opportunities to attend medical school to New Jersey residents, and producing physicians, in particular primary care doctors, who remain in the State to practice. More than half of its 2,949 alumni work or train in New Jersey, making a sizable contribution to the State's physician workforce and economy. To meet the anticipated physician shortage locally and nationally in the Fall of 2018, RowanSOM expanded its incoming class size from 150 to 200, a 33.3% increase. Nationally, the school is a leader among osteopathic medical schools in the diversity of its student body and in research, and is recognized for such centers of excellence as the Child Abuse Research, Education and Service Institute and the New Jersey Institute for Successful Aging. Through its Osteopathic Postdoctoral Training Institution ("OPTI"), RowanSOM sponsors one of the largest Graduate Medical Education programs (approximately 350 interns, residents, and fellows) of all U.S. osteopathic medical schools. The OPTI includes five hospital systems – principal hospital Jefferson University Hospitals (formerly Kennedy University Hospitals) (three acute care divisions); major clinical affiliates Lourdes Health System (two acute care divisions) and Inspira Health Network (formerly South Jersey Healthcare) (two acute care divisions), and clinical affiliates Care Point Health (formerly Christ Hospital) (three acute care divisions), Cooper University Hospital, as well as dozens of affiliated training sites across the Delaware Valley region. Many of these same affiliates provide clinical placements for RowanSOM medical students. RowanSOM also is a leader in patient care, with 280,000 combined outpatient and inpatient visits per year to Rowan Medicine, the healthcare delivery enterprise of Rowan University. These services are offered on campus in The Rowan Medicine Building, a modern medical office building, at medical offices in various locations across South Jersey, and in the school's principal and major hospital affiliates, which collectively represent eight inpatient sites in five counties.

Graduate School of Biomedical Sciences (GSBS): Improving the health of individuals and communities begins with research and since it accepted its first students in 1997, the faculty and students of the GSBS on the Stratford campus have been expanding the boundaries of knowledge in biochemistry, cell biology, molecular biology, genetics, pathology, and neuroscience. The GSBS had its origins as a program in the biomedical sciences in the former Seton Hall College of Medicine and Dentistry, which was established in 1956. A decade later, New Jersey consolidated medical and dental education, and GSBS became a separate school of the State's Health Sciences University in 1969, first in Newark and subsequently expanded to campuses in Piscataway/New Brunswick and Stratford. GSBS's July 2013 integration with Rowan University has expanded the

school's reputation, reach and research prowess to earn the designation of New Jersey's second comprehensive public research institution.

The breathtaking speed of discovery and innovation in today's world is reflected in the compelling mission of GSBS—to develop scientists who will contribute new knowledge in the biomedical disciplines through creative research and scholarship. More than 700 alumni who have earned advanced degrees at GSBS have benefited from unparalleled access to research faculty whose discoveries have opened new doors to the world's understanding of disease.

GSBS and RowanSOM share more than the Stratford campus; faculty provide classroom instruction for RowanSOM and GSBS students along with research opportunities. A joint D.O./Ph.D. program provides physician scientists with the unique experience to not only practice medicine, but also contribute to the study of diseases and new medical treatments or to become educators of the next generation of physicians.

The GSBS offers a Ph.D. in Cell and Molecular Biology, Master of Science in Cell and Molecular Biology, Master of Science in Biomedical Sciences, Master of Biomedical Sciences, Master of Science in Molecular Pathology and Immunology, and Master of Science in Histopathology. In addition, GSBS offers 6 accelerated B.S./M.S. in Cell and Molecular Biology dual degree programs in partnership with the Rowan University College of Science and Mathematics. The six B.S. degree programs are in Biochemistry, Bioinformatics, Biology, Biophysics, Molecular and Cellular Biology, and Translational Biomedical Science.

The **School of Health Professions** operates as the multidisciplinary home for current and developing health related programs. Health care and health sciences are experiencing unprecedented expansion. The need for qualified professionals with expertise and experience to engage in health professions careers continues to increase. The School of Health Professions trains students to join the health-related professions, expands research opportunities at the University, and promotes collaboration within and beyond the University.

The School of Health Professions consists of two departments: Nursing and Health and Exercise Science. The School offers Bachelor of Arts degrees in Health Studies, Health Promotion and Wellness Management, and Community Health. It offers Bachelor of Science degrees in Nutrition, Exercise Science and Nursing (R.N. to B.S.N.). The School of Health Professions also offers the Master of Arts in Wellness & Lifestyle Management, Master of Science in Athletic Training, Master of Science in Nutrition & Dietetics, and Master of Science in Nursing.

The **School of Earth & Environment** was established in 2015 and provides students with pathways into some of the most exciting and important careers of the 21st century. Focusing on climate change, sea level rise, the degradation of our oceans, our planet's biodiversity crisis, and innovative, sustainable solutions, the school's students master the knowledge and skills necessary to become leaders among those who will restore our world. Over the school's short history, its faculty have achieved international recognition by conducting cutting-edge, externally funded research and by publishing their results in leading scholarly journals. Science communication is at

the core of the School of Earth & Environment, which is closely tied to the university's STEM Center and the Jean & Ric Edelman Fossil Park and Museum.

The School of Earth and Environment houses three departments: Geology; Environmental Science; and; Geography, Planning, and Sustainability, and offers a Bachelor of Arts in Geography, a Bachelor of Arts in Environmental and Sustainability Studies, a Bachelor of Science in Community and Environmental Planning, a Bachelor of Science in Geographic Information Science, a Bachelor of Arts and Bachelor of Science degrees in Geology, and Bachelor of Arts and Bachelor of Science degrees in Environmental Science, as well as a Master of Science in Urban and Regional Planning, and a Ph.D. in Geology.

Retention and Success Programs

The University recognizes the need for specialized programs to support student success to ensure retention and timely graduation. Since 2012, Rowan has built a strong infrastructure including academic support services, professional proactive advising, career development services, and services for students from underserved populations. Below are descriptions of some the programs and their functions.

The **Rowan Seminar** program is designed to facilitate first-year students' successful transition to the University. All first-year students are required to complete a Rowan Seminar course. These courses are special sections of regular courses throughout the University. Each section enrolls 20 or fewer students to permit individual faculty attention to each student. Although addressing widely varying subject matters, Rowan Seminar courses share four goals: strengthen writing and critical thinking skills through their application to specific course content; nurture library research skills within a course context; reinforce the value of cooperative learning; and strengthen academic skills.

The Office of Academic Support Programs provides services for transfer students. Students at any stage of transferring, from initial inquiry to graduation from the University, can email transferhelp@rowan.edu and get a fast, accurate answer to any question. This email hotline is staffed by a dedicated cadre of administrators and staff. Additionally, new transfer students are invited to Transfer Topics Workshops. These sessions are offered five to six times per semester and encourage new transfer students to interact with staff and other students while learning about important University resources such as the Office of Career Advancement, advising and registration, and financial planning.

Early Alert and Intervention Programs include numerous collaborative initiatives of administrators and staff in Student Affairs and Academic Affairs to support students at risk of entering academic jeopardy. Intervention and support is offered to students who are reported as not attending class or performing poorly on class assignments; who fail to register in a timely manner for the following semester; and who earn grade point averages that place them at risk of academic probation. Additionally, the Rowan Success Network Powered by Starfish is an online retention platform that connects students, professors, and advisors to allow for comprehensive communication regarding and tracking of student issues. Much of this work is coordinated by the Cares Team, a group with representation from multiple functional areas including Housing, Disability Resources, Conduct, Dean of Students, Advising, and Wellness which provides holistic reviews and action plans for students who are referred by concerned faculty, staff, and others.

University Advising Services is comprised of more than 40 professional advisors who serve students in an assigned academic program. The advisors engage students in the development and implementation of meaningful educational goals, informed academic planning, and major selection consistent with their personal values, interests, and abilities. Proactive outreach, extensive use of data for identifying at-risk students, and consistent protocols ensure a quality academic advising experience for students at Rowan.

Multiple **Degree Completion Initiatives** address issues that students can experience in the later stages of their academic programs, which can lead to dropping out of college after amassing a significant number of credits and, often, student loan debt. The Bachelor of General Studies ("B.G.S."), Rowan's most flexible degree program, focuses on a strong liberal arts foundation, an individualized focus area, and career preparation. Since 2013, 225 students have earned B.G.S. degrees who otherwise would have left Rowan without a Bachelor's degree. A streamlined reenrollment process for returning students and a process to track and support students on a leave of absence assist students who may not have returned to Rowan following a time away. Additionally, through **Project Graduation Quest**, special staff reach out to former students who have left prior to graduation to invite them to return and to inform them about new options to complete their degrees. Online, evening, and off-site coursework and programs also enable working adults to stay enrolled and graduate.

Additional Cross-Disciplinary Offerings

In addition to its academic programs within the disciplines, the University offers special programs for students across the campus. Below are descriptions of the missions and key contributions of these programs.

The Honors College houses the Thomas N. Bantivoglio Honors Concentration ("Honors Concentration"), offering unique educational opportunities for a select group of high-achieving students from all colleges at the University. The Honors Concentration requires those who enter as freshmen to complete eight courses, which satisfy the requirements of their majors, minors, and the Rowan Core, but are taught at a more intellectually stimulating level than non-Honors courses and use innovative pedagogical strategies. These discussion-based classes engage students in ideas and approaches they would not otherwise encounter. Students in the Honors Concentration receive instruction from the University's best faculty in classes capped at 20. These citizen scholars are also expected to be actively engaged in activities on the University's campus as well as in the wider community. Although Honors students have to meet high academic and participatory expectations, they also enjoy a number of special privileges such as guaranteed campus cluster housing, their own computer cluster and student lounge, priority registration, extended library borrowing, and numerous extracurricular activities (student-run Honors interest groups, invited speakers, and free trips to museums and cultural events in New York, Philadelphia, and Washington, D.C.). They are also eligible for funding to study abroad as well as financial support for independent research. Honors Concentration is supported by a significant donation from Thomas N. Bantivoglio, their benefactor, which allows the Honors Concentration to provide its students with opportunities for learning, participation, and service that set them apart from other students. Honors courses and the designation Honors Studies appear on students' transcripts and diplomas.

The **International Center** (the "Center") actively supports international initiatives at the University. The Center supports the internationalization and globalization of Rowan University by offering comprehensive services in the following areas: creation and cultivation of partnerships with overseas institutions, cultural adjustment of international students, English Language Program for international students, immigration advising for international students and scholars,

international travel policy, recruitment and admissions of international graduate students, and study abroad programs. The Center is committed to providing support services to students, faculty, and professionals engaged in international education and research; coordinating and presenting internationally focused programs to the Rowan community; and building partnerships with foreign institutions to provide global learning experiences. The Center is responsible for the support of International Students and Scholars at Rowan and remains available to support international students through walk-in advising, academic and cultural workshops, enrichment activities, and social programming. Our diverse international student population also serves as an important peer network for their fellow students and contributes to our mission of sustaining an environment that fosters personal growth, cultural understanding, and academic success. The staff of the Center understands the unique needs of international students and is committed to providing excellent service throughout their time at the University. As part of its Study Abroad program, the Center offers Rowan students the opportunity to study throughout Africa, Asia, Australia, Europe, and Central and South America. These programs create multiple ways to prepare our students for a global market, which comes with very diverse products, services, and ideas. Students work with academic advisors in their major to select a course of study that enables them to complete one semester, one year, or a summer session. All credits count toward a Rowan degree, and all scholarships and financial aid are applicable. The Center also offers intensive English language training for international students and local immigrants around the year.

Co-Curricular Activities and Services

The University recognizes the value of a structured plan for engaging students in purposeful educational activities both inside and outside of the classroom. Co-curricular activities provide students with the opportunity to develop a commitment to ethical behavior, civic engagement, and inclusiveness as well as strengthen their intellectual, workplace, critical decision-making, and practical application skills. The Division of Student Life serves as a catalyst for a significant number of engagement opportunities for students. Opportunities for student involvement across campus include Freshman Connection, Leadership Rowan, Rowan After Hours, Admissions Ambassadors, Intramurals, Residential Learning and University Housing, Learning Communities, Service Learning and Volunteerism, Student Government, Fraternities and Sororities, Peer Mentoring Programs, Student Patrol, Community Safety Assistants, Resident Assistant Program, Student Internships and Employment, Peer Referral and Orientation Program, Student Tutor Program, Campus Hearing Board, and a variety of student clubs and organizations to provide opportunities for students to increase their knowledge, skills, and experience as they prepare themselves for living in a complex world.

Athletic Programs

The University has 18 varsity athletic teams (8 men, 10 women) that are members of the NCAA Division III, the New Jersey Athletic Conference (NJAC), and Eastern College Athletic Conference. The University has won 11 NCAA Championships in the past three decades and more than 120 NJAC Championships in the past five decades. As a Division III institution, the University is committed to providing both a challenging competitive experience and a successful academic experience for its student athletes. The athletic programs enhance the profile of the University through their active recruitment and successful retention of students. Athletics brings

more potential students to the campus than any other program. The graduation rate of the student athletes is well above, not only the national norm, but also the norm for all Rowan students.

Accreditation

The University is accredited by the Middle States Commission on Higher Education. Additional accreditations and professional affiliations of programs are as follows:

- The William G. Rohrer College of Business: Association to Advance Collegiate Schools of Business; Computing Accreditation Commission of ABET.
- The Ric Edelman College of Communication and Creative Arts: National Association of Schools of Art and Design; Certification in Education for Public Relations.
- The College of Education: Counsel for the Accreditation of Educator Preparation; Association for Childhood Education International; American Council on the Teaching of Foreign Languages; Council for Exceptional Children; Educational Leadership Constituent Council; International Reading Association; National Association for the Education of Young Children; National Association of School Psychologists; National Association for Sport and Physical Education; National Council of Teachers of English; National Council of Teachers of Mathematics; National Science Teachers Association; Teachers of English to Speakers of Other Languages; Council for Accreditation of Counseling and Related Educational Programs.
- The Henry M. Rowan College of Engineering: Engineering Accreditation Commission of ABET.
- The College of Performing Arts: National Association of Schools of Music; National Association of Schools of Theatre.
- The College of Science and Mathematics: American Chemical Society; Computing Accreditation Commission of ABET; American Institute of Physics.
- The Cooper Medical School of Rowan University: Liaison Committee on Medical Education (full accreditation was conferred in June 2016).
- The School of Osteopathic Medicine: Commission on Osteopathic College Accreditation, American Osteopathic Association; Council on Osteopathic Postdoctoral Training Institutions, American Osteopathic Association.
- The School of Health Professions: Commission on Accreditation of Athletic Training Education; National Wellness Institute; Commission on Collegiate Nursing Education, American Association of Colleges of Nursing.

Enhancing Educational Excellence through Philanthropic Support

The mission of the Division of University Advancement is to build strong, lasting relationships with the University among alumni, donors and other key constituents to encourage investment in and support of Rowan University. The University has made significant progress in the area of philanthropy over the past several years.

In FY 2015, following a subsequent gift announcement from the Henry M. Rowan Family Foundation of \$15 million, the College of Engineering was renamed the Henry M. Rowan College of Engineering in Mr. Rowan's honor.

In FY 2017, the University received a record-breaking gift of \$25 million from alumni Ric and Jean Edelman—the largest gift from alumni in the institution's history and the second largest gift in the University's history.

In FY 2019, the William G. Rohrer Charitable Foundation donated \$5 million to establish an endowment within the William G. Rohrer College of Business to recruit, support and graduate honors business students.

In FY 2020, Ric and Jean Edelman committed another \$10 million to create an endowment to support academic scholarships and professional development for students majoring in studies leading to a degree from the College of Communication and Creative Arts.

As the University gathers momentum following transformational milestones, the Division of University Advancement continues to build on its successes to meet the demands of the growing institution. The University's first comprehensive campaign, initiated in 2014, was publicly launched on April 5, 2019 with a goal of \$120 million. This six year campaign concluded June 30, 2020. To date, the University has secured \$120.4million (100.3% of goal) in new gifts and pledges including the gifts from the Henry M. Rowan Family Foundation, William G. Rohrer Charitable Foundation and Ric and Jean Edelman described above.

As of June 30, 2019, the Rowan University Foundation reported a net position of \$237.1 million. The Rowan University Foundation Board is responsible for the investment of the gifts and makes annual grants to the University. Amounts received by the University from the Rowan Foundation in fiscal years 2015 through 2019 are as follows:

Rowan University Foundation Allocations to University

\$8,110,814	FY 2015
\$11,888,095	FY 2016
\$9,307,903	FY 2017
\$11,061,684	FY 2018
\$10,928,523	FY 2019

Governing Body

The governing body of the University is a Board of Trustees ("Board") consisting of fifteen lay members who are citizens of the State, a voting student trustee, a non-voting student trustee, and the President of the University who is <u>ex</u>-officio, non-voting. The Governor appoints each lay member with the advice and consent of the State Senate for six-year terms; upon expiration of their term, the board member continues to serve until the new board member assumes their seat.

The Board is responsible for determining the mission and goals of the University, establishing policies, setting educational curriculum, fixing tuition rates and fees, entering into contracts and agreements, granting diplomas, and borrowing money on behalf of the University. The Board also appoints and reviews the President of the University.

The present Board, their respective places of business or residence (in New Jersey), expiration date of their current terms and occupations are:

<u>Trustee</u>	Term Expires	Occupation
Isabelita Marcelo Abele Mullica Hill, NJ	June 30, 2021	President and CEO U.S. Lumber, Inc.
Brenda J. Bacon Voorhees, NJ	June 30, 2021	President and CEO Brandywine Senior Living
Chad Bruner Chair Sewell, NJ	June 30, 2023	Gloucester County Administrator
Michael Carbone Mullica Hill, NJ	June 30, 2023	Senior Vice President and Regional President, Metro Philadelphia TD Bank
Dr. Barbara Chamberlain Williamstown, NJ	June 30, 2020*	Education Specialist New Jersey State Nurses Association
Jean Edelman Great Falls, VA	June 30, 2025	Co-Founder Edelman Financial Services
Dr. Thomas J. Gallia Glassboro, NJ	June 30, 2021	Vice President Emeritus Rowan University
Frank Giordano Moorestown, NJ	June 30, 2020*	President Atlantic Trailer Leasing

<u>Trustee</u>	Term Expires	Occupation
Fred Graziano Bonita Springs, FL	June 30, 2022	Retired, Executive Vice President TD Bank Financial Group
George S. Loesch Mt. Laurel, NJ	June 30, 2022	Special Projects, Marketing and Business Development Executive Conner Strong & Buckelew
Martin F. McKernan, Jr. Cherry Hill, NJ	June 30, 2019*	Senior Partner McKernan, McKernan & Godino
Robert C. Poznek Vice Chair Williamstown, NJ	June 30, 2019*	Chief Financial Officer Nest International
Linda Rohrer Haddon Township, NJ	June 30, 2019*	President Rohrer & Sayers Real Estate
Larry Salva Secretary Philadelphia, PA	June 30, 2025	Retired, Executive Vice President & Chief Accounting Officer Comcast Corporation
Virginia Smith Upper Makefield, PA	June 30, 2022	Chair and Vice President Inductotherm Corporation
Ali Houshmand Mullica Hill, NJ	Ex-officio	President Rowan University

^{*} Serving in a holdover capacity until a replacement is named

Administrative and Academic Officers

The major administrative and academic officers of the University include the President, as chief executive officer and <u>ex</u>-officio member of the Board, a Provost/Senior Vice President for Academic Affairs; a Dean of Cooper Medical School of Rowan University; a Dean of the School of Osteopathic Medicine; a Senior Vice President for Finance and Chief Financial Officer; a General Counsel; and an Executive Vice President for Policy and External Relationships/Partnerships; and a Vice President for University Advancement and Executive Director of the Rowan University Foundation. The persons currently holding said offices are as follows:

Dr. Ali Houshmand was named the 7th President of Rowan University in July of 2012 after serving briefly as Interim President. Dr. Houshmand was appointed Provost, effective August 2006. Dr.

Houshmand came to Rowan University from Drexel University, where he was Dean of the Goodwin College of Professional Studies since 2001. In January 2004, Dr. Houshmand served for eighteen month as Interim Provost and Senior Vice President for Academic Affairs at Drexel. Dr. Houshmand has a doctoral and master's degree in industrial and operations engineering from the University of Michigan (Ann Arbor). He also holds a bachelor's and master's degree in mathematics and mathematical statistics, respectively, from the University of Essex, UK.

Dr. Anthony (Tony) Lowman is the Provost and senior vice president for Academic Affairs effective July 1, 2019. Dr. Lowman has served as Dean of the Henry M. Rowan College of Engineering since 2013 where he has had a tremendously successful tenure, including the development of Engineering's Ph.D. programs, the rapid integration of research throughout all the departments, the formation of critically important industry partnerships and the elevation of the College of Engineering's reputation nationally. He is a dynamic leader who is credited, in part, with the great strides the University has made in recent years. He has published more than 100 refereed journal articles and book chapters, and has more than 20 US and worldwide patents issued. He was previously honored as one of the top 100 Scientific Innovators in the world under the age of 35 as named by the MIT-Technology Review Magazine. Dr. Lowman received his degrees in chemical engineering at the University of Virginia (B.S., 1993) and at Purdue University (Ph.D., 1997).

Annette C. Reboli M.D., FACP, FIDSA, FSHEA is the Dean and Professor of Medicine of Cooper Medical School of Rowan University. She serves as the Chief Academic Officer, executive and intellectual leader of the medical school. She served as interim Dean from 2009 – 2010 and Founding Vice Dean from 2010 – 2016. She led the institution through all phases of the accreditation process. Dr. Reboli earned her medical degree from Georgetown University School of Medicine in 1981. She is board certified in Internal Medicine and in Infectious Diseases. She was a Professor of Medicine at the University of Medicine and Dentistry of New Jersey/Robert Wood Johnson Medical School. From 1999-2010 she was the Hospital Epidemiologist and the Head of the Infectious Diseases Division at Cooper University Healthcare in Camden New Jersey. She served as the Deputy Chief of the Department of Medicine from 2007 – 2010. She is internationally known for her research on invasive candidiasis. She is a Fellow of the American College of Physicians, the Infectious Diseases Society of America, and the Society of Hospital Epidemiologists of America.

Thomas A. Cavalieri, D.O., FACOI, FACP, AGSF is the Dean of the School of Osteopathic Medicine. A nationally-renowned geriatric educator and clinician, Dr. Cavalieri became interim Dean in 2006 and was appointed permanently in 2008, following a national search. Dean Cavalieri received his degree as Doctor of Osteopathic Medicine from the College of Osteopathic Medicine and Surgery in Des Moines, Iowa in 1976. He is a Fellow of the American College of Osteopathic Internists, the American College of Physicians, and the American Geriatric Society. He also holds the Endowed Chair for Primary Care Research and is a tenured Professor of Medicine at RowanSOM. He previously served as the Director of the New Jersey Institute for Successful Aging (formerly the Center for Aging, where he was Founding Director), and Chair of the Department of Medicine. Dr. Cavalieri has held leadership roles in professional bodies at both the national and state levels. Nationally, he was the Chairman of the National Board of Osteopathic Medical

Examiners, President of the American College of Osteopathic Internists, and Chairman of the Committee on Interdisciplinary, Community Based Linkages, which is an advisory committee to the U.S. Department of Health and Human Services. He currently serves as chair of the Commission on Osteopathic College Accreditation (COCA), the body responsible for accrediting all new and existing colleges of osteopathic medicine nationally. At the state level, he has chaired the New Jersey Commission on Aging, and served on the State's Drug Utilization Review Board and the Advisory Committee to the New Jersey State Board of Medical Examiners.

Joseph Scully is Senior Vice President for Finance and Chief Financial Officer. Mr. Scully joined Rowan in October 2000. Mr. Scully has over 30 years of accounting and finance experience holding financial positions in both higher education and health care. In his current capacity he is directly responsible for the effective operation and management of the Finance Division and the financial affairs of the University. He is responsible for leading and managing the University operations that include financial reporting, accounting, budgeting and analysis, payroll, procurement, accounts payable, bursar and treasury functions. Mr. Scully is a graduate of LaSalle University, where he received a B.S. in Accounting and an MBA in Finance. Mr. Scully is also a Certified Public Accountant.

Melissa Wheatcroft, Esquire is the General Counsel. She began her legal career in private practice at Archer and Greiner, P.C., in Haddonfield, New Jersey in the labor and employment department in 1999. Melissa's practice included litigation and employer counseling on all issues relating to labor and employment law. Melissa joined Bancroft Neurohealth, later renamed Bancroft, a non-profit provider of residential and educational services to individuals with brain injuries and developmental disabilities in 2005 as General Counsel. Melissa was promoted to Vice President of Quality Management and General Counsel and assumed responsibility for all internal investigations, risk management, and legal affairs at Bancroft in 2006. She served in that role until 2011 when she became Vice President of Operations and assumed responsibility for all programs at Bancroft. Ms. Wheatcroft joined Rowan in November 2012 as Associate General Counsel. In that role, she provided legal consultation to all colleges and departments and managed daily legal matters of the University. Ms. Wheatcroft became a member of the President's Administrative Cabinet in 2013 and was promoted to General Counsel in October, 2015. Ms. Wheatcroft graduated summa cum laude from Rutgers Law School at Camden in 1999 and earned her undergraduate degree in Spanish also summa cum laude from St. Joseph's University in 1996.

Steven D. Weinstein is the Executive Vice President for Policy and External Relationships/Partnerships. Mr. Weinstein came to the University in the fall of 2012. Mr. Weinstein served as a member of Rowan's Board of Trustees from 1990-1996. He held the position of board chairman when Henry and Betty Rowan made their historic \$100 million gift to the University in 1992. Weinstein joined Florio Perrucci Steinhardt & Fader in 2010. Prior to that, he was a partner for 27 years with the national law firm of Blank Rome, serving for most of that time as the administrative partner of the New Jersey office. Weinstein earned his bachelor's degree from Rutgers University and his law degree from Rutgers-Camden Law School. He is a member of the Camden County Bar Association, the New Jersey State Bar Association, and the Chamber of Commerce of Southern New Jersey.

R.J. Tallarida was appointed Vice President for University Advancement in July 2015 and serves as Executive Director of the Rowan University Foundation. An accomplished leader, he has been instrumental in building and growing Rowan University's fundraising and external engagement programs. Mr. Tallarida is responsible for the management and operations of the Advancement Division and the Foundation including major and principal gifts, alumni engagement, corporate and foundation relations, advancement services, advancement communications, stewardship and foundation events. He oversees a staff of 32 and a foundation net assets of \$237 million. Mr. Tallarida joined Rowan University in 2008 as Development Director and was promoted to progressively responsible positions including Assistant Vice President for Development and Associate Vice President for University Advancement before being named Vice President. Prior to joining the University, he served as deputy chief of staff for a member of the United States House of Representatives and managed the congressman's legislative office in Washington, D.C. Mr. Tallarida has been instrumental in building and growing Rowan's fundraising and external engagement programs and in helping the team capitalize on the institution's growing momentum and opportunities. He earned a bachelor's degree from Temple University.

Faculty Data

For the 2019-2020 academic year, the full-time teaching faculty total 489. For the 2019-2020 academic year, 66% of the full-time teaching faculty holds doctoral or other appropriate terminal degrees. The overall student/faculty ratio of full-time equivalent students to full-time equivalent faculty in academic year 2019-2020 is 17 to 1.

Source: Common Data Set 2019-2020.

Enrollment Data

The following tables present the enrollment data for full-time, part-time and summer session students at the University on both a full-time equated ("FTE") and head count basis for the indicated academic years.

Undergraduate Enrollment

	Full-	<u>Time</u>	Part-	Time	Sum	<u>mer</u>	To	<u>tal</u>
<u>Year</u>	<u>FTE</u> (1)	Actual (2)	<u>FTE</u> (1)	Actual (2)	<u>FTE</u> (1)	Actual (3)	<u>FTE</u> (1)	Actual (2)
15-16	11,185	12,498	647	2,336	519	3,557	12,351	18,391
16-17	12,242	13,523	718	2,592	517	3,733	13,477	19,848
17-18	13,089	14,668	793	2,939	585	4,140	14,467	21,747
18-19	13,425	15,169	962	3,811	556	3,651	14,943	22,631
19-20	13,486	15,215	937	3,622	572	3,806	14,995	22,643

Graduate Enrollment (Traditional)

	<u>Full-</u>	<u>Time</u>	Part-	Time	Sun	<u>ımer</u>	<u>To</u>	<u>tal</u>
Year	<u>FTE</u> (1)	Actual (2)	<u>FTE</u> (1)	Actual (2)	<u>FTE</u> (1)	Actual (3)	<u>FTE</u> (1)	Actual (2)
15-16	353	527	640	2,173	286	1,414	1,279	4,114
16-17	385	571	577	2,041	283	1,456	1,245	4,068
17-18	356	552	602	2,140	247	1,304	1,205	3,996
18-19	405	627	671	2,327	261	1,372	1,337	4,326
19-20	513	789	689	2,374	308	1,586	1,510	4,749

⁽¹⁾ Full-Time Equated ("FTE") means the total number of instruction credits taught in the University each year divided by 30 for undergraduate students and by 24 for graduate instruction credits.

Source: University 10th Day Enrollment Records

⁽²⁾ Unduplicated head count (fall/spring)

⁽³⁾ Unduplicated head count (summer only)

Admissions

The table below presents the number of first time degree seeking undergraduate applicants, the number of those applicants accepted, the percentage of the first time applicants accepted, the number of those applicants registered, the percentage of the transfer acceptances registered and the number of transfer students registered for the Fall semester for the years indicated.

Full-Time and Part-Time Admissions

Fall <u>Semester</u>	Number of First Time Undergraduate <u>Applicants</u>	First Time Undergraduate Applicants <u>Accepted</u>	% of Undergraduate Applicants <u>Accepted</u>	First Time Undergraduate Applicants <u>Registered</u>	% of Transfer Acceptances Registered	Number of Transfer Students Registered
2015	12,289	8,735	71.1	2,229	63.3	1,636
2016	13,520	9,601	71.0	2,401	65.7	1,798
2017	14,068	9,766	69.4	2,466	69.3	1,965
2018	14,221	10,341	72.7	2,688	66.7	1,903
2019	14,695	10,890	74.1	2,695	57.6	1,682

Source: University 10th Day Enrollment Records

SAT Scores

Presented below is the mean math, verbal and combined SAT scores of first time entering students at the University for the Fall semesters of the years indicated:

Fall Semester	Mean Score Verbal	Mean Score Math	Combined
*2015	640	649	1,289
*2016	636	648	1,284
*2017	635	646	1,281
*2018	633	646	1,279
*2019	633	649	1,282

^{*}Regular Admits (All SAT scores are converted to the new SAT score format for comparison purposes.)

Source: University 10th Day Enrollment Records

Degrees Conferred

The table below details the number of degrees awarded for the academic years indicated (Fall, Spring & Summer graduations).

Academic Year	Bachelors Degrees <u>Awarded</u>	Masters Degrees <u>Awarded</u>	Doctoral Degrees <u>Awarded</u>	MD Degrees <u>Awarded</u>	Osteopathic Medicine <u>Degrees Awarded</u>
14-15	2,890	534	36	N/A	145
15-16	2,721	550	37	43	152
16-17	3,035	565	40	57	166
17-18	3,710	572	42	72	142
18-19	3,858	551	27	75	156

Source: University Graduation Records

Applications, Acceptances and Matriculations - CMSRU

The table below represents the number of applicants, the number of those applicants accepted and the number of those who registered at the CMSRU.

Year	Applications	Acceptances	Matriculations
15-16	2,115	131	79
16-17	3,202	176	88
17-18	2,474	173	96
18-19	2,319	204	107
19-20	3,468	237	111

Source: University 10th Day Enrollment Records

The number of applications includes the number of Rowan University Secondary Applications received, which are the only applications considered for admission. The Common Applications received through the American Medical College Application Service are not considered for admission and thus are not counted in the application total.

MCAT Scores - CMSRU

The following table represents the average MCAT scores of the entering students at the CMSRU.

<u>Year</u>	<u>MCAT</u>
15-16	10.07 (30)
16-17	9.37 (28)
17-18	508*
18-19	509*
19-20	510*

Source: CMSRU Records

Enrollment - CMSRU

The following table represents the unduplicated enrollment at the CMSRU.

<u>Year</u>	Student <u>Enrollment</u>
15-16	261
16-17	319
17-18	361
18-19	389
19-20	424

Source: University 10th Day Enrollment Records

^{*}Starting in year 17-18 the new MCAT scores are shown.

Applications, Acceptances and Matriculations - RowanSOM

The table below represents the number of applicants, the number of those applicants accepted and the number of those who registered at the RowanSOM.

School	Year	Applications	Acceptances	Matriculations
School of Osteopathic	15-16	3,027	265	162
Medicine*	16-17	2,859	311	186
	17-18	3,129	325	186
	18-19	3,071	325	200
	19-20	3,056	414	202
Graduate School of	15-16	21	4	2
Biomedical Sciences -	16-17	31	10	7
PhD program	17-18	25	8	3
	18-19	24	14	6
	19-20	30	14	5
Graduate School of	15-16	154	100	73
Biomedical Sciences -	16-17	184	84	64
Master's program	17-18	187	98	77
	18-19	194	104	32
	19-20	194	108	51

Source: University 10th Day Enrollment and RowanSOM Records

^{*}The number of applications includes the number of Rowan University Secondary Applications received, which are the only applications considered for admission. The Common Applications received through the American Medical College Application Service are not considered for admission and thus are not counted in the application total.

MCAT Scores - RowanSOM

The following table represents the average MCAT scores of the entering students at the RowanSOM.

<u>Year</u>	MCAT
15-16	9.17 (28)
16-17	8.67 (26)
17-18	503*
18-19	505*
19-20	506*

Source: RowanSOM Records

Enrollment - RowanSOM

The following table represents the unduplicated enrollment at the RowanSOM.

School	<u>Year</u>	Student <u>Enrollment</u>
School of Osteopathic Medicine	15-16	647
	16-17	676
	17-18	695
	18-19	745
	19-20	784
Graduate School of Biomedical	15-16	25
Sciences - PhD program	16-17	25
	17-18	26
	18-19	25
	19-20	25
Graduate School of Biomedical	15-16	135
Sciences - Master's program	16-17	147
	17-18	137
	18-19	124
	19-20	117

Source: University 10th Day Enrollment Records

^{*}Starting in year 17-18 the new MCAT scores are shown.

Tuition, Fees and Charges

University students are required to pay tuition, room and board, and fees in accordance with the following schedule (data provided on per-semester basis):

<u>Tuition</u>	Academic Year 2016-17	Academic Year 2017-18	Academic Year 2018-19	Academic Year <u>2019-20</u>	Academic Year 2020-21
Undergraduate (State Residents)	\$4,717.00	\$4,830.00	\$4,929.00	\$5,038.00	\$5,038.00
Undergraduate (Out-of-State Residents)	\$8,852.00	\$9,064.00	\$9,250.00	\$9,454.00	\$9,454.00
Room and Board					
Average Room Charge	\$3,804.00	\$3,918.00	\$4,036.00	\$4,157.00	\$4,282.00
Average Board Charge	\$2,040.00	\$2,065.00	\$2,105.00	\$2,157.00	\$2,204.00
<u>Fees</u>					
Undergraduate	\$1,837.00	\$1,881.00	\$1,919.50	\$1,962.00	\$1,962.00

Source: University Records

Annual TuitionStudents are required to pay tuition in accordance with the following schedule:

	Year	<u>Resident</u>	Non-resident
School of Osteopathic Medicine	16-17	\$38,201	\$61,292
	17-18	39,156	62,823
	18-19	40,135	64,393
	19-20	41,339	66,324
	20-21	41,339	66,324
Graduate School of Biomedical	16-17	\$7,964	\$11,535
Sciences - PhD program	17-18	7,964	11,535
	18-19	7,964	11,535
	19-20	8,202	11,882
	20-21	8,202	11,882
Graduate School of Biomedical	16-17	\$772	\$969
Sciences - Master's program	17-18	791	993
Note: \$ per credit	18-19	811	1,018
	19-20	835	1,049
	20-21	835	1,049
Cooper Medical School of Rowan University			
School of Medicine	16-17	\$37,044	\$58,788
	17-18	38,155	60,552
	18-19	39,300	62,369
	19-20	40,479	64,240
	20-21	40,479	64,240
Fees	16-17	\$1,761	\$1,761
	17-18	1,850	1,850
	18-19	2,290	2,290
	19-20	2,290	2,290
	20-21	2,290	2,290

Source: University Records

Legislative Appropriations

The New Jersey State legislative appropriations made to the University and the University's operating budget for the past five fiscal years are as follows:

Fiscal	Legislative	Adjustments	Legislative	Operating
Year	Appropriations	(1)	Appropriations per	Budget ⁽⁵⁾
Ending June 30	per State Budget		Rowan Financial Statements	
2016	\$86,583,000	\$0	\$86,583,000 (2)	\$464,205,303
2017	\$87,883,000	\$5,662,809	\$82,220,191 (3)	\$487,990,427
2018	\$87,883,000	\$16,434,494	\$71,448,506 ⁽³⁾	\$516,655,500
2019	\$92,883,000	\$15,609,841	\$77,273,159 ⁽⁴⁾	\$515,770,327
2020	\$94,479,000	\$31,555,836	\$62,923,164 ⁽⁴⁾	\$547,351,843

- (1) Starting in FY17 the appropriations were reduced by \$5.7 million due to the implementation of the NJ Medicaid Access to Physician Services ("MAPS") Program within the New Jersey Medicaid program. The implementation of MAPS is projected to have a minimal impact to the University since as part of this change a pass through payment to Cooper Hospital was reduced by \$5.2 million. There are also increased reimbursement rates from Medicaid which are expected to benefit RowanSOM. The MAPS adjustment in FY18 was \$16.4 million (reduction in appropriations of \$16.7 million offset by \$0.3 million true-up receivable) with a reduction of the flow through payment of \$15.4 million. The MAPS reduction in FY19 was \$15.6 million with a reduction of the flow through payment of \$14.4 million. The MAPS reduction in FY20 was \$19.4 million with a reduction of the flow through payment of \$17.5 million. FY20 also saw a decrease of \$12.2 million in state appropriations due to the effects of COVID-19 on the State's revenue.
- (2) Includes a one-time appropriation of \$1.2 million for the Center for Research and Education in Advanced Transportation Engineering ("CREATEs").
- (3) Both FY17 and FY18 include a one-time appropriation of \$2.0 million for CREATEs and \$0.5 million for the College of Health Science Support.
- (4) Includes one-time appropriations of \$2.0 million for CREATEs and \$0.5 million for the Camden Opioid Research Initiative.
- (5) Total operating budget includes unrestricted State, other non-State accounts, tuition and fees, and state paid fringe benefits.

State appropriations remain a vital source of funding for the University and the current budgetary challenges confronting the State because of the weak economy due to COVID-19 may have a negative impact on future funding of the University by the State. No assurances can be provided as to the level of, and availability of, State funding in subsequent years.

The University cannot pledge any of its legislative appropriations to secure its obligations.

Pension and Retirement Plans

The University participates in five pension plans administered by the State, three of which are defined benefit plans: Teachers' Pension Annuity Fund ("TPAF"), Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Alternate Benefit Program ("ABP") and the Defined Contribution Retirement Program ("DCRP") are defined contribution plans.

There are currently seven State approved investment providers for the ABP plan: Voya Financial Services (formally, ING), Mass Mutual (formally, The Hartford), AXA Financial, Teachers Insurance and Annuity-College Retirement Equities Fund ("TIAA-CREF"), Met Life, VALIC and Prudential Retirement Services. The DCRP has one approved investment provider, Prudential, which jointly administers the DCRP investments with the Division of Pensions and Benefits. Each pension plan has its own board of trustees. Generally, all University employees (except certain classes of part-time, temporary employees, and employees who previously retired from a State pension program) participate in one of the five pension plans.

The University adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (GASB 68) for fiscal year ended June 30, 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 University employees are provided with defined benefit pensions through the PERS, PFRS, and 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 University has reported its most current 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.

The University's retirees participate in the State Health Benefit State Retired Employees Plan (the "Plan"). Plan description, including benefits provided - The Plan is a single-employer defined benefit other postemployment benefit ("OPEB") plan, which provides medical, prescription drug, and Medicare Part B reimbursements to retirees and their covered dependents. Although the Plan is a single-employer plan, it is treated as a cost-sharing multiple employer plan for standalone reporting purposes. In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums and periodic charges for OPEB of State employees who retire with 25 years or more of credited service, or on a disability pension, from one or more of the following pension plans: the Public Employees' Retirement System ("PERS"), the Alternate Benefit Program ("ABP") or the Police and Firemen's Retirement System ("PFRS"). In addition, Chapter 302, P.L. 1996 provides that for purposes of this Plan, the University's employees retain any and all rights to the health benefits in the Plan, even though the University is considered autonomous from the State,

therefore, its employees are classified as State employees. As such, the State is legally obligated for the benefit payments on behalf of the retirees of the University; therefore, the Plan meets the definition of a special funding situation as defined in GASB Statement No. 75, Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions (GASB 75).

Retirees who are not eligible for employer-paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage, who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their healthcare coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible for will be determined based on the retiree's annual retirement benefit and level of coverage.

The Plan is administered on a pay-as-you-go-basis. Accordingly, no assets are accumulated in a qualifying trust that meets the definition of a trust as per GASB 75.

Future Capital Needs

The University has seen tremendous growth over the last few years and looks to continue that growth to reach its goal to educate 25,000 total students by 2024. This growth could necessitate the renovation and/or addition of student housing, academic, laboratory and student service space and additional parking.

The University is in the planning stages of the development of the Jean & Ric Edelman Fossil Park at Rowan University, a \$67 million dollar project. Plans for the tract include a museum and visitor center, laboratory spaces, a nature trail, a paleontology-themed playground, and social spaces. Proceeds from the \$25 million Jean & Ric Edelman Endowment will help to offset a portion of the costs related to this project.

Rowan is also in the planning phase for the \$30 million renovation and expansion of the Chamberlain Student Center.

With the expansion of research at the University, Rowan is planning to add a second building at the South Jersey Tech Park ("SJTP"). It is currently analyzing the best timing for this building and what additional funding would be needed for this project. The University would look to cover a portion of the debt service and operational costs of this project with rents from occupants of the new building.

The University is considering adding an academic building for the College of Humanities and Social Sciences.

It is expected that future projects will be funded through a combination of public/private partnerships, state funding, bonds, unrestricted net assets, long term lease structures, capital campaigns, annual gifts and pledges.

APPENDIX B

Independent Auditors' Report and Audited Financial Statements of Rowan University as of and for the Years Ended June 30, 2019 and 2018



ROWAN UNIVERSITY

(A Component Unit of the State of New Jersey)

Basic Financial Statements, Management's Discussion and Analysis and Required Supplementary Information

June 30, 2019 and 2018

(With Independent Auditors' Report Thereon)

ROWAN UNIVERSITY (A Component Unit of the State of New Jersey)

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

Independent Auditors' Report

The Board of Trustees Rowan University:

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Rowan University (the University), a component unit of the State of New Jersey, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the University'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 audits. We conducted our audits 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.

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 aggregate discretely presented component units of Rowan University as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 13 and the schedules of employer contributions and schedules of proportionate share of net pension liability on pages 68 and 69, respectively, and the schedule of proportionate share of the total OPEB liability on page 70 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

Short Hills, New Jersey December 10, 2019

Introduction

This section of Rowan University's (the University) financial statements presents our discussion and analysis of the University's financial performance for the fiscal year ended June 30, 2019 and 2018 with comparative amounts for the year ended June 30, 2017. Since this discussion and analysis is designed to focus on current activities, it should be read in conjunction with the University's basic financial statements, which follows this section. Management has prepared the financial statements and the related note disclosures, along with the discussion and analysis.

University Overview

Rowan University is a public national research university located in Glassboro, Camden and Stratford, New Jersey. It is recognized for its nationally ranked academic and athletic programs, talented professors and high-tech facilities. Rowan prides itself on being able to provide its approximately 19,500 students an outstanding education at an exceptional value.

The University is comprised of seven academic colleges and five schools, including the William G. Rohrer College of Business; the Henry M. Rowan College of Engineering; the Colleges of Communication and Creative Arts, Education, Humanities and Social Sciences, Performing Arts, and Science and Mathematics; the Cooper Medical School of Rowan University; the Rowan University School of Osteopathic Medicine; the Graduate School of Biomedical Sciences; the School of Health Professions; and the School of Earth and Environment, along with an Honors College. Rowan's Division of Global Learning and Partnerships offers flexible undergraduate and graduate programs on campus and off site – including at two area community colleges – and online. Within these colleges and schools the University offers more than 75 bachelor's degrees, 44 master's degrees, six doctoral degrees (Ed.D. and Ph.D.) and two professional degrees.

Rowan is one of three universities in the nation to offer M.D. and D.O. medical degree programs. The institution is also home to the South Jersey Technology Park, which fosters the translation of applied research into commercial products and processes. U.S. News & World Report, in its "Best Colleges 2020" special edition, ranked Rowan University #79 among public universities and #166 among all National Universities. The Carnegie Classification of Institutions of Higher Education has designated Rowan as an R2 institution (high research activity), making it just one of 139 of more than 4,300 colleges and universities across the country with that distinction.

The State of New Jersey (the State) recognizes the University as a comprehensive research university and as a public institution of higher education. The New Jersey Legislature appropriates funds annually to support the University. However, the University operates autonomously from the State.

Financial Statements

The University's basic financial statements include three financial statements: statement of net position; statement of revenues, expenses and changes in net position; and statement of cash flows, which have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). These statements focus on its assets, liabilities, deferred outflows and deferred inflows of resources, revenues, expenses, and cash flows on an entity-wide basis.



Statement of Net Position

The statement of net position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. The statement of net position is a point of time financial statement. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal snapshot of Rowan University. The statement of net position presents end-of-the-year data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position.

Net position is one indicator of the current financial condition of the University while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

From the data presented, readers of the statement of net position are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University owes vendors, investors, and lending institutions. Finally, the statement of net position provides a picture of the net position (assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources) and their availability for expenditure by the University.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the institution's equity in property, plant, and equipment owned by the institution less any debt outstanding to finance capital activity. The next category is restricted expendable net position. Restricted expendable net position represents amounts available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted net position is available to the University for any lawful purpose of the University.

A condensed summary of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of June 30, 2019, 2018, and 2017 follows:

Condensed Statement of Net Position (in thousands)						
	2019	2018	2017			
Current assets Capital assets Other noncurrent assets	194,198 917,427 168,365	207,069 930,463 92,228	213,536 935,876 83,693			
Total assets	1,279,990	1,229,760	1,233,105			
Deferred outflows of resources	74,910	93,073	108,857			
Total assets and deferred outflows of resources	1,354,900	1,322,833	1,341,962			
Current liabilities Noncurrent liabilities	96,809 964,502	95,970 947,915	90,244 1,012,297			
Total liabilities	1,061,311	1,043,885	1,102,541			
Deferred inflows of resources	193,157	181,165	146,617			
Total liabilities and deferred inflows of resources	1,254,468	1,225,050	1,249,158			
Net position: Net investment in capital assets Restricted expendable Unrestricted	210,174 24,432 (134,174)	218,156 22,223 (142,596)	217,306 21,109 (145,611)			
Total net position \$	100,432	97,783	92,804			



Current assets consist of cash and cash equivalents, deposits held by trustees under bond agreements for current principal and interest payments, receivables, current portion of investments and other current assets. Noncurrent assets consist of deposits held by trustees under agreements for capital activities, investments, loans receivable and net capital assets. Deferred outflows of resources consist of those related to pensions and the loss on bond refinancing. Current liabilities consist of accounts payable and accrued expenses, unearned revenue and the current portion of bonds payable, other long-term debt and capital lease obligations. Noncurrent liabilities consists of compensated absences, unearned revenue, other liabilities, deposits held in custody for others, bonds payable, net pension liability and other long-term debt. Deferred inflows of resources consist of those related to pensions, the gain on bond refinancing and service concession arrangement.

Fiscal Year 2019 Compared to 2018

The University's total assets and deferred outflows of resources increased \$32.1 million from \$1,322.8 million at June 30, 2018 to \$1,354.9 million at June 30, 2019. Current assets decreased \$12.9 million, capital assets decreased \$13.0 million, other noncurrent assets increased \$76.1 million and deferred outflows of resources decreased \$18.2 million.

The primary causes for the changes in assets and deferred outflows are as follows:

- Within current assets, cash and cash equivalents decreased \$17.6 million offset by a planned increase in investments of \$15.3 million to generate greater investment returns. Receivables decreased by \$12.5 million primarily as a result of timely receipt of state appropriations and professional services revenues of \$8.3 million and \$7.4 million, respectively, offset by a \$2.7 million increase in student receivables.
- Net capital assets decreased approximately \$13.0 million primarily due to an increase of \$37.7 million in assets, offset by depreciation of \$51.1 million.
- Other noncurrent assets increased \$76.1 million for the year ended June 30, 2019. The increase is primarily
 due to a \$33.4 million increase in investments and a \$43.5 million increase in restricted deposits held by
 trustees which is driven by the issuance of the Series 2019 bond for \$56.6 million.
- Deferred outflows of resources decreased \$18.2 million primarily due to the recognition of a \$16.7 million reduction of deferred outflows of resources in fiscal year 2019 related to pensions in accordance with GASB 68. Additionally the loss on bond refinancing decreased \$1.5 million as a result of amortization of the 2007 B, 2015 B and 2016 C bond issuances.

Current liabilities increased \$0.8 million. The increase is primarily attributed to the \$5.4 million increase in unearned revenue due to student cash deposits received in advance, offset by \$4.5 million decrease in the current portion of long term debt.

Noncurrent liabilities increased \$16.6 million. This increase is due primarily to a decrease in net pension liabilities of approximately \$21.5 million, an increase in long-term debt of \$41.9 million as a result of the issuance of the 2019 bond, and a decrease in unearned revenue of \$6.9 million related to the recognition of revenue associated with the State of New Jersey capital projects funds as the associated expenditures were incurred.

Deferred inflows of resources increased \$12.0 million due primarily to the increase of \$11.6 million in pension related deferred inflows of resources and the increase of \$0.7 million for the service concession arrangement.

Total net position increased by \$2.6 million at June 30, 2019 which is primarily the result of an \$8.4 million increase in unrestricted net position, a \$2.2 million increase the expendable restricted net position, and a \$8.0 million decrease of net investment of capital assets.



Fiscal Year 2018 Compared to 2017

The University's total assets and deferred outflows of resources decreased \$19.1 million from \$1,341.9 million at June 30, 2017 to \$1,322.8 million at June 30, 2018. Current assets decreased \$6.5 million, capital assets decreased \$5.4 million, other noncurrent assets increased \$8.5 million and deferred outflows of resources decreased \$15.8 million. Within current assets, cash and cash equivalents decreased \$19.3 million.

Net capital assets decreased approximately \$5.4 million primarily due to an increase of \$38.4 million in assets, offset by depreciation of \$49.0 million.

Other noncurrent assets increased \$8.5 million for the year ended June 30, 2018. The increase is primarily due to a \$20.7 million increase in investments, offset by a decrease of \$13.1 million in restricted deposits held by trustees which is driven by the drawdown of State of New Jersey capital project funds and other construction funds.

Deferred outflows of resources decreased \$15.8 million primarily due to the recognition of a \$16.5 million reduction of deferred outflows of resources in fiscal year 2018 related to pensions. The deferred outflows related to pensions are being amortized in accordance with the GASB 68 guidelines. Additionally the loss on bond refinancing increased \$0.7 million primarily due to series 2017 A and 2017 B bond issuance, which refunded and redeemed all of the 2007 B Bonds and pay the costs and expenses incurred in the issuance of the 2017A and 2017B bonds.

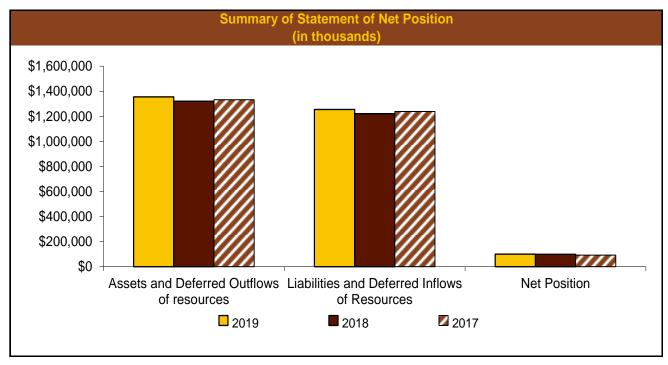
Current liabilities increased \$5.7 million. The increase is primarily attributed to the \$5.7 million increase in the current portion of long term debt, offset by \$0.3 million decrease in unearned revenue due to student revenues received in advance.

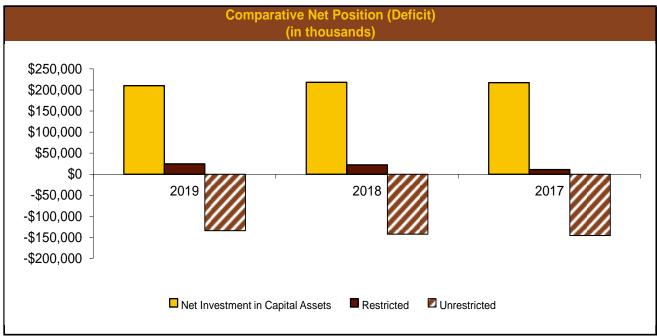
Noncurrent liabilities decreased \$64.4 million. This decrease is due primarily to a decrease in net pension liabilities of approximately \$42.0 million, a decrease in long-term debt of \$20.3 million, and a decrease in unearned revenue of \$2.8 million.

Deferred inflows of resources increased \$34.5 million due primarily to the increase of \$38.8 million in pension related deferred inflows of resources, offset by a \$2.6 million reduction the service concession arrangement.



Total net position increased by \$5.0 million at June 30, 2018 which is primarily the result of a \$3.0 million increase in unrestricted net position, a \$1.1 million increase the expendable restricted net position, and a \$0.9 million increase of net investment of capital assets.





Statement of Revenues, Expenses, and Changes in Net Position

The year to year changes in total net position as presented on the statement of net position are based on the activity presented in the statement of revenues, expenses, and changes in net position. The purpose of the statement is to present the revenues received by the University, both operating and nonoperating, and the expenses paid by the University, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the University.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided. For example, state appropriations are nonoperating because they are provided by the State to the University without the State directly receiving commensurate goods and services for those revenues.

The statement of revenues, expenses, and changes in net position presents the University's results of operations. A condensed summary of the University's revenues, expenses, and changes in net position for the years ended June 30, 2019, 2018, and 2017 as follows:

Condensed Statements of Revenue, Expenses, and Changes in Net Positiion (in thousands)							
(2019	2018	2017				
Operating revenues:							
Net student revenues \$	266,719	256,865	247,261				
Grants, net	85,156	73,505	64,269				
Professional services and contracts, net	51,614	54,094	54,815				
Other	10,776	9,390	8,024				
Total operating revenues	414,265	393,854	374,369				
Operating expenses	582,991	559,968	517,567				
Operating loss	(168,726)	(166,114)	(143,198)				
Nonoperating revenues (expenses):							
State appropriations	182,197	185,707	157,313				
Gifts from Rowan University Foundation	10,929	11,062	9,308				
Investment income, net	2,802	2,216	1,562				
Interest on capital asset related debt	(36,697)	(36,689)	(35,496)				
Other nonoperating revenues (expenses), net	2,451	2,973	6,917				
Net nonoperating revenues	161,682	165,269	139,604				
Loss before other revenues	(7,044)	(845)	(3,594)				
Capital grants	9,693	5,824	39,689				
Increase in net position	2,649	4,979	36,095				
Net position – beginning of year	97,783	92,804	56,709				
Net position – end of year \$	100,432	97,783	92,804				



Fiscal Year 2019 Compared to 2018

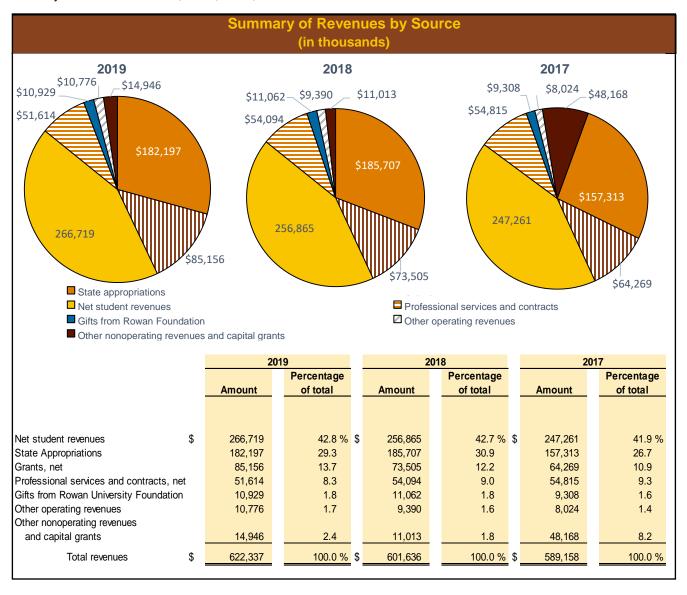
The University's net position increased \$2.6 million in fiscal year 2019. This net amount represents the total revenue available to the University of \$622.3 million compared to total expenses of \$619.7 million.

Fiscal Year 2018 Compared to 2017

The University's net position increased \$5.0 million in fiscal year 2018. This net amount represents the total revenue available to the University of \$601.6 million compared to total expenses of \$596.6 million.

Revenues

To fund its operations, the University receives revenues from a variety of operating and nonoperating sources including tuition and fees, auxiliary services, grants, professional services and contracts, State of New Jersey appropriations, gifts from the Rowan University Foundation and investment income. The University is continuing to seek additional funds from all possible sources to adequately fund operating activities. A summary revenues for the years ended June 30, 2019, 2018, and 2017 as follows:





Operating Revenues

Fiscal Year 2019 Compared to 2018

Operating revenues for fiscal year ended June 30, 2019 increased \$20.4 million over fiscal year 2018. The majority of this increase is due to an increase in net student revenues of \$9.9 million and an increase of \$11.7 million in grants, offset by a \$2.5 million decrease in professional services and contracts. The increase in net student revenues is due to increases in enrollment and tuition and fee rates. The increase in grants is due to the University's efforts in increasing grant revenue from federal, state and private funding sources.

Fiscal Year 2018 Compared to 2017

Operating revenues for fiscal year ended June 30, 2018 increased \$19.5 million over fiscal year 2017. The majority of this increase is due to an increase in net student revenues of \$9.6 million and an increase of \$9.2 million in grants, offset by a \$0.7 million decrease in professional services and contracts. The increase in net student revenues is due to increases in enrollment and tuition and fee rates. The increase in grants is due to the University's efforts in increasing grant revenue from federal, state and private funding sources.

Nonoperating Revenues (Net)

Fiscal Year 2019 Compared to 2018

Nonoperating revenues (net) for the years ended June 30, 2019 and 2018 totaled \$161.7 million and \$165.3 million, respectively, which is a \$3.6 million decrease. The primary source of the decrease was \$3.5 million decrease in the State of New Jersey appropriations. State of New Jersey appropriations include the University base appropriation as well as appropriations for the Cooper Medical School of Rowan University, the School of Osteopathic Medicine, OPEB revenues and the State paid fringe benefits. The University recorded \$182.2 million and \$185.7 million in State appropriations for fiscal year 2019 and 2018, respectively. For the year ended June 30, 2018, the University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75) which resulted in the addition of State of New Jersey appropriations - OPEB nonoperating revenues of \$22.3 million and \$32.6 million for June 30, 2019 and 2018, respectively.

Capital grants increased in fiscal year 2019 by \$3.9 million primarily due to the current year expenditures related to the Joint Health Science Center in Camden and the Academic Space Expansions projects which are part of the University's capital grants awarded through the New Jersey Higher Education Capital Financing Grant Program.

Fiscal Year 2018 Compared to 2017

Nonoperating revenues (net) for the years ended June 30, 2018 and 2017 totaled \$165.3 million and \$139.6 million, respectively, which is a \$25.7 million increase. The primary sources of the increase were \$28.4 million increase in the State of New Jersey appropriations, \$1.2 million decrease in interest on capital asset related debt, as well as a \$3.9 million decrease in other nonoperating revenues and expenses. State of New Jersey appropriations include the University base appropriation as well as appropriations for the Cooper Medical School of Rowan University, the School of Osteopathic Medicine, OPEB revenues and the State paid fringe benefits. The University recorded \$185.7 million and \$157.3 million in State appropriations for fiscal year 2018 and 2017, respectively. For the year ended June 30, 2018, the University adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75) which resulted in the addition of State of New Jersey appropriations - OPEB nonoperating revenues of \$32.6 million.

Capital grants decreased in fiscal year 2018 by \$33.9 million primarily due to the completion of the Rohrer College of Business and the College of Engineering buildings in fiscal year 2017 which was part of the University's capital grants awarded through the New Jersey Higher Education Capital Financing Grant Program.



Operating Expenses

Operating expenses are defined as expenses paid by the University to acquire or produce goods and services used to carry out its mission, in return for operating revenues. For the years ended June 30, 2019 and 2018, the University incurred operating expenses totaling \$583.0 million and \$560.0 million, respectively. The increase of \$23.0 million in operating expenses for fiscal year 2019 versus 2018 is a four percent increase from the prior year.

The increase of \$23.0 million is primarily driven by \$12.0 million of grant expenditures tied to the increased grant revenue, \$6.0 million of Cooper Medical School instruction fully offset by the additional appropriations, \$15.5 million in non-grant salary and benefits, a 4.8% increase associated with the new employee contracts settled in fiscal 2019, \$3.5 million increase in depreciation and amortization, \$2.8 million increase in contracted services, offset by a decrease of \$10.3 million of OPEB and a decrease of \$6.5 million of pension expense.

A summary of operating expenses for the years ended June 30, 2019, 2018 and 2017 follows:

Summary of Expenses (in thousands)								
	20	2019 2018 2017						
		Percentage			Percentage			Percentage
	Amount	of total		Amount	of total		Amount	of total
Instruction \$	174,196	29.9 %	\$	161,630	28.9 %	\$	168,173	32.5 %
Research	21,033	3.6 %		16,524	3.0 %		13,512	2.6 %
Public service	11,695	2.0 %		8,113	1.5 %		8,867	1.7 %
Academic support	44,155	7.6 %		45,698	8.1 %		46,767	9.0 %
Student service	33,525	5.8 %		31,067	5.6 %		29,751	5.7 %
Institutional support	87,859	15.1 %		76,742	13.7 %		71,864	13.9 %
Operation and maintenance of plant	38,058	6.5 %		36,968	6.6 %		33,933	6.6 %
Student aid	14,239	2.4 %		15,443	2.7 %		13,722	2.7 %
Professional services and contracts	50,793	8.7 %		53,960	9.6 %		56,717	11.0 %
Auxiliary enterprises	35,194	6.0 %		34,762	6.2 %		34,959	6.8 %
Other Postemployment Benefits (OPEB)	22,328	3.8 %		32,606	5.8 %		_	— %
Depreciation and amortization	49,916	8.6 %		46,455	8.3 %		39,302	7.5 %
Total operating expenses \$	582,991	100.0 %	\$	559,968	100.0 %	\$	517,567	100.0 %

Capital Assets and Debt Activities

The University continues to manage its financial resources so as to ensure adequate financial flexibility to access the capital markets as needed. The University maintains debt ratings from Standard and Poor's and Moody's Investors Service of A and A2, respectively.

As of June 30, 2019 and 2018, the University had \$210.2 million and \$218.2 million, respectively in net investment in capital assets. Outstanding long-term debt as of June 30, 2019 is \$675.9 million, compared to \$638.6 million as of June 30, 2018.

Significant transactions related to capital assets and bonded debt that occurred during fiscal year 2019 and 2018 were as follows:

In May 2019, GCIA issued Rowan University Series 2019 Bonds. The 2019 tax exempt revenue refunding bonds totaling \$56,600,000 with coupon rates ranging from 4.000% to 5.000% and maturing through 2048. The proceeds from this bond issuance were used to finance a new academic building, design of the Fossil Park, renovations of various facilities, and cover the issuance cost of the Series 2019 Bonds.



In July 2017, the GCIA issued Rowan University 2017A and 2017B bonds. The 2017A tax exempt revenue refunding bonds totaled \$73.5 million with coupon rates ranging from 3.000% to 5.000% and maturing through 2033. The 2017B taxable revenue refunding bonds totaled \$4.2 million with coupon rates ranging from 1.850% to 2.100% and maturing through 2019. The proceeds from these bond issuances were used to refund and redeem all of New Jersey Educational Facilities Authority's Rowan University Series 2007B bonds and pay the costs and expenses incurred in the issuance of the 2017A and 2017B bonds.

In August 2017, Glassboro A-3 Urban Renewal, LLC (the Developer) opened the A3 building situated at Victoria Street and Mick Drive in the Borough of Glassboro. The University commenced two operating lease agreements with the Developer for an initial lease term of 15 years to lease approximately 29,570 square feet for academic classrooms and offices, and approximately 17,577 square feet for a fitness center.

Economic Outlook

Rowan University's mission is to become a new model for higher education by being inclusive, agile, and responsive, offering diverse scholarly and creative educational experiences, pathways, environments, and services to meet the needs of all students; maintaining agility by strategically delivering organizational capacity across the institution; and responding to emerging demands and opportunities regionally and nationally.

The University engages in continuous strategic planning in response to the dynamic context of higher education. A concise planning framework is utilized that identifies key external and internal factors that shape the strategic direction of the University, sets long-term goals, articulates operational values, and identifies key performance indicators. At the center of the plan are the four strategic pillars:

Access - We are committed to expanding quality educational opportunities for students by increasing our enrollment capacity; supporting student success; utilizing an increasing array of pedagogies and platforms; and creating new pathways to undergraduate, graduate, post-graduate, and professional studies.

Affordability - We are committed to keeping education affordable by managing costs; diversifying our revenue streams; reducing student debt; limiting tuition increases to the rate of inflation as measured by the consumer price index; and enhancing internship and employment opportunities for our students and graduates.

Quality - We are committed to providing rigorous, experiential, and engaging educational experiences; support for scholarly, creative, and research activities; a vibrant and healthy campus life; a rich intellectual, cultural, and artistic environment; and a safe, supportive, and inclusive culture that respects and values the diversity of all of its members.

Economic Engine - We are committed to benefiting our local and state communities by making every effort to partner with and invest in regional businesses and organizations that contribute in meaningful ways to furthering our mission; preparing an educated citizenry and skilled workforce; enhancing the health of our citizens and the quality of life; and developing innovative products, services, and ideas.



The four pillars express the University's priorities and guide planning and resource allocation. The functional groups involved in design and execution of the strategic plan include the Board of Trustees, the Executive Cabinet, the Administrative Cabinet, and the Deans' Council. The Strategic Priorities Council, University Senate, and University Budget and Planning Committee are representative bodies charged with engaging the campus community in the strategic planning process. Through the process of continuing strategic planning and self-assessment, the University is committed in its efforts to continue to enrich the lives of those in the campus community and surrounding region.

State appropriations remain a vital source of funding for the University and the current budgetary issues with the State may have a negative impact on future funding. The University expects to continue to experience uncertainty in its future level of State support. With increasing costs, particularly resulting from contractual obligations with faculty and staff and debt service, the University faces critical funding issues. Additionally, the University's desire to increase institutionally funded scholarships, continue building its academic program excellence and improve its capital assets will also impact the University's financial outlook. The University continues to monitor local and national economic conditions as well as demographic changes that may impact the student-age population and the percentage of that population that pursues a college degree. The University will continue to meet the goals of its mission by monitoring operating costs and capital expenditures while seeking additional revenue sources. The University will continue to monitor the situation and maintain a close watch over resources so as to provide the University with the ability to react to potential budgetary challenges that may occur.



ROWAN UNIVERSITY (A Component Unit of the State of New Jersey) Statement of Net Position

		Rowan	South Jersey Technology	
Assets	Rowan University	University Foundation	Park at Rowan University, Inc.	Total
Current assets:				
Cash and cash equivalents (notes 2 and 13) Restricted cash and cash equivalents (notes 2 and 13) \$ 13 14 15 15 15 15 15 15 15	49,699,504 1,401,012	5,181,332 2,814,142	1,264,169 —	56,145,005 4,215,154
Receivables: Students, less allowance of \$1,678,589	8,292,069	_	_	8,292,069
Contributions, less allowance of \$21,525	- 0,232,003	71,664	_	71,664
Restricted contributions, less allowance of \$76,802 Grants	15,021,214	734,729	_	734,729 15,021,214
State of New Jersey	3,980,575	_	_	3,980,575
Professional services and contracts receivable, less allowance of \$2,801,073 Due from Rowan component unit	3,599,871 86,910	_	9,558	3,599,871 96,468
Interest and other	2,579,996			2,579,996
Total receivables	33,560,635	806,393	9,558	34,376,586
Restricted deposits held by trustees (note 3) Investments, at fair value (note 2)	27,823,790 78,836,463			27,823,790 78,836,463
Other current assets	2,875,492		2,876	2,878,368
Total current assets	194,196,896	8,801,867	1,276,603	204,275,366
Noncurrent assets:	74.054.750			74.054.750
Restricted deposits held by trustees (note 3) Investments, at fair value (notes 2 and 13)	71,051,750 92,977,761	49,672,329	_	71,051,750 142,650,090
Restricted investments, at fair value (note 13) Restricted nonexpendable investments, at fair value (note 13)	_	26,978,584 151,168,226	_	26,978,584 151,168,226
Loans receivable	3,536,053	-	=	3,536,053
Other non current assets Contributions receivable, less allowance of \$1,651	800,000	31,364	_	800,000 31,364
Restricted contributions receivable, less allowance of \$49,577	_	941,958		941,958
Capital assets, net (notes 4 and 12)	917,427,243		9,717,576	927,144,819
Total noncurrent assets Total assets	1,085,792,807	228,792,461	9,717,576	1,324,302,844
Deferred Outflows of Resources	1,279,989,703	201,094,020	10,994,179	1,528,578,210
Deferred outflows of resources:				
Pensions related (note 6)	55,926,370	_	_	55,926,370
Loss on bond refinancing Total deferred outflows of resources	18,984,090			18,984,090
lotal deferred outnows of resources Liabilities	74,910,460			74,910,460
Current liabilities:				
Accounts payable and accrued expenses (note 7)	48,605,748	53,237	41,685	48,700,670
Due to University/ component units Unearned revenue	9,558 28,161,014	86,910	_	96,468 28,161,014
Other current liabilities	812,400		_	812,400
Annuities payable – current portion Long-term debt – current portion (notes 8 and 10)	19,219,979	29,230	211,780	29,230 19,431,759
Total current liabilities	96,808,699	169,377	253,465	97,231,541
Noncurrent liabilities (note 10):				
Compensated absences – noncurrent portion (note 12) Unearned revenue	2,774,285 2,280,595	Ξ	_	2,774,285 2,280,595
Other liabilities	1,716,534	_	_	1,716,534
Repurchase liability Deposits held in custody for others	3,220,000 2,136,370	_	_	3,220,000 2,136,370
Annuities payable – noncurrent portion Net pension liabilities (note 6)		224,574	_	224,574 292,091,658
Long-term debt – noncurrent portion (note 8)	656,663,961		4,341,046	661,005,007
Derivative instruments swap liability (note 9)	3,618,344			3,618,344
Total noncurrent liabilities	964,501,747	224,574	4,341,046	969,067,367
Total liabilities Deferred Inflows of Resources	1,061,310,446	393,951	4,594,511	1,066,298,908
Deferred inflows of resources:				
Pensions related (note 6)	67,752,252	_	_	67,752,252
Gain on bond refinancing Developer contribution	144,038 6,248,333	_	_	144,038 6,248,333
Service concession arrangement (note 12) Split interest agreements	119,012,684	105,397	_	119,012,684
Spill interest agreements Total deferred inflows of resources	193,157,307	105,397		105,397
Net Position	,,001	.50,001		
Net investment in capital assets	210,173,808	_	5,164,750	215,338,558
Restricted:		151,168,226	, . ,	
Nonexpendable (note 13) Expendable:		131,100,220	_	151,168,226
Debt service and reserve Other scholarships	20,013,341	13,759,210	_	20,013,341 13,759,210
Other	4,419,609	17,351,002	_	21,770,611
Unrestricted Total net position	(134,174,348)	54,816,542	1,234,918	(78,122,888) 343,927,058
Total net position \$	100,432,410	237,094,980	6,399,668	343,927,058

ROWAN UNIVERSITY (A Component Unit of the State of New Jersey) Statement of Net Position

Assets	Rowan University	Rowan University Foundation	South Jersey Technology Park at Rowan University, Inc.	Total
Current assets: Cash and cash equivalents (notes 2 and 12) Restricted cash and cash equivalents (notes 2 and 13)	67,291,615 1,430,414	8,473,779 4,131,810	1,375,684 —	77,141,078 5,562,224
Receivables:				
Students, less allowance of \$1,367,857	5,585,829		_	5,585,829
Contributions, net Restricted contributions, net	_	12,561 274,948	_	12,561 274,948
Grants, less allowance of \$241,834	13,415,565	274,940	_	13,415,565
State of New Jersey	12,282,966	_	_	12,282,966
Professional services and contracts receivable, less allowance of \$2,145,660	10,971,556	_	_	10,971,556
Due from Rowan component unit	2,125,297	_	14,591	2,139,888
Interest and other	1,646,580		4,640	1,651,220
Total receivables	46,027,793	287,509	19,231	46,334,533
Restricted deposits held by trustees (note 3)	26,195,005	_	_	26,195,005
Investments, at fair value (note 2)	63,490,887	_	_	63,490,887
Other current assets	2,633,214			2,633,214
Total current assets	207,068,928	12,893,098	1,394,915	221,356,941
Noncurrent assets:				
Restricted deposits held by trustees (note 3)	27,513,932	_	_	27,513,932
Investments, at fair value (notes 2 and 13)	59,546,572	49,040,374	_	108,586,946
Restricted investments, at fair value (note 13)	_	23,912,057	_	23,912,057
Restricted nonexpendable investments, at fair value (note 13)		142,989,315	_	142,989,315
Loans receivable	4,367,986	_	_	4,367,986 800,000
Other non current assets Contributions receivable, net	800,000	7,898		7,898
Restricted contributions receivable, net	_	1,541,592	_	1,541,592
Capital assets, net (notes 4 and 12)	930,462,842		9,979,032	940,441,874
Total noncurrent assets	1,022,691,332	217,491,236	9,979,032	1,250,161,600
Total assets	1,229,760,260	230,384,334	11,373,947	1,471,518,541
Deferred Outflows of Resources				
Deferred outflows of resources:				
Pensions related (note 6)	72,616,180	_	_	72,616,180
Loss on bond refinancing	20,456,237	_	_	20,456,237
Total deferred outflows of resources	93,072,417	_	_	93,072,417
Liabilities				
Current liabilities:	48,608,838	84,030	171,931	48,864,799
Accounts payable and accrued expenses (note 7) Due to University/ component units	14,591	2,125,297	171,931	2,139,888
Unearned revenue	22,799,693	44,239	_	22,843,932
Other current liabilities	780,050	_	_	780,050
Annuities payable – current portion		37,630		37,630
Long-term debt – current portion (notes 8 and 10)	23,766,267		204,511	23,970,778
Total current liabilities	95,969,439	2,291,196		
Total Garron habitado	30,303,403	2,291,190	376,442	98,637,077
	50,505,405	2,291,190	376,442	98,637,077
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12)	2,353,564	2,291,190	376,442	2,353,564
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue	2,353,564 9,151,102	=	376,442	2,353,564 9,151,102
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities	2,353,564 9,151,102 2,661,725	=	376,442 — — —	2,353,564 9,151,102 2,661,725
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability	2,353,564 9,151,102 2,661,725 3,220,000	=	376,442 — — — —	2,353,564 9,151,102 2,661,725 3,220,000
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities	2,353,564 9,151,102 2,661,725	=	376,442 — — — — —	2,353,564 9,151,102 2,661,725
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others	2,353,564 9,151,102 2,661,725 3,220,000	_ _ _ _	_ _ _ _	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annulities payable – noncurrent portion	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428	_ _ _ _	_ _ _ _	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annuties payable – noncurrent portion Net pension liabilities (note 6)	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811	269,771 —	4,552,814	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annutites payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 — 313,603,691 614,790,811 947,915,321	269,771 269,771	4,552,814 4,552,814	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annuities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811	269,771 —	4,552,814	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annutities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 — 313,603,691 614,790,811 947,915,321	269,771 269,771	4,552,814 4,552,814	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearmed revenue Other liabilities Repurchase liability Deposits held in custody for others Annuities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred Inflows of Resources	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760	269,771 269,771	4,552,814 4,552,814	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annutities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred inflows of Resources Pensions related (note 6)	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760	269,771 269,771	4,552,814 4,552,814	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annuities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred inflows of resources: Pensions related (note 6) Gain on bond refinancing	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044	269,771 269,771 2,560,967	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annulties payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred Inflows of Resources Pensions related (note 6) Gain on bond refinancing Developer contribution	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000	269,771 269,771	4,552,814 4,552,814	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annuities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred inflows of Resources Pensions related (note 6) Gain on bond refinancing	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044	269,771 269,771 2,560,967	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,605,609 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annutiles payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred inflows of Resources Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Split interest agreements	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111	269,771 2,560,967	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annutites payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred inflows of resources: Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Spit interest agreements Total deferred inflows of resources	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000	269,771 269,771 2,560,967	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,605,609 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annutiles payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred inflows of Resources Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Split interest agreements	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111	269,771 2,560,967	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annutites payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred inflows of resources: Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Spit interest agreements Total deferred inflows of resources	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111	269,771 2,560,967	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearmed revenue Other liabilities Repurchase liability Deposits held in custody for others Annuties payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred Inflows of Resources Deferred inflows of resources: Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Split interest agreements Total deferred inflows of resources Net Position Net investment in capital assets Restricted:	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111 — 181,164,552	269,771 269,771 2,560,967	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024 181,452,576
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annuities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred inflows of Resources Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Split interest agreements Total deferred inflows of resources Net Position Net investment in capital assets Restricted: Nonexpendable (note 13)	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111 — 181,164,552	269,771 2,560,967	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024 181,452,576
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annuities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred Inflows of Resources Deferred inflows of resources: Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Split interest agreements Total deferred inflows of resources Net Position Net investment in capital assets Restricted: Nonexpendable (note 13) Expendable:	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111	269,771 269,771 2,560,967 2,560,967 288,024	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024 181,452,576
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annutiles payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred inflows of Resources Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Split interest agreements Total deferred inflows of resources Net Position Net investment in capital assets Restricted: Nonexpendable (note 13) Expendable: Debt service and reserve	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111 — 181,164,552	269,771 269,771 2,560,967 2,560,967 288,024 288,024 142,989,315	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024 181,452,576 223,377,486 142,989,315 17,920,163
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annuities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred Inflows of Resources Deferred inflows of resources: Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Split interest agreements Total deferred inflows of resources Net Position Net investment in capital assets Restricted: Nonexpendable (note 13) Expendable:	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111	269,771 269,771 2,560,967 2,560,967 288,024	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024 181,452,576
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearned revenue Other liabilities Repurchase liability Deposits held in custody for others Annuities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred Inflows of Resources Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Split interest agreements Total deferred inflows of resources Net Position Net investment in capital assets Restricted: Nonexpendable (note 13) Expendable: Dets service and reserve Other scholarships	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111 — 181,164,552 218,155,779 — 17,920,163	269,771 269,771 2,560,967 2,560,967 288,024 288,024 288,024 142,989,315	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024 181,452,576 223,377,486 142,989,315 17,920,163 13,367,979
Noncurrent liabilities (note 10): Compensated absences – noncurrent portion (note 12) Unearmed revenue Other liabilities Repurchase liability Deposits held in custody for others Annuities payable – noncurrent portion Net pension liabilities (note 6) Long-term debt – noncurrent portion (note 8) Total noncurrent liabilities Total liabilities Deferred Inflows of Resources Deferred inflows of resources: Pensions related (note 6) Gain on bond refinancing Developer contribution Service concession arrangement (note 12) Spiti interest agreements Total deferred inflows of resources Net Position Net investment in capital assets Restricted: Nonexpendable: Debt service and reserve Other scholarships Other	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 313,603,691 614,790,811 947,915,321 1,043,884,760 56,144,397 168,044 6,520,000 118,332,111 — 181,164,552 218,155,779 — 17,920,163 4,303,178	269,771 269,771 2,560,967 288,024 288,024 288,024 142,989,315 — 13,367,979 15,852,763	4,552,814 4,552,814 4,929,256	2,353,564 9,151,102 2,661,725 3,220,000 2,134,428 269,771 313,603,691 619,343,625 952,737,906 1,051,374,983 56,144,397 168,044 6,520,000 118,332,111 288,024 181,452,576 223,377,486 142,989,315 17,920,163 13,367,979 20,155,941

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)

Operating revenues: Net student revenues:		Rowan University	Rowan University Foundation	South Jersey Technology Park at Rowan University, Inc.	Total
Tuition and fees	Operating revenues:				
Less scholarship allowances \$60,035,3513)					
Less scholarship allowances	·		_	_	
Net student revenues			_	_	
Self-funded programs 6,351,133 -	·		_	_	
Self-Unded programs 6,351,133 - - 6,351,133 175,232 -	Grants	85.155.628	_	_	85.155.628
Contributions	Self-funded programs		_	_	
Professional services and contracts, net (note 11)	<u> </u>	_		_	
Rental income (note 14)		— E4 642 F00	4,967,113	_	
Other operating revenues 3,718,118 225,666 — 3,943,784 Other auxiliary 707,009 — — 707,009 Total operating revenues 414,264,850 5,366,011 1,161,544 420,794,405 Operating expenses: Instruction 174,195,603 — — 1774,195,603 Research 21,033,033 — — — 11,695,346 Academic support 44,154,793 — — 41,547,793 Student services 33,524,883 — — 41,547,793 Institutional support 87,885,869 665,696 648,717 8173,282 Operation and maintenance of plant 38,058,522 — — 41,428,555 Professional services and contracts 50,792,767 — — 41,238,555 Professional services and contracts 50,792,767 — — 50,792,767 Auxiliary enterprises 35,194,500 — — 22,327,935 Depreciation and amortization 49,916,282 — —		51,613,599	_	1 161 544	
Total operating revenues		3,718,118	225,666		
Departing expenses: Instruction	Other auxiliary	707,009	_	_	707,009
Instruction 174,195,603	Total operating revenues	414,264,850	5,368,011	1,161,544	420,794,405
Research	Operating expenses:				
Public service			_	_	
Academic support			_	_	
Student services 33,524,883 — — 33,524,883 Institutional support 87,858,869 665,696 648,717 89,173,282 38,058,522 — — 38,058,522 Student aid 14,238,555 — 18,238,555 — 18,238,555 — 18,238,555 — 18,238,555 — 18,238,555 — 18,238,555 — 18,238,555 — 18,238,555 — 18,238,555 — 18,			_	_	
Operation and maintenance of plant			_	_	
Student aid	Institutional support	87,858,869	665,696	648,717	89,173,282
Professional services and contracts Auxiliary enterprises 35,194,300 Other Postemployment Benefits (OPEB) (note 6) 22,327,935 Depreciation and amortization 49,916,282 Total operating expenses 582,990,888 665,696 1,059,281 584,715,865 Operating (loss) income (168,726,038) Nonoperating revenues (expenses): State of New Jersey appropriations State of New Jersey appropriations – CMSRU State of New Jersey appropriations – CMSRU State of New Jersey appropriations – OPEB (note 6) State of New Jersey appropriations – OPEB (note 6) State of New Jersey appropriations – OPEB (note 6) State of New Jersey appropriations – OPEB (note 6) State of New Jersey appropriations – OPEB (note 6) State of New Jersey appropriations – OPEB (note 6) State of New Jersey appropriations – OPEB (note 6) State of New Jersey appropriations – OPEB (note 6) State of New Jersey appropriations – OPEB (note 6) State of New Jersey infinge benefits (note 5) State of New Jersey infine benefits (note 5) State of New Jersey appropriations — OPEB (note 6) State of New Jersey appropriations — OPEB (note 6) State of New Jersey appropriations — OPEB (note 6) State of New Jersey appropriations — OPEB (note			_	_	
Auxiliary enterprises 35,194,300 — — 35,194,300 Other Postemployment Benefits (OPEB) (note 6) 22,327,935 — — 22,327,935 Depreciation and amortization 49,916,282 — — 410,564 50,226,846 Total operating expenses 582,990,888 665,696 1,059,281 584,715,865 Operating revenues (expenses): State of New Jersey appropriations 29,807,000 — — 29,807,000 State of New Jersey appropriations – CMSRU 18,415,860 — — 18,415,860 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 29,050,299 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 22,327,935 State of New Jersey appropriations – OPEB (note 6) 82,596,246 — — 22,327,935 State of New Jersey appropriations – OPEB (note 6) 82,596,246 — — 22,327,935 State of New Jersey appropriations – OPEB (note 6) 82,596,246 — — 22,327,935 State of New Jersey (note of the complete of the			_	_	
Other Postemployment Benefits (OPEB) (note 6) 22,327,935 — — 22,327,935 Depreciation and amortization 49,916,282 — 410,564 50,326,846 Total operating expenses 582,990,888 665,696 1,059,281 584,715,865 Operating (loss) income (168,726,038) 4,702,315 102,263 (163,921,460) Nonoperating revenues (expenses): 29,807,000 — — — 29,807,000 State of New Jersey appropriations – CMSRU 18,415,860 — — 18,415,860 — — 18,415,860 — — 18,415,860 — — 18,415,860 — — 18,415,860 — — 18,415,860 — — 18,415,860 — — 18,415,860 — — 18,415,860 — — 18,415,860 — — — 29,050,299 — — — 29,050,299 — — — 29,050,299 — — — 29,550,299 — — — 2,232,79			_	_	
Total operating expenses Operating (loss) income (168,726,038) 4,702,315 102,263 (163,921,460) Nonoperating revenues (expenses): State of New Jersey appropriations State of New Jersey appropriations – CMSRU State of New Jersey appropriations – Rowan SOM State of New Jersey appropriations – OPER (note 6) State of New Jersey appropriations – OPER (note 5) State of New Jersey appropriations – OPER (note 5) State of New Jersey appropriations – OPER (note 5) State of New Jersey appropriations – OPER (note 5) State of New Jersey fringe benefits (note 5) State of New Jersey appropriations – OPER (note 6) State of New Je	· · · ·		_	_	
Operating (loss) income (168,726,038) 4,702,315 102,263 (163,921,460) Nonoperating revenues (expenses): State of New Jersey appropriations 29,807,000 — — 29,807,000 State of New Jersey appropriations – CMSRU 18,415,860 — — 18,415,860 State of New Jersey appropriations – Rowan SOM 29,050,299 — — 29,050,299 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 22,327,935 State of New Jersey fringe benefits (note 5) 82,596,246 — — 28,2596,246 Student scholarships — (2,414,001) — (2,414,001) Gifts from Rowan University Foundation (note 13) 10,928,523 — — — Other grants — (15,813) — (15,813) Investment income, net 2,802,134 10,316,620 14,240 13,132,994 Interest on capital asset related debt (36,696,510) — (162,586) (36,859,906) Other nonoperating revenues, net 2,450,774 — 1,060 <t< td=""><td>Depreciation and amortization</td><td>49,916,282</td><td>_</td><td>410,564</td><td>50,326,846</td></t<>	Depreciation and amortization	49,916,282	_	410,564	50,326,846
Nonoperating revenues (expenses): State of New Jersey appropriations 29,807,000 — — 29,807,000 State of New Jersey appropriations – CMSRU 18,415,860 — — 18,415,860 State of New Jersey appropriations – Rowan SOM 29,050,299 — — 29,050,299 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 22,327,935 State of New Jersey fringe benefits (note 5) 82,596,246 — — 82,596,246 Student scholarships — (2,414,001) — (2,414,001) Gifts from Rowan University Foundation (note 13) 10,928,523 (10,928,523) — — Other grants — (15,813) — (15,813) Investment income, net 2,802,134 10,316,620 14,240 13,132,994 Interest on capital asset related debt (36,696,510) — (162,586) (36,859,096) Other nonoperating revenues, net 2,450,774 — 1,060 2,451,834 Net nonoperating revenues (expenses) 161,682,261 (3,041,717) (147,286) 158,493,258 (Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 — — 9,692,822 Additions to permanent endowments 7,899,039 — 7,899,039 Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399	Total operating expenses	582,990,888	665,696	1,059,281	584,715,865
State of New Jersey appropriations 29,807,000 — — 29,807,000 State of New Jersey appropriations – CMSRU 18,415,860 — — 18,415,860 State of New Jersey appropriations – Rowan SOM 29,050,299 — — 29,050,299 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 22,327,935 State of New Jersey propriations – OPEB (note 6) 82,596,246 — — 82,596,246 State of New Jersey appropriations – OPEB (note 6) 82,596,246 — — 22,327,935 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 22,327,935 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 82,596,246 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 22,241,4001 Gits from Rowan University Foundation (note 13) 10,928,523 (10,928,523) — — — (15,813) Investment income, net 2,802,134 10,316,620 14,240 13,132,994 — (162,586) (36,8	Operating (loss) income	(168,726,038)	4,702,315	102,263	(163,921,460)
State of New Jersey appropriations – CMSRU 18,415,860 — — 18,415,860 State of New Jersey appropriations – Rowan SOM 29,050,299 — — 29,050,299 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 22,327,935 State of New Jersey fringe benefits (note 5) 82,596,246 — — 82,596,246 Student scholarships — (2,414,001) — (2,414,001) Gifts from Rowan University Foundation (note 13) 10,928,523 (10,928,523) — — Other grants — (15,813) — — — Investment income, net 2,802,134 10,316,620 14,240 13,132,994 Interest on capital asset related debt (36,696,510) — (162,586) (36,859,096) Other nonoperating revenues, net 2,450,774 — 1,060 2,451,834 Net nonoperating revenues (expenses) 161,682,261 (3,041,717) (147,286) 158,493,258 (Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>					
State of New Jersey appropriations – Rowan SOM 29,050,299 — — 29,050,299 State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 22,327,935 State of New Jersey fringe benefits (note 5) 82,596,246 — — 82,596,246 Student scholarships — — (2,414,001) — (2,414,001) Gifts from Rowan University Foundation (note 13) 10,928,523 — — — (15,813) Other grants — — (15,813) — — (15,813) Investment income, net 2,802,134 10,316,620 14,240 13,132,994 Interest on capital asset related debt (36,696,510) — — (162,586) (36,859,096) Other nonoperating revenues, net 2,450,774 — — 1,060 2,451,834 Net nonoperating revenues (expenses) 161,682,261 (3,041,717) (147,286) 158,493,258 (Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 — — — 9,692,822 <td></td> <td></td> <td>_</td> <td>_</td> <td></td>			_	_	
State of New Jersey appropriations – OPEB (note 6) 22,327,935 — — 22,327,935 State of New Jersey fringe benefits (note 5) 82,596,246 — — 82,596,246 Student scholarships — (2,414,001) — (2,414,001) Gifts from Rowan University Foundation (note 13) 10,928,523 — — — Other grants — (15,813) — — — Investment income, net 2,802,134 10,316,620 14,240 13,132,994 Interest on capital asset related debt (36,696,510) — (162,586) (36,859,096) Other nonoperating revenues, net 2,450,774 — 1,060 2,451,834 Net nonoperating revenues (expenses) 161,682,261 (3,041,717) (147,286) 158,493,258 (Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 — — — 9,692,822 Additions to permanent endowments — 7,899,039 — 7,899,039 — 7,899,039 Increase (decrease) in net position			_	_	
State of New Jersey fringe benefits (note 5) 82,596,246 — — 82,596,246 Student scholarships — (2,414,001) — (2,414,001) Gifts from Rowan University Foundation (note 13) 10,928,523 (10,928,523) — — Other grants — (15,813) — (15,813) Investment income, net 2,802,134 10,316,620 14,240 13,132,994 Interest on capital asset related debt (36,696,510) — (162,586) (36,859,096) Other nonoperating revenues, net 2,450,774 — 1,060 2,451,834 Net nonoperating revenues (expenses) 161,682,261 (3,041,717) (147,286) 158,493,258 (Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 — — 9,692,822 Additions to permanent endowments — 7,899,039 — 7,899,039 Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444			_	_	
Gifts from Rowan University Foundation (note 13) 10,928,523 (10,928,523) — — Other grants — (15,813) — (15,813) Investment income, net 2,802,134 10,316,620 14,240 13,132,994 Interest on capital asset related debt (36,696,510) — (162,586) (36,859,096) Other nonoperating revenues, net 2,450,774 — 1,060 2,451,834 Net nonoperating revenues (expenses) 161,682,261 (3,041,717) (147,286) 158,493,258 (Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 — — 9,692,822 Additions to permanent endowments — 7,899,039 — 7,899,039 Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399			_	_	
Other grants — (15,813) — (15,813) Investment income, net 2,802,134 10,316,620 14,240 13,132,994 Interest on capital asset related debt (36,696,510) — (162,586) (36,859,096) Other nonoperating revenues, net 2,450,774 — 1,060 2,451,834 Net nonoperating revenues (expenses) 161,682,261 (3,041,717) (147,286) 158,493,258 (Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 — — 9,692,822 Additions to permanent endowments — 7,899,039 — 7,899,039 Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399	·	_	(2,414,001)	_	(2,414,001)
Investment income, net 2,802,134 10,316,620 14,240 13,132,994 Interest on capital asset related debt (36,696,510)	·	10,928,523		_	
Interest on capital asset related debt (36,696,510) — (162,586) (36,859,096) Other nonoperating revenues, net 2,450,774 — 1,060 2,451,834 Net nonoperating revenues (expenses) 161,682,261 (3,041,717) (147,286) 158,493,258 (Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 — — 9,692,822 Additions to permanent endowments — 7,899,039 — 7,899,039 Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399	<u> </u>	2 802 134		14 240	
Other nonoperating revenues, net 2,450,774 — 1,060 2,451,834 Net nonoperating revenues (expenses) 161,682,261 (3,041,717) (147,286) 158,493,258 (Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 — — 9,692,822 Additions to permanent endowments — 7,899,039 — 7,899,039 Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399			10,310,020		
(Loss) income before other revenues (7,043,777) 1,660,598 (45,023) (5,428,202) Capital grants and gifts 9,692,822 — — 9,692,822 Additions to permanent endowments — 7,899,039 — 7,899,039 Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399			_		
Capital grants and gifts 9,692,822 — — 9,692,822 Additions to permanent endowments — 7,899,039 — 7,899,039 Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399	Net nonoperating revenues (expenses)	161,682,261	(3,041,717)	(147,286)	158,493,258
Additions to permanent endowments — 7,899,039 — 7,899,039 Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399	(Loss) income before other revenues	(7,043,777)	1,660,598	(45,023)	(5,428,202)
Increase (decrease) in net position 2,649,045 9,559,637 (45,023) 12,163,659 Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399	, ,	9,692,822	7,899.039	_	
Net position as of beginning of year 97,783,365 227,535,343 6,444,691 331,763,399	·	2,649.045			
	, , ,	100,432,410		6,399,668	343,927,058

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)

	Rowan University	Rowan University Foundation	South Jersey Technology Park at Rowan University, Inc.	Total
Operating revenues:				
Net student revenues:				
Tuition and fees \$	259,530,951	_	_	259,530,951
Auxiliary enterprises	52,125,844	_	_	52,125,844
Less scholarship allowances	(54,791,624)			(54,791,624)
Net student revenues	256,865,171	_	_	256,865,171
Grants	73,505,223	_	_	73,505,223
Self-funded programs	6,030,330	_	_	6,030,330
Fundraising events	_	27,475	_	27,475
Contributions		9,177,708	_	9,177,708
Professional services and contracts, net (note 11) Rental income (note 14)	54,093,950		1,135,604	54,093,950 1,135,604
Other operating revenues	2,945,327	35,720	- 1,100,004	2,981,047
Other auxiliary	414,291	_	_	414,291
Total operating revenues	393,854,292	9,240,903	1,135,604	404,230,799
Operating expenses:				
Instruction	161,629,856	_	_	161,629,856
Research	16,524,323	_	_	16,524,323
Public service	8,112,835	_	_	8,112,835
Academic support	45,697,963	_	_	45,697,963
Student services	31,066,714	_	_	31,066,714
Institutional support	76,742,340	491,782	627,124	77,861,246
Operation and maintenance of plant	36,967,678	_	_	36,967,678
Student aid	15,443,483	_	_	15,443,483
Professional services and contracts Auxiliary enterprises	53,960,481 34,761,848		_	53,960,481 34,761,848
Other Postemployment Benefits (OPEB) (note 6)	32,605,585	_	_	32,605,585
Depreciation and amortization	46,455,109	_	386,432	46,841,541
Total operating expenses	559,968,215	491,782	1,013,556	561,473,553
Operating (loss) income	(166,113,923)	8,749,121	122,048	(157,242,754)
Nonoperating revenues (expenses):				
State of New Jersey appropriations	29,807,000	_	_	29,807,000
State of New Jersey appropriations – CMSRU	12,448,763	_	_	12,448,763
State of New Jersey appropriations – Rowan SOM	29,192,743	_	_	29,192,743
State of New Jersey appropriations – OPEB (note 6)	32,605,585	_	_	32,605,585
State of New Jersey fringe benefits (note 5) Student scholarships	81,652,278	(2,693,154)	_	81,652,278 (2,693,154)
Gifts from Rowan University Foundation (note 13)	11,061,684	(11,061,684)	_	(2,093,134)
Other grants	_	(12,179)	_	(12,179)
Investment income, net	2,216,325	14,317,734	7,153	16,541,212
Interest on capital asset related debt	(36,688,784)	_	(169,619)	(36,858,403)
Other nonoperating revenues (expenses), net	2,973,410	1,555,843	705	4,529,958
Net nonoperating revenues (expenses)	165,269,004	2,106,560	(161,761)	167,213,803
(Loss) income before other revenues	(844,919)	10,855,681	(39,713)	9,971,049
Capital grants and gifts Additions to permanent endowments	5,824,109 —	9,427,806		5,824,109 9,427,806
Increase (decrease) in net position	4,979,190	20,283,487	(39,713)	25,222,964
Net position as of beginning of year	92,804,175	207,251,856	6,484,404	306,540,435
Net position as of end of year \$	97,783,365	227,535,343	6,444,691	331,763,399

ROWAN UNIVERSITY
(A Component Unit of the State of New Jersey)

Years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Student revenues \$	269,406,794	254,198,810
Government and private grants	83,549,979	86,361,191
Professional services and contract Payments to suppliers	58,985,284 (111,028,709)	51,754,136 (98,832,023)
Payments for employee salaries and benefits	(304,078,513)	(283,250,611)
Self-funded programs and other receipts	6,351,133	6,030,330
Net cash provided by operating activities	3,185,968	16,261,833
Cash flows from noncapital financing activities:		
State of New Jersey appropriations	77,273,159	71,448,506
Gifts	10,928,523	11,061,684
Receipts for other noncapital assets	8,302,391	(3,290,641)
Receipts for other nonoperating expenses	2,450,774	2,973,410
Net cash provided by noncapital financing activities	98,954,847	82,192,959
Cash flows from capital and related financing activities:		
Proceeds from bond issuance Payment on refunding of bond	65,942,096	89,372,120 (88,406,774)
Drawdown of restricted deposits held by trustees	(45,166,603)	13,835,341
Capital grants	2,822,315	2,989,195
Costs of issuance	(4,979,596)	(965,346)
Purchases of capital assets	(35,023,637)	(46,370,528)
Principal paid on capital debt Interest paid on capital debt	(23,635,637) (37,122,224)	(14,354,007) (38,926,380)
Net cash used by capital and related financing activities	(77,163,286)	(82,826,379)
* *	(77,100,200)	(02,020,073)
Cash flows from investing activities: Purchase of investments	(369,111,384)	(208,239,903)
Sale of investments	322,055,993	171,507,046
Interest on investments	4,456,349	1,795,233
Net cash used by investing activities	(42,599,042)	(34,937,624)
Net decrease in cash and cash equivalents	(17,621,513)	(19,309,211)
Cash and cash equivalents as of beginning of the year	68,722,029	88,031,240
Cash and cash equivalents as of end of the year \$	51,100,516	68,722,029
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss \$	(168,726,038)	(166,113,923)
Adjustments to reconcile operating loss to net cash used by operating activities:	92 506 246	04 650 070
State paid fringe benefits State paid postemployement benefits	82,596,246 22,327,935	81,652,278 32,605,585
Depreciation and amortization expense	49,916,282	46,455,109
Changes in assets and liabilities:		
Receivables	5,234,422	5,552,576
Other current assets Note receivable	(242,278)	478,682 (800,000)
Accounts payable and accrued expenses	422,624	2,466,369
Unearned revenue	5,361,321	(295,083)
Student deposits	32,350	109,157
Other liabilities Deposits held in custody for others	(945,191) 1,942	286,444 448,946
Compensated absences – noncurrent portion	420,721	79,164
Net pension liability, net of deferred amounts	6,785,632	13,336,529
Net cash provided by operating activities \$	3,185,968	16,261,833
Noncash transaction:		
Noncash gifts \$	_	1,055,573
Unrealized loss on investments	(1,896,970)	(148,610)
State of New Jersey paid fringe benefits	82,596,246	81,652,278
State of New Jersey paid other postemployment benefits	22,327,935	32,605,585

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Rowan University (the University), formerly Rowan College of New Jersey, was founded in 1923 and effective July 1, 1967, came under the general policy control of the New Jersey Board of Higher Education. Under the Higher Education Act of 1966, the University and all the other New Jersey State colleges became multipurpose institutions of higher education with an emphasis on the liberal arts and sciences and various professional areas including the science of education and the art of teaching. The operation and management of the University is vested in the University's board of trustees.

The University is recognized as a public institution by the State of New Jersey (the State). Under the law, the University is an instrumentality of the State with a high degree of autonomy. However, the University is considered a component unit of the State for financial reporting purposes. Accordingly, the financial statements of the University are included in the State's Comprehensive Annual Financial Report.

On August 22, 2012 Governor Christie signed the "New Jersey Medical and Health Sciences Education Restructuring Act" (the Law) into law. Effective July 1, 2013, the School of Osteopathic Medicine (SOM) in Stratford, NJ (formerly under the University of Medicine and Dentistry of New Jersey (UMDNJ)) was integrated with the University. The Law also establishes the University as a public research institution.

(b) Summary of Significant Accounting Policies

(i) Basis of Presentation

The accounting policies of the University conform to accounting principles generally accepted in the United States of America as applicable to public colleges and universities. The University reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

GASB Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities – an amendment of GASB Statement No. 34 (GASB 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 subject to externally imposed stipulations that must be maintained permanently by the University.

Expendable – Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to the stipulations or that expire by the passage of time.

Unrestricted: Net position that is not subject to externally imposed stipulations. Unrestricted net
position may be designated for specific purposes by action of management or the board of
trustees.

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



(ii) Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting utilizing the economic resources measurement focus. The University reports as a business-type activity, as defined by GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB 34). Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

(iii) Cash and Cash Equivalents

The University classifies as cash equivalents, funds that are in short-term, highly liquid investments, and are readily convertible to known amounts of cash with a portfolio maturity of one year or less.

The University maintains portions of its cash with three custodians, two banks and the State of New Jersey Cash Management Fund (NJCMF). All are interest-bearing accounts from which the funds are available upon demand.

(iv) Investments

Investments are reflected at fair value. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis. Realized and unrealized gains and losses are reported in investment income.

(v) Capital Assets

Capital assets include land, land improvements, buildings, and equipment. Such assets are recorded at historical cost. Land improvements and building improvements costing over \$50,000, as well as equipment with a unit cost over \$5,000 are capitalized. Donated capital assets, including artwork, are recorded at the acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Artwork is considered inexhaustible and is not depreciated. Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset	Useful lives
Land improvements	20 years
Buildings	20–40 years
Equipment	3–20 years

(vi) Deposits Held in Custody for Others

The University holds cash and cash equivalents as custodian for the Student Government Association.

(vii) Net Pension Liability and Related Pension Amounts

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 Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS) and the Teachers' Pension and Annuity Fund (TPAF), which is a special funding situation, and additions to/deductions from PERS's, PFRS's, and TPAF's fiduciary net position have been determined on the same basis as they are reported by PERS, PFRS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, PFRS and TPAF, please refer to the State of New Jersey,



Notes to the Financial Statements as of June 30, 2019 and 2018

Division of Pensions and Benefits' Comprehensive Annual Financial Report (CAFR), which can be found at: www.state.nj.us/treasury/pensions/annrpts.shtml.

(viii) Financial Dependency

One of the University's largest sources of revenue is appropriations from the State, which include state paid fringe benefits. The University is economically dependent on these appropriations to carry on its operations.

(ix) Student Tuition and Fees

Student tuition and fees are presented net of scholarships applied to student accounts, while other payments made directly to students are presented as student aid expenses and are recognized in the period incurred. Student tuition and fees collected in advance of the fiscal year are recorded as unearned revenue in the accompanying statements of net position.

(x) Professional Services and Contract Revenues

Professional services and contract revenues include the operations of SOM faculty practice plans and affiliated hospital billings. The professional services and contract revenues are recorded on an accrual basis and reported at the estimated net realizable amounts from patients, third party payers and others for services rendered. The house staff and affiliations revenues are recorded on an actual basis based on contracts with various affiliated hospitals for reimbursement of salary, fringe and malpractice charges incurred by SOM.

(xi) Grants and Contracts

All grants and contracts are 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 and contracts for which eligibility requirements have not been met under the terms of the agreement, are recorded as unearned revenue in the accompanying statements of net position.

(xii) Classification of Revenue

The University's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that serve the University'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 (1) student tuition and fees and auxiliary enterprises, net of scholarship allowances, (2) most Federal, State, and private grants and contracts, and (3) professional services and contract revenue. Nonoperating revenues include activities that have the characteristics of nonexchange transactions or do not result from the receipt or provision of goods and services, such as operating appropriations from the state, private gifts, and investment income.

(xiii) New Accounting Standard Adopted

In fiscal year 2019, the University adopted GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This Statement improves the information that is disclosed in notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities a government should include when disclosing information related to debt. The University has reviewed this pronounced, and determined that it is inapplicable due a lack of direct borrowings and direct placements.



In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement requires a government entity to recognize an asset retirement obligation when the liability is incurred and reasonably estimable. The government entity would measure the obligation based on its best estimate of the current value of outlays expected to be incurred. The requirements of this Statement are effective for reporting period beginning after June 15, 2018 (fiscal year 2019). The University has assessed that the impact of this pronouncement does not result in material liability to the financial statements.

(xiv) Accounting Pronouncements Applicable to the University, Issued but Not Yet Effective

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (fiscal year 2020). The University is evaluating the impact of this new standard.

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement improves accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 will be effective for periods beginning after December 15, 2019 (fiscal year 2021). The University is evaluating the impact of this new standard.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement requires that interest cost incurred before the end of a construction period be recognized as expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (fiscal year 2021). As a result of this Standard, the University will no longer capitalize interest cost related to debt-financed construction projects beginning in fiscal year 2021.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (fiscal year 2020). This standard is not expected to have a significant impact on the University.

(xv) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at



Notes to the Financial Statements as of June 30, 2019 and 2018

the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(xvi) Tax Status

The University is exempt from income taxes on related income pursuant to federal and state tax laws as an instrumentality of the State.

(2) Cash, Cash Equivalents, and Investments

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of the following as of June 30, 2019 and 2018:

Cash and Cash Equivalents						
	2019	2018				
Cash \$	43,004,493	67,178,361				
State of New Jersey Cash Management						
Fund	640,397	626,309				
Money market accounts	7,455,626	917,359				
Total cash and cash equivalents \$	51,100,516	68,722,029				

Cash and money market accounts were held at a depository and bank balances amounted to \$56,120,367 and \$74,861,255, respectively, as of June 30, 2019 and 2018. Of these amounts, \$250,000 was FDIC insured, and \$55,229,970 and \$73,984,946 were collateralized pursuant to Chapter 64 of Title 18A of New Jersey Statutes as of June 30, 2019 and 2018, respectively.

The University participates in NJCMF wherein amounts also contributed by other State entities are combined in a large-scale investment program. The University's deposits in the NJCMF were \$640,397 and \$626,309 as of June 30, 2019 and 2018, respectively. These amounts are collateralized in accordance with New Jersey Statute 52:18-16-1, but not in the University's name.

The operations of the NJCMF are governed by statutes of the State and the provisions of the State Investment Council Regulations for the purpose of determining authorized investments. The fair value of the NJCMF is based on the number of shares held by the University and the market price of those shares as of June 30, 2019 and 2018. The NJCMF is unrated with an average portfolio maturity of less than one year.

(b) Investments

The University's investments consist of the following as of June 30, 2019 and 2018:

Investments		
	2019	2018
U.S. government treasury securities \$	10,144,608	14,868,533
U.S. government agency securities	5,592,055	999,830
U.S. corporate bonds	105,784,137	88,871,928
International bonds	6,442,814	_
Foreign corporate bonds	1,382,114	752,786
Commercial paper	349,727	_
Asset-backed securities	21,061,329	7,720,589
Commercial mortgage-backed securities	6,349,189	2,248,649
Municipal bonds	1,745,203	2,307,137
Collateralized mortgage obligations	5,371,999	819,814
Mutual funds – equity	7,412,166	4,273,693
Common stock – equity	178,883	174,500
Total investments \$	171,814,224	123,037,459

The University has an investment policy, which establishes guidelines for permissible investments. Short-term investment options include, but are not limited to, the funds, municipal obligations, etc. that are deemed appropriate and within the risk parameters as determined by the University Board of Trustees and the University Executive Staff.

The University's long-term investment options include, but are not limited to, the purchase of U.S. Government agency obligations, U.S. government treasury securities, corporate bonds, and other investment vehicles (i.e. mutual funds, asset backed securities, etc.) that are deemed appropriate and within the University's investment policy.

The University'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) and Standard and Poors (S&P). The University's investment policy requires that fixed income securities are rated Baa3/BBB – or higher by at least one rating agency. At June 30, 2019 and 2018, the University does not have investments in a single issuer of more than 5% of its total investments and therefore does not have a concentration of credit risk.

The following tables summarize the agency ratings of the fixed income securities included in the University's investments as of June 30, 2019 and 2018:

	2019								
	S&P Rated				Mood	dy's Rated	Fitch Rated		
	AAA	AA	Α	BBB	Aaa	Aa3	A1	AAA	Total
U.S. government treasury									
securities \$	_	6,428,632	_	_	3,715,976	_	_	_	10,144,608
U.S. government agency									
securities	_	2,253,969	_	_	3,338,086	_	_	_	5,592,055
U.S. corporate bonds	2,017,290	20,827,361	55,584,667	25,573,983	1,780,836	_	_	_	105,784,137
International bonds	2,200,726	_	121,036	_	4,121,052	_	_	_	6,442,814
Foreign corporate bonds	_	_	_	_	_	_	1,382,114	_	1,382,114
Commercial paper	_	_	349,727	_	_	_	_	_	349,727
Asset-backed securities	14,049,780	1,257,473	43,550	_	5,710,526	_	_	_	21,061,329
Commercial mortgage-									
backed securities	1,281,825	_	_	_	4,503,863	100,188	_	463,313	6,349,189
Municipal bonds	73,935	1,235,678	210,426	_	_	225,164	_	_	1,745,203
Collateralized mortgage									
obligations	_	5,371,999	_	_	_	_	_	_	5,371,999
Total \$	19,623,556	37,375,112	56,309,406	25,573,983	23,170,339	325,352	1,382,114	463,313	164,223,175

	2018								
	S&P Rated					Moody's Rated			
	AAA	AA	A A BBB		Aaa	Aa	Α	Total	
U.S. government treasury									
securities \$	_	14,868,533	_	_	_	_	_	14,868,533	
U.S. government agency									
securities	_	999,830	_	_	_	_	_	999,830	
U.S. corporate bonds	1,992,890	20,627,369	48,131,534	15,857,764	2,262,371	_	_	88,871,928	
Foreign corporate bonds	675,574	_	_	77,212	_	_	_	752,786	
Asset-backed securities	5,014,280	380,162	_	_	2,326,147	_	_	7,720,589	
Commercial mortgage-									
backed securities	232,498	410,389	_	_	1,605,762	_	_	2,248,649	
Municipal bonds	_	565,733	629,819	_	900,000	172,581	39,004	2,307,137	
Collateralized mortgage									
obligations	_	819,814	_	_	_	_	_	819,814	
Total \$	7,915,242	38,671,830	48,761,353	15,934,976	7,094,280	172,581	39,004	118,589,266	

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The University's investment policy does not specifically address limitations in the maturities of investments. For the University, the following tables summarize the maturities of the fixed income security investments as of June 30, 2019 and 2018:

	2019 Investment maturities (in years)						
Investment type	Fair value	Less than 1	1–5	6–10	More than 10		
U.S. government treasury							
securities \$	10,144,608	7,261,359	2,883,249		_		
U.S. government agency	10,144,000	7,201,000	2,000,240				
securities	5,592,055	3,606,776	1,156,592		828,687		
U.S. corporate bonds	105,784,137	57,431,369	48,352,768				
International bonds	6,442,814	—	6,442,814		_		
Foreign corporate bonds	1,382,114	_	1,382,114	_			
Commercial paper	349,727	349,727	_	_	_		
Asset-backed securities	21,061,329	82,980	15,145,484	3,692,037	2,140,828		
Commercial mortgage-backed	, ,	. ,	-, -, -	-,,	, -,		
securities	6,349,189	_	75,024	101,888	6,172,277		
Municipal bonds	1,745,203	1,420,531	250,737	73,935	· · · —		
Collateralized mortgage	, ,	, ,	,	,			
obligations	5,371,999	1,092,671	3,346,345	259,592	673,391		
Total \$	164,223,175	71,245,413	79,035,127	4,127,452	9,815,183		

	2018 Investment maturities (in years)							
Investment type	Fair value	Less than 1	1–5	6–10	More than 10			
U.S. government treasury								
securities \$	14,868,533	10,927,083	3,941,450	_	_			
U.S. government agency								
securities	999,830	999,830	_	_	_			
U.S. corporate bonds	88,871,928	45,017,887	42,870,341	_	983,700			
Foreign corporate bonds	752,786	675,574	77,212	_	_			
Asset-backed securities	7,720,589	159,243	6,367,130	856,817	337,399			
Commercial mortgage-backed								
securities	2,248,649	687,889	410,388	_	1,150,372			
Municipal bonds	2,307,137	514,832	492,305	200,000	1,100,000			
Collateralized mortgage								
obligations	819,814	60,356	393,073	230,434	135,951			
Total \$	118,589,266	59,042,694	54,551,899	1,287,251	3,707,422			

(c) Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 quoted or published prices for identical assets or liabilities in active markets that a
 government can access at the measurement date.
- Level 2 quoted prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.
- Level 3 pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity or the investment.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

The categorization of a financial instrument within the hierarchy is based upon pricing transparency and is not necessarily an indication of the University's perceived risk of that instrument.

The following is a description of the valuation methodologies used for instruments measured at fair value:

- U. S. government treasury securities and agency securities The fair value of government securities
 and agencies are based on institutional bond quotes and evaluations based on various market and
 industry inputs.
- U. S., international, and foreign corporate bonds The fair value of corporate bonds are based on institutional bond quotes and evaluations based on various market and industry inputs.
- Common stocks and mutual funds equity The fair value of mutual funds are based on quoted or published market prices, when available, or market prices provided by recognized broker-dealers.
- Asset backed securities, commercial paper, commercial mortgage-backed securities and collateralized mortgage obligations – The fair value of asset backed securities, mortgages, commercial mortgage-backed securities, and collateralized mortgage obligations are based on various market and industry inputs and quotes from market makers and other brokers recognized to be market participants.
- Municipal bonds The fair value of municipal bonds are based on various market and industry inputs.



The University's financial instruments as of June 30, 2019 are summarized in the following table by their fair value hierarchy:

Investments Measured at Fair Value								
		Total		Level 1		Level 2	Level 3	
Investment:								
U. S. government treasury securities	\$	10,144,608		10,144,608		_	_	
U. S. government agency securities		5,592,055		· · · —		5,592,055	_	
U. S. corporate bonds		105,784,137		_		105,784,137	_	
International bonds		6,442,814		_		6,442,814	_	
Foreign corporate bonds		1,382,114		_		1,382,114	_	
Commercial paper		349,727		_		349,727	_	
Asset-backed securities		21,061,329		_		21,061,329	_	
Commercial mortgage-backed								
securities		6,349,189		_		6,349,189	_	
Municipal bonds		1,745,203		_		1,745,203	_	
Collateralized mortgage obligations		5,371,999		_		5,371,999	_	
Mutual funds – equity		7,412,166		7,412,166		_	_	
Common stock – equity		178,883		178,883		_	_	
Total investments	\$	171,814,224		17,735,657		154,078,567		

The University's financial instruments as of June 30, 2018 are summarized in the following table by their fair value hierarchy:

Investments Measured at Fair Value								
	Total	Level 1	Level 2	Level 3				
Investment:								
U. S. government treasury securities	\$ 14,868,533	14,868,533	_	_				
U. S. government agency securities	999,830	_	999,830	_				
U. S. corporate bonds	88,871,928	_	88,871,928	_				
Foreign corporate bonds	752,786	_	752,786	_				
Asset-backed securities	7,720,589	_	7,720,589	_				
Commercial mortgage-backed								
securities	2,248,649	_	2,248,649	_				
Municipal bonds	2,307,137	_	2,307,137	_				
Collateralized mortgage obligations	819,814	_	819,814	_				
Mutual funds – equity	4,273,693	4,273,693	_	_				
Common stock – equity	174,500	174,500	_	_				
Total investments	\$ 123,037,459	19,316,726	103,720,733	_				

(3) Restricted Deposits Held by Trustees

Restricted deposits held by trustees include restricted funds held by three Board approved trustees. Deposits held by trustees consist of cash and money market investments, which are measured at amortized cost. The money market investments were unrated. Restricted deposits held by trustees include funds for construction, debt service reserve, and debt service and consist of the following as of June 30, 2019 and 2018:

Restricted Deposits Held by Trustees							
	2019	2018					
Construction funds \$ Debt service and debt service reserve funds	71,051,750 27,823,790	27,513,932 26,195,005					
	98,875,540	53,708,937					
Less current portion	27,823,790	26,195,005					
Noncurrent restricted deposits held by trustees \$	71,051,750	27,513,932					

(4) Capital Assets

The detail of capital assets activity for the years ended June 30, 2019 and 2018 is as follows:

	Capital Assets								
	Beginning	Additions/	Deletions/	Ending					
2019	balance	Transfers	transfers	balance					
Nondepreciable assets:									
Land \$	50,733,561	188,365	_	50,921,926					
Artwork	3,164,490	_	(445,000)	2,719,490					
Construction in progress	13,434,967	25,788,227	(17,103,949)	22,119,245					
Total nondepreciable									
assets	67,333,018	25,976,592	(17,548,949)	75,760,661					
Depreciable assets:									
Land improvements	57,625,634	3,488,288	_	61,113,922					
Buildings	1,200,860,770	15,841,891	(30,111)	1,216,672,550					
Equipment	67,228,641	10,382,843	(388,939)	77,222,545					
Total depreciable assets	1,325,715,045	29,713,022	(419,050)	1,355,009,017					
Less accumulated depreciation:									
Land improvements	26,367,711	3,132,386	_	29,500,097					
Buildings	399,375,690	39,696,902	(30,111)	439,042,481					
Equipment	36,841,820	8,314,477	(356,440)	44,799,857					
Total accumulated									
depreciation	462,585,221	51,143,765	(386,551)	513,342,435					
Total capital assets, net \$	930,462,842	4,545,849	(17,581,448)	917,427,243					

Capital Assets								
	Beginning	Additions/	Deletions/	Ending				
2018	balance	Transfers	transfers	balance				
Nondepreciable assets:								
Land \$	50,569,091	164,470	_	50,733,561				
Artwork	2,770,624	393,866	_	3,164,490				
Construction in progress	31,897,871	29,641,709	(48,104,613)	13,434,967				
Total nondepreciable								
assets	85,237,586	30,200,045	(48,104,613)	67,333,018				
Depreciable assets:								
Land improvements	55,071,590	2,554,044	_	57,625,634				
Buildings	1,154,084,386	48,015,664	(1,239,280)	1,200,860,770				
Equipment	60,293,467	11,409,782	(4,474,608)	67,228,641				
Total depreciable assets	1,269,449,443	61,979,490	(5,713,888)	1,325,715,045				
Less accumulated depreciation:								
Land improvements	23,440,293	2,927,418	_	26,367,711				
Buildings	361,517,911	38,873,946	(1,016,167)	399,375,690				
Equipment	33,853,069	7,172,407	(4,183,656)	36,841,820				
Total accumulated								
depreciation	418,811,273	48,973,771	(5,199,823)	462,585,221				
Total capital assets, net \$	935,875,756	43,205,764	(48,618,678)	930,462,842				

Depreciation expense for the year ending June 30, 2019 and 2018 is \$51,143,765 and \$48,973,771, respectively. The estimated cost to complete capital projects included in construction in progress as of June 30, 2019 approximates \$94,804,000. Anticipated financing for these projects is approximately \$3,752,000 in grant funds, \$59,520,000 in bond funding and \$31,532,000 in University funds.

(5) State of New Jersey Fringe Benefits

The State, through separate appropriations, pays certain fringe benefits, principally health benefits and FICA taxes, on behalf of University employees and retirees. The costs of these benefits, \$82,596,246 and \$81,652,278, respectively, for fiscal years 2019 and 2018, were paid directly by the State on behalf of the University and are included in the accompanying financial statements as State of New Jersey fringe benefits revenue and as operating expenses.

(6) Retirement Plans

The University participates in several retirement plans, administered by the State of New Jersey, Division of Pensions and Benefits (the Division), covering its employees – the Public Employees' Retirement System, the Police and Firemen's Retirement System, the Teachers' Pension and Annuity Fund, the Alternate Benefit Program (ABP), and the Defined Contribution Retirement Program (DCRP). PERS, PFRS and TPAF are cost-sharing, multiple-employer defined benefit retirement plans, while ABP and DCRP are defined contribution retirement plans. Generally all employees, except certain part-time employees, participate in one of these plans. The University is charged for pension costs through a fringe benefit charge assessed by the State which is included with the State of New Jersey fringe benefits in the accompanying financial statements (see note 5).



A publicly available 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's, PFRS's, and TPAF'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.

(a) Defined Benefit Pension Plans

General Information

(i) Public Employees' Retirement System

Plan description – PERS was established under the provisions of N.J.S.A. 43:15A to provide 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.

Benefits provided – 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	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at 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.

Contributions – The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate at June 30, 2019 and 2018 was 7.5% and 7.34%, respectively, of pensionable wages. The State contributes the employer's share on behalf of the University. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. The University's contributions to PERS (amounts paid by the State on behalf of the University) for the fiscal year ended June 30, 2019 and 2018 was \$9,320,515 and \$7,325,414, respectively.



(ii) Police and Firemen's Retirement System

Plan description – PFRS was established under the provisions of N.J.S.A 43:16A to provide 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.

Benefits provided – All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

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.

Contributions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The State contributes the employer's share on behalf of the University. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The member contribution rate at June 30, 2019 and 2018 was 10% of pensionable wages. The University's contributions to PFRS (amounts paid by the State on behalf of the University) for the fiscal year ended June 30, 2019 and 2018 were \$1,248,845 and \$1,069,699, respectively.

(iii) Teachers' Pension and Annuity Fund

Plan description – TPAF was established under the provisions of N.J.S.A. 18A:66 to provide 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 University participate in the TPAF. Under the provisions of N.J.S.A. 18A:66-33, the State is legally obligated to make contributions on behalf of all participating employers to the plan, therefore TPAF meets the definition of a special funding situation as defined in GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

Benefits provided – The vesting and benefit provisions are set by N.J.S.A. 18A:66. 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 with 25 or more years of service credit, 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 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The full normal contribution rate at June 30, 2019 and 2018 was 7.5% and 7.34%, respectively. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The University's respective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense related to PERS and PFRS are calculated by the Division. At June 30, 2019, the University reported a liability of \$274,241,746 and \$17,849,912 for PERS and PFRS, respectively, for its proportionate share of the respective PERS and PFRS net pension liabilities. At June 30, 2018, the University reported a liability of \$295,481,815 and \$18,121,876 for PERS and PFRS, respectively, for its proportionate share of the respective PERS and PFRS net pension liabilities. As the State is legally obligated to fund TPAF on behalf of the University, the University's proportionate share of net pension liability at June 30, 2019 and 2018 of \$1,310,288 and \$1,479,732, respectively, is recognized by the State. The total pension liabilities used to calculate the net pension liabilities, which were recorded in the statement of net position as of June 30, 2019, were determined by actuarial valuations as of July 1, 2017 and rolled forward to the measurement date of June 30, 2018. The total pension liabilities used to calculate the net pension liabilities, which were recorded in the statement of net position as of June 30, 2018, were determined by actuarial valuations as of July 1, 2016 and rolled forward to the measurement date of June 30, 2017. For PERS and PFRS, the University's proportionate share of the respective net pension liabilities for the fiscal year was based on the actual contributions made by the State on behalf of the University relative to the total contributions of participating employers of the State Group for each plan for fiscal year 2018. For TPAF, the University's proportionate share of the respective net pension liability for the fiscal year was based on the actual contributions made by the State on behalf of the University relative to the total contributions made by the State for fiscal year 2018 and 2017. The University's allocation percentages and pension expense for each plan are as follows:

2018 Summary of Pension Amounts					
	PERS	PFRS	TPAF		
 2018 Allocation percentage – State Group/Nonemployer Group¹ 2018 Allocation percentage – Total Plan² Pension expense for the measurement date 	1.157 % 0.632 %	0.412 % 0.091 %	0.002 % 0.002 %		
June 30, 2018 \$	15,962,800	1,551,412	76,385		

2017 Summary of Pension Amounts					
	PERS	PFRS	TPAF		
2017 Allocation percentage – State					
Group/Nonemployer Group ¹	1.152 %	0.412 %	0.002 %		
2017 Allocation percentage – Total Plan ²	0.604 %	0.084 %	0.002 %		
Pension expense for the measurement date					
June 30, 2017 \$	20,668,447	1,625,442	102,508		

¹ – Allocation percentage for PERS and PFRS based on total State Group. Allocation percentage for TPAF based on total Nonemployer Group.

As TPAF is a special funding situation, the University recognized revenue related to the support provided by the State as of June 30, 2019 and 2018 of \$76,385 and \$102,508, respectively, in the State of New Jersey fringe benefits amount on the statements of revenue, expenses and changes in net position.

² – Allocation percentage calculated as the University's respective net pension liability as a percentage of the total plan's net pension liability.

The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of June 30, 2019 and 2018:

2019 Deferred Outflows and Inflows of Resources from Pensions					
	PERS	PFRS	Total		
Deferred outflows of resources:					
Changes of assumptions \$	26,796,471	657,121	27,453,592		
Changes in proportionate share	11,249,273	843,114	12,092,387		
Differences between expected and					
actual experience	4,773,752	_	4,773,752		
Net differences between projected and					
actual investment earnings on					
pension plan investments	775,589	261,690	1,037,279		
Contributions subsequent to the					
measurement date	9,320,515	1,248,845	10,569,360		
Total \$	52,915,600	3,010,770	55,926,370		
Deferred inflows of resources:					
Changes in proportionate share \$	7,643,104	271,182	7,914,286		
Differences between expected and					
actual experience	2,287,773	249,795	2,537,568		
Changes of assumptions	55,195,738	2,104,660	57,300,398		
Total \$	65,126,615	2,625,637	67,752,252		

	2018					
Deferred Outflows and Inflows of Resources from Pensions						
		PERS		PFRS		Total
Deferred outflows of resources:						
Changes of assumptions	\$	38,650,908		1,084,709		39,735,617
Changes in proportionate share		14,357,377		1,150,081		15,507,458
Differences between expected and						
actual experience		6,769,706		_		6,769,706
Net differences between projected and						
actual investment earnings on						
pension plan investments		1,876,738		331,548		2,208,286
Contributions subsequent to the						
measurement date		7,325,414		1,069,699		8,395,113
Total	\$	68,980,143		3,636,037		72,616,180
Deferred inflows of resources:	Ī					
	\$	12,086,791		448,423		12,535,214
Differences between expected and	•	, , -		-, -		, ,
actual experience		_		234,936		234,936
Changes of assumptions		41,832,600		1,541,647		43,374,247
Total	\$	53,919,391		2,225,006		56,144,397

As the State is legally obligated to fund TPAF on behalf of the University, the University's proportionate share of deferred outflows of resources and deferred inflows of resources are recognized by the State.

At June 30, 2019, \$10,569,360 was reported as deferred outflows of resources related to pensions resulting from contributions made on behalf of the University by the State subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Future Net Deferred Outflows (Inflows) of Resources					
		PERS	PFRS	Total	
Years ending:					
2020	\$	677,454	133,000	810,454	
2021		(1,045,795)	(113,760)	(1,159,555)	
2022		(8,241,246)	(396,078)	(8,637,324)	
2023		(9,673,982)	(335,709)	(10,009,691)	
2024		(3,247,961)	(151,165)	(3,399,126)	
	\$	(21,531,530)	(863,712)	(22,395,242)	

Actuarial Assumptions

The total pension liabilities related to PERS, PFRS, and TPAF measured as of June 30, 2018 and 2017 were based on actuarial valuations as of July 1, 2017 and 2016, respectively, using the following actuarial assumptions:

Actuarial Assumptions					
	PERS	PFRS	TPAF		
Inflation rate	2.25%	2.25%	2.25%		
Salary increases:					
Through 2026	1.65 – 4.15%	2.10 - 8.98%	Varies based on		
	based on age	based on age	experience		
Thereafter	2.65 - 5.15%	3.10 - 9.98%	Varies based on		
	based on age	based on age	experience		
Investment rate of return	7.00%	7.00%	7.00%		

2018

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).



2017

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

2018

For PFRS, pre-retirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combines Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from base year of 2000 to 2013 using Projection Scale BB and the Conduent modifies 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

2017

For PFRS, pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post- retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

2018

For TPAF, pre-retirement mortality rated were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.



2017

For TPAF, pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% June 30, 2018 and 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 the arithmetic real rates of return for each major asset class included in PERS's, PFRS's and TPAF's target asset allocations as of June 30, 2018 and 2017 are summarized in the following table:

Target Asset Allocation and Long-Term Expected Rate of Return					
	PERS PFRS TPAF				
	Target Long-term expect				
	allocation	real rate of return			
Absolute return/risk mitigation	5.00 %	5.51 %			
Cash equivalents	5.50	1.00			
U.S. Treasuries	3.00	1.87			
Investment grade credit	10.00	3.78			
Public high yield	2.50	6.82			
Global diversified credit	5.00	7.10			
Credit oriented hedge funds	1.00	6.60			
Debt related private equity	2.00	10.63			
Debt related real estate	1.00	6.61			
Private real asset	2.50	11.83			
Equity related real estate	6.25	9.23			
U.S. equity	30.00	8.19			
Non-U.S. developed markets equity	11.50	9.00			
Emerging market equities	6.50	11.64			
Buyouts/venture capital	8.25	13.08			

Discount Rate

The discount rates used to measure the total pension liabilities were 5.66%, 6.51% and 4.86% for PERS, PFRS, and TPAF, respectively, as of June 30, 2018. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018, 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 discount rates used to measure the total pension liabilities were 5.00%, 6.14% and 4.25% for PERS, PFRS, and TPAF, respectively, as of June 30, 2017. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017, 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.

In fiscal year 2019, 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 contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions for PERS, PFRS and TPAF and the local employers contributed 100% of their actuarially determined contributions for PERS and PFRS. Based on those assumptions, the plan's fiduciary net position as of June 30, 2018 was projected to be available to make projected future benefit payments of current plan members through 2046 for PERS, 2062 for PFRS and 2040 for TPAF. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 for PERS, 2062 for PFRS and 2040 for TPAF and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

In fiscal year 2018, 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions for PERS, PFRS and TPAF and the local employers contributed 100% of their actuarially determined contributions for PERS and PFRS. Based on those assumptions, the plan's fiduciary net position as of June 30, 2017 was projected to be available to make projected future benefit payments of current plan members through 2040 for PERS, 2057 for PFRS and 2036 for TPAF. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 for PERS, 2057 for PFRS and 2036 for TPAF and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the University as of the June 30, 2018, measurement date calculated using the discount rates as disclosed above as well as the collective net pension liability if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2018 Sensitivity of Net Pension Liability				
At 1% At current At 1% Plan (rates) decrease discount rate increase				
PERS(4.66%, 5.66%, 6.66%) PFRS(5.51%, 6.51%, 7.51%)	317,149,280 20,987,542	274,241,746 17,849,912	238,296,262 15,266,007	

The following presents the collective net pension liability of the University as of the June 30, 2017, measurement date calculated using the discount rates as disclosed above as well as the collective net



pension liability if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2017 Sensitivity of Net Pension Liability				
At 1% At current At 1%				
Plan (rates)	decrease	discount rate	increase	
PERS(4.00%, 5.00%, 6.00%)	343,561,501	295,481,815	255,547,006	
PFRS(5.14%, 6.14%, 7.14%)	21,447,185	18,121,876	15,396,087	

(b) Defined Contribution Retirement Plans

Alternative Benefit Program (ABP)

ABP 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. Participation eligibility as well as contributory and noncontributory requirements is established by the State of New Jersey Retirement and Social Security Law. Contributions can be invested with up to six investment carriers available under the plan. Additional voluntary contributions may be made on a tax-deferred basis, subject to limits within the Internal Revenue Code. The University assumes no liability for ABP members other than payment of contributions.

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 University employees contribute 5% of salary and may contribute a voluntary additional contribution up to the maximum Federal statutory limit, on a pre-tax basis.

Employer contributions are 8%. During the year ended June 30, 2019 and 2018, ABP investment carriers received employer and employee contributions as follows:

ABP Employer and Employee Contributions						
	2018					
Employer contributions	\$	12,069,066	10,799,217			
Employee contributions		14,931,242	13,468,992			
Basis for contributions:						
Participating employee salaries	\$	150,863,320	134,990,216			

Employer contributions to ABP are paid by the State and are reflected in the accompanying financial statements as State of New Jersey fringe benefit revenue and as expenses.

Effective July 1, 2010, Governor Christie signed Chapter 31, P.L. 2010 into law, which only allowed employer contributions to ABP for salaries up to \$141,000. Effective July 1, 2018, Chapter 14, P.L. 2018 increased the salary cap allowing for employer contributions to ABP for salaries up to \$175,000.



Defined Contribution Retirement Plan

DCRP was established under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit along with life insurance and disability coverage. DCRP enrollment eligibility criteria includes employees who: (1) earn below a minimum base salary, or (2) do not work a minimum number of hours per week, or (3) are enrolled in PERS and make in excess of the established "maximum contribution" limits. Participating eligibility, as well as contributory and noncontributory requirements, is established by the State of New Jersey Retirement and Social Security Law.

DCRP has one investment carrier, Prudential, which jointly administers the DCRP investments with the Division of Pensions and Benefits. The University assumes no liability for DCRP members other than payment of contributions. Benefits are determined by the amount of individual accumulations and the retirement option selected. All benefits vest immediately for employees who are enrolled in PERS or after one year for employees not in PERS. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting.

Participating University employees contribute 5.5% of their eligible wages. Employer contributions are 3%. During the years ended June 30, 2019 and 2018, Prudential received employer and employee contributions as follows:

DCRP Employer and Employee Contributions							
2019 2							
Employer contributions	\$	32,059	28,140				
Employee contributions		58,775	51,589				
Basis for contributions:							
Participating employee salaries	\$	1,068,610	937,978				

(c) Post-Employment Benefits Other than Pensions

The University's retirees participate in the State Health Benefit State Retired Employees Plan (the Plan).

Plan description, including benefits provided - The Plan is a single-employer defined benefit other postemployment benefit (OPEB) plan, which provides medical, prescription drug, and Medicare Part B reimbursements to retirees and their covered dependents. Although the Plan is a single-employer plan, it is treated as a cost-sharing multiple employer plan for standalone reporting purposes. In accordance N.J.S.A. 52:14-17.32, the State of New Jersey (the State) is required to pay the premiums and periodic charges for OPEB of State employees who retire with 25 years or more of credited service, or on a disability pension, from one or more of the following pension plans: the Public Employees' Retirement System (PERS), the Alternate Benefit Program (ABP) or the Police and Firemen's Retirement System (PFRS). In addition, Chapter 302, P.L. 1996 provides that for purposes of this Plan, the University's employees retain any and all rights to the health benefits in the Plan, even though the University is considered autonomous from the State, therefore, its employees are classified as State employees. As such, the State is legally obligated for the benefit payments on behalf of the retirees of the University; therefore, the Plan meets the definition of a special funding situation as defined in GASB Statement No. 75, Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions (GASB 75).



Retirees who are not eligible for employer-paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage, who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their healthcare coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible for will be determined based on the retiree's annual retirement benefit and level of coverage.

The Plan is administered on a pay-as-you-go-basis. Accordingly, no assets are accumulated in a qualifying trust that meets the definition of a trust as per GASB 75.

Total OPEB Liability and OPEB expense

As of June 30, 2019 and 2018, the State recorded a liability of \$486,974,034 and \$554,246,968, respectively, which represents the portion of the State's total proportionate share of the collective total OPEB liability that is associated with the University (the University's share). The University's share was based on the ratio of its members to the total members of the Plan. At June 30, 2019, the University's share was 6.81% and 2.06% of the special funding situation and of the Plan, respectively. At June 30, 2018, the University's share was 6.77% and 1.97% of the special funding situation and of the Plan, respectively.

For the year ended June 30, 2019 and 2018, the University recognized OPEB expense of \$22,327,935 and \$32,605,585, respectively. As the State is legally obligated for benefit payments on behalf of the University, the University recognized revenue related to the support provided by the State of \$22,327,935 and \$32,605,585 in 2019 and 2018, respectively.

Actuarial assumptions and other inputs – The State's liability associated with the University at June 30, 2019 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to the measurement date of June 30, 2018. The State's liability associated with the University at June 30, 2018 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to the measurement date of June 30, 2017. This valuation used the following assumptions:

	2019	2018
Inflation	2.50 %	2.50 %
Discount rate	3.87 %	3.58 %
Salary increases		
Through 2026	1.55 – 8.98%	1.55 – 8.98%
Thereafter	2.00 - 9.98%	2.00 - 9.98%

The discount rate is based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes taxexempt general obligation municipal bonds with an average rating of AA/Aa or higher. Salary increases depend on the pension plan a member is enrolled in. In addition, they are based on age or years of service.



The June 30, 2017 valuation used preretirement mortality rates based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The June 30, 2016 valuation used preretirement mortality rates based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies of the State of New Jersey's defined benefit plans, including PERS (July 1, 2011 through June 30, 2014), ABP (using the experience of the Teacher's Pension and Annuity Fund – July 1, 2012 through June 30, 2015), and PFRS (July 1, 2010 through June 30, 2013).

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

(7) Accounts Payable and Accrued Expenses

The components of accounts payable and accrued expenses as of June 30, 2019 and 2018 are as follows:

Accounts Payable and Accrued Expenses							
	2019	2018					
Vendors and other \$	17,547,504	19,971,756					
Salaries and benefits	9,711,428	8,262,358					
Due to State of New Jersey	5,216,879	4,067,049					
Compensated absences – current portion	8,289,784	8,041,808					
Accrued interest payable	7,840,153	8,265,867					
Total accounts payable and accrued expenses \$	48,605,748	48,608,838					

(8) Long-term Debt

(a) Bonds Payable

Capital assets are financed through revenue bonds of the New Jersey Educational Facilities Authority (NJEFA), the Camden County Improvement Authority (CCIA) and the Gloucester County Improvement Authority (GCIA). The following obligations were outstanding as of June 30, 2019 and 2018:

Outstanding Bonds Payable								
	Interest rate	2019	2018					
NJEFA Series 2007 B Revenue Refunding Bonds, due								
serially to 2034	3.000%-5.500%	\$ <u> </u>	4,125,000					
CCIA Series 2010 A Build America Bonds, due serially								
to 2035	5.055%-7.847%	87,185,000	90,590,000					
NJEFA Series 2011 C Revenue Refunding Bonds, due								
serially to 2025	3.000%-5.000%	15,120,000	17,580,000					
CCIA Series 2013 A Rowan SOM Revenue Refunding								
Bonds, due serially to 2032	3.000%-5.000%	23,040,000	23,905,000					
CCIA Series 2013 B Rowan SOM Revenue Refunding								
Bonds due serially to 2032	0.890%-5.160%	20,640,000	22,235,000					
GCIA Series 2015 A Revenue Bonds, due serially to 2036	3.250%-5.000%	34,745,000	34,745,000					
GCIA Series 2015 B Revenue Refunding Bonds, due								
serially to 2031	1.500%-5.000%	59,290,000	64,455,000					
GCIA Series 2015 C Revenue Bonds, due serially to 2044	4.000%-5.000%	51,550,000	51,550,000					
NJEFA Series 2016 C Revenue Refunding, due serially								
to 2031	2.500%-5.000%	43,200,000	44,735,000					
GCIA Series 2017 A Revenue Bonds, due serially to 2033	3.000%-5.000%	73,475,000	73,475,000					
GCIA Series 2017 B Revenue Bonds, due serially to 2019	1.850%-2.100%	415,000	4,155,000					
GCIA Series 2019 Revenue Bonds, due serially to 2048	4.000%-5.000%	56,600,000	_					
		465,260,000	431,550,000					
		403,200,000	+31,330,000					
Plus:								
Bond premium		39,672,185	32,730,177					
Total bonds payable	Ş	504,932,185	464,280,177					

Future annual	deht se	arvica	raquiramante	annrovimata	tha	following:
rulule allilual	uent se	ei vice	requirements	approximate	uie	ioliowing.

Bonds Payable Princ	ipal and Interest	t Repayments	
	Principal	Interest	Total
	amount	amount	amount
Year ending June 30:			
2020 \$	18,175,000	23,448,585	41,623,585
2021	20,085,000	22,075,474	42,160,474
2022	23,665,000	20,925,934	44,590,934
2023	21,395,000	19,806,559	41,201,559
2024	23,235,000	18,630,488	41,865,488
2025-2029	129,620,000	73,179,623	202,799,623
2030-2034	104,920,000	42,025,201	146,945,201
2035-2039	53,095,000	20,592,180	73,687,180
2040-2044	48,340,000	10,338,600	58,678,600
2045-2049	22,730,000	1,560,200	24,290,200
\$	465,260,000	252,582,844	717,842,844

In July 2016, the NJEFA issued Rowan University Series 2016 C Bonds. The 2016 C revenue refunding bonds totaled \$45,300,000 with coupon rates ranging from 2.500% to 5.000% and maturing through 2031. The proceeds from this bond issuance will be used, along with other available funds, to refund and redeem all of NJEFA's Rowan University Series 2006 G Bonds, defease and redeem all of NJEFA's callable Rowan University 2008 B Bonds and pay the costs and expenses incurred in the issuance of the 2016 C Bonds. On a net present value basis, savings were \$6,962,589 or 13.21% of the par amount of bonds refunded. The refunding resulted in gross debt service cash-flow savings of \$9,834,067.

In August 2015, the GCIA issued Series 2015 C Bonds. The 2015 C bonds totaled \$51,550,000 with coupon rates ranging from 4.000% to 5.000% and maturing through 2044. The proceeds from this bond issuance will be used, along with other available University funds, to finance business and engineering school building projects, fund capitalized interest on the 2015 C issue through July 1, 2017 and pay the costs of issuance.

Funds are on deposit with escrow agents to provide for the payment of principal, interest, and call premiums, when due, on Series 2007 B, Series 2008 B and Series 2009 B Bonds. Accordingly, these bonds are legally outstanding obligations of the University as of June 30, 2019, however are defeased for financial reporting, therefore, they are not reflected in the accompanying financial statements. The principal amounts of these bonds were \$0 and \$62,533,150 as of June 30, 2019 and 2018, respectively.

In July 2017, the Gloucester County Improvement Authority (GCIA) issued Rowan University Series 2017A and 2017B Bonds. The 2017A tax exempt revenue refunding bonds totaled \$73,475,000 with coupon rates ranging from 3.000% to 5.000% and maturing through 2033. The 2017B taxable revenue refunding bonds totaled \$4,155,000 with coupon rates ranging from 1.850% to 2.100% and maturing through 2019. The proceeds from these bond issuance were used to refund and redeem all of NJEFA's Rowan University Series 2007B Bonds and pay the costs and expenses incurred in the issuance of the 2017A and 2017B Bonds.

In May 2019, The Gloucester County Improvement Authority (GCIA) issued Rowan University Series 2019 Bonds. The 2019 tax exempt revenue refunding bonds totaling \$56,600,000 with coupon rates ranging from 4.000% to 5.000% and maturing through 2048. The proceeds from these bond issuance were used to finance a new academic building, design of the Fossil Park, renovations of various facilities,



and cover the issuance cost of the Series 2019 Bonds. The principal amounts of these bonds were \$56,600,000 as of June 30, 2019.

(b) Capital Lease Obligation

In 2008, the University entered into a lease agreement with SORA Housing LLC (SORA). SORA constructed two four story student housing facilities with a total of 242 units, consisting of 884 total beds, on a leasehold interest in land that was conveyed to SORA by the Borough of Glassboro. SORA agreed to lease the land, the facilities and the facilities equipment together with the fixtures, improvements and equipment to the University. Rental payments are due in semiannual installments on September 1 and February 1, each year. The University has a capital lease payable as of June 30, 2019 and 2018 in the amount of \$72,781,720 and \$72,010,025, respectively.

In 2008, the University entered into a lease agreement with SORA RETAIL LLC (SORA). SORA constructed an approximately thirty six thousand square foot two story building for use as a university bookstore and other uses compatible with a university bookstore. The bookstore, which also contains a coffee shop, is being sub-leased to Barnes & Noble College Booksellers, Inc. Rental payments are due in monthly installments. The University has a capital lease payable as of June 30, 2019 and 2018 in the amount of \$11,908,506 and \$11,762,987, respectively.

In 2011, the University entered into a lease agreement with SORA A-1 Housing Urban Renewal Entity, LLC (SORA). SORA constructed a mixed-use building on land it owns in Glassboro, New Jersey. The building consists of a five-story, mid-rise apartment building with ground floor retail. Within this building, on the second through fifth floor, SORA constructed apartment units, classrooms, offices and other administrative spaces. The administrative space, in addition to classrooms and offices, includes lounges, study rooms, recreational rooms together with all common elements, including elevators, laundry facilities, recreational and fitness facilities and other amenities. The University's lease pertains to the apartment units and administrative areas only. The apartment units are being occupied by University honor students and consist of 280 beds. Rental payments are due in semi-annual installments on September 1 and February 1, each year. The University has a capital lease payable as of June 30, 2019 and 2018 in the amount of \$34,498,291 and \$34,234,100, respectively.

In 2012, the University entered into a Master Lease Agreement to restructure the three leases above into a single lease. The Master Lease will be for a thirty-year term through 2042. The University has the option to purchase all, but not less than all, of the Premises at any time during the Term of the Lease in accordance with terms listed in the Agreement. If no election to purchase the Premises occurs during the term, upon the payment in full of all rent and other charges due under the Lease, the Premises shall be conveyed to the University at the conclusion of the term without additional consideration. The University received a landlord contribution of \$8,150,000 to help defray the costs of implementation of the property to its intended use.

In April 2012, the University entered into a lease agreement with Nexus Holdings, LLC (Nexus). Nexus constructed a multi-level parking garage consisting of approximately 1,200 parking spaces. The construction started in July 2012 and was completed for the Fall 2013 semester. The University's lease pertains to the use of 900 parking spaces as well as the use of all common areas of the parking garage. The term of the lease shall be for a period of thirty years and started on the date when the facility became ready for occupancy. At the completion of the lease term, the University will have the option of extending the lease for an additional four terms of ten years each. The University will have the option to purchase 900 spaces in the garage at fair market value at any time within the first five years after the expiration of the initial term of the lease. The University has a capital lease payable as of June 30, 2019 and 2018 in the amount of \$21,424,348 and \$21,496,019, respectively.



In April 2012, the University entered into a second lease agreement with Nexus to construct a five-story retail, classroom and office building. The construction started in July 2012 and was completed for the Fall 2013 semester. The University's lease pertains to the second through fifth floors, which will contain classrooms and office space, as well as the central lobby of the building and the lobby and stairwells connecting the building to an adjacent parking garage. The first floor of the building will be for retail operations. The term of the lease will be for a period of twenty years and started on the date when the facility became ready for occupancy. The University will have the option to purchase the leased portion of the property, at the end of the term, for \$1.00 consideration. The University has a capital lease payable as of June 30, 2019 and 2018 in the amount of \$14,544,868 and \$15,043,597, respectively.

Future minimum lease payments under the capital leases are as follows:

Capital Lease Principal and Interest Payments						
	Principal	Interest	Total			
	amount	amount	amount			
Year ending June 30:						
2020 \$	(359,977)	14,762,768	14,402,791			
2021	(125,746)	14,795,419	14,669,673			
2022	157,100	14,805,217	14,962,317			
2023	484,670	14,787,565	15,272,235			
2024	917,612	14,735,555	15,653,167			
2025-2029	12,082,544	71,401,624	83,484,168			
2030-2034	30,469,508	62,067,742	92,537,250			
2035-2039	55,079,812	43,217,038	98,296,850			
2040-2044	56,452,212	10,198,149	66,650,361			
\$	155,157,735	260,771,077	415,928,812			

(c) Other Long-Term Debt

Other long-term debt consists of the following:

- (A) The Higher Educational Capital Improvement Fund Act was established to finance capital improvements and related costs at public and private institutions of higher education within the State. Funding was provided from bonds issued by the New Jersey Educational Facilities Authority (Authority). The total University allocation for this program was \$23,887,250. The University is required to pay 1/3 of the debt service on its allocation of the bond proceeds, plus administrative fees of the trustees and the Authority. The outstanding balance as of June 30, 2019 and 2018 is \$3,026,003 and \$3,557,535, respectively, with maturities through August 15, 2022.
- (B) As a result of the New Jersey Medical and Health Sciences Education Restructuring Act, Higher Educational Capital Improvement Fund Act outstanding debt of UMDNJ, related to SOM, was transferred to the University on July 1, 2013. The outstanding balance on this debt, as of June 30, 2019 and 2018 is \$684,957 and \$1,010,908, respectively.
- (C) In July 2013, the University received notification of an institutional grant award from the New Jersey Higher Education Capital Facilities Grant Program. The University was awarded \$26.6 million from the Higher Educational Capital Improvement Fund Act. The University is required to pay 1/3 of the debt service on its allocation of the bond proceeds plus administrative fees of the Trustees and the Authority. The outstanding balance as of June 30, 2019 and 2018 is \$7,064,199 and \$7,377,756, respectively, with maturities through August 15, 2033.



- (D) In July 2013, the University received notification of an institutional grant award from the New Jersey Higher Education Capital Facilities Grant Program. The University was awarded \$0.75 million from the Higher Education Equipment Leasing Fund. The University is required to pay 1/4 of the debt service on its allocation of the bond proceeds plus administrative fees of the Trustees and the Authority. The outstanding balance as of June 30, 2019 and 2018 is \$82,721 and \$101,009, respectively.
- (E) In July 2016, the University was notified by the State that it was awarded a \$16 million dollar grant under the Higher Education Capital Improvement Fund Act. Funding was provided from bonds issued by the New Jersey Educational Facilities Authority. The grant is to be used to fund two projects: (1) Facilities Adaptive Reuse Program for Academic Space Expansions and (2) Joint Health Sciences Center Expansion. The University is required to pay 1/3 of the debt service on its allocation of the bond proceeds. The outstanding balance as of June 30, 2019 and 2018 is \$4,936,140 and \$5,103,455, respectively, with maturities through August 15, 2036.
- (F) In August 2017, the University entered into a loan with NEXUS Properties in the amount of \$2,693,846 with an interest rate of 4.88% for a term of 15 years. The loan is for the fit-out of the classroom portion of the A-3 building situated at Victoria Street and Mick Drive in the Borough of Glassboro. The University paid the outstanding balance in the amount of \$2,504,137 for this loan on January 14, 2019. There is no outstanding balance as of June 30, 2019. The outstanding balance as of June 30, 2018 was \$2,579,510 with principle and interest due monthly.

Principal and interest payments for these obligations are as follows:

Other Long Term Debt Principle and Interest Repayments							
	Principal	Interest	Total				
	amount	amount	amount				
Year ending June 30:							
2020 \$	1,404,956	656,316	2,061,272				
2021	1,452,149	606,208	2,058,357				
2022	1,526,455	551,892	2,078,347				
2023	1,587,236	493,231	2,080,467				
2024	615,777	446,992	1,062,769				
2025-2029	3,542,400	1,771,223	5,313,623				
2030-2034	4,499,612	875,345	5,374,957				
2035-2037	1,165,435	89,346	1,254,781				
\$	15,794,020	5,490,553	21,284,573				

(d) Long Term Obligations

Changes in long-term obligations for the year ended June 30, 2019 and 2018 are as follows:

2019 Long-term Obligations Rollforward							
	Beginning			Ending	Due within		
	balance	Additions	Reductions	balance	One Year		
Bonds payable, including swap							
liability \$	464,280,177	70,014,460	25,744,107	508,550,530	18,175,000		
Other long-term debt	19,730,173	1,338,355	5,274,508	15,794,020	1,404,955		
Capital lease obligation	154,546,728		(611,006)	155,157,734	(359,976)		
Total long-term	620 557 079	74 252 045	20 407 600	670 502 294	10 210 070		
obligations \$	638,557,078	71,352,815	30,407,609	679,502,284	19,219,979		

2018 Long-term Obligations Rollforward							
	Beginning			Ending	Due within		
	balance	Additions	Reductions	balance	One Year		
Bonds payable	481,194,304	91,297,549	108,211,676	464,280,177	22,890,000		
Other long-term debt	18,379,099	2,579,511	1,228,437	19,730,173	1,487,273		
Capital lease obligation	153,646,921	_	(899,807)	154,546,728	(611,006)		
Total long-term							
obligations	653,220,324	93,877,060	108,540,306	638,557,078	23,766,267		

The University does not have any direct borrowings or direct placements related to governmental activities or business-type activities. The University does not have any open lines of credit.

The GCIA 2015 A, GCIA 2015 B, GCIA 2015C, NEFA 2016C, GCIA 2017A, GCIA 2017B, GCIA 2019 series contain provisions that, in the event of default, the bondholders have the right to request all outstanding amounts of their respective bond in default immediately. The CCIA 2010A, NEFA 2011C, CCIA 2013 A, and CCIA 2013B series are secured with the collateral of their respective financed projects. The default remedy allows the respective issuer to refit the building and sublet the property until all outstanding amounts have been recovered, including the refit costs. The capital lease arrangements with Nexus for a multi-level parking garage and a five-story retail, classroom, and office building contain provisions that, in the event of default, the leaseholder has the right to terminate the lease and sell privately or publicly, the goods, fixtures, or other personal property, as well as cancel the respective purchase options at the end of the lease. The 2016A and CIF 2016B grants from the Higher Education Capital Improvement Fund Act include provisions that, in the event of default, the issuer has the right to request the forfeiture of all the unused grant funds and the repayment of all used funds, with a credit for an any principal payments already made by the University, with respect to the issuance in default. The 2014 grant from the New Jersey Higher Education Capital Facilities Grant Program contains a provision that, in the event of a default, the State is allowed to withhold appropriations to recover the amount owed. The 2013 grant from the Higher Education Equipment Leasing Fund contains a provision that, in the event of a default, the State is allowed to sublet the equipment until it recovers the amounts owed. The 2002A long-term debt obligation transferred from UMDNJ contains a provisions that, in the event of default, the bondholders have the right to request all outstanding amounts of their respective bond in default immediately.

(9) Derivative Instruments

The University has entered into a pay-fixed, receive-variable interest rate swap in order to protect against adverse changes in cash flows caused by variable prices, costs, rates, or terms that cause future prices to be uncertain. These swaps are valued using a market approach that considers benchmark interest rates and are classified in Level 2 of the fair value hierarchy.

The fair value and notional amounts of derivative instruments outstanding at June 30, 2019 and 2018 were as follows:

Derivative Instruments								
		20	19	20)18			
		Notional		Notional				
		Amount	Fair Value	Amount	Fair Value			
Investment derivatives:								
Pay-fixed interest rate swaps	\$	72,595,000	(3,618,344)	-	-			
Total Derivative instruments - swap liability	\$	72,595,000	(3,618,344)	-	-			

In accordance with GASB Statement No. 53, an interest rate swap is considered an effective cash flow hedge if the swap payment received substantially offsets the payment made on the associated debt and changes in fair value are deferred as either a deferred outflow or a deferred inflow of resources. An interest rate swap that is not considered an effective cash flow hedge, in accordance with the provisions of the Statement, is deemed to be an investment derivative instrument and changes in fair value are recorded as net investment income (loss). For the fiscal year ending June 30, 2019, the fair value of investment derivative instruments decreased \$3,618,344. For the fiscal year ended June 30, 2018, the University did not have any derivative instruments.

For the year ended June 30, 2019, the University had one derivative instrument outstanding.

Swap#	Туре	Objective	National Amount 2018	Effective Date	Termination Date	Terms	Counterparty Credit Rating (Moody's/S&P)	Fair value	Change in Fair Value from 2018
1	Pay fixed, receive variable interest rate sw ap	Hedge of \$ changes in cash flows on fixed-rate General Obligation Bond	72,595,000	1/1/2021	7/1/2035	Pay fixed 2.2885%, receive 80% of 3 month LIBOR	Aa2/AA	\$ (3,618,344)	(3,618,344)

For the year ended June 30, 2018, the University did not have any derivative instruments.

Risk

The use of derivatives may introduce certain risks for the University, including the following:

Credit Risk:

As of June 30, 2019, the University was not exposed to credit risk with its swap counterparties because all of the swaps had negative fair values.

To mitigate credit risk, the University and the counterparty require the posting of collateral based on their respective credit rating. The amount of such collateral shall equal the market value of the swap in excess



of the applicable collateral threshold based on the rating of such counterparty at such time. The collateral threshold for the University is \$10,000,000.

As of June 30, 2019, the University's Credit ratings by Moody's and S&P was A2 and A, respectively. The market value of the swap, (\$3,614,344) is below the \$10.0 million threshold, as such there is no requirement for collateral at this time.

Basis Risk:

There is a risk that the variable payment received on interest rate swaps will not match the variable payment on the bonds or commercial paper. This risk is known as basis risk. Swaps have basis risk because the interest rates on the bonds and commercial paper are reset periodically by the remarketing agent or commercial paper dealer and may not exactly match the variable receipt on the interest rate swaps, which are based on a percentage of either LIBOR or SIFMA indexes.

Rollover Risk:

The University is exposed to rollover risk on swaps only if the counterparty exercises its termination option, in which case the University will not realize the synthetic rate offered by the swaps on the underlying debt issues.

Termination Risk:

The University or any of the involved counterparties may terminate any of the swaps if the other party fails to perform under the terms of the contract. If a swap is terminated, the variable rate debt issue would no longer carry a synthetic fixed interest rate. Also, if at termination a swap has a negative fair value, the University would be liable to the appropriate counterparty for a payment equal to the swap's fair value.

(10) Noncurrent Liabilities

Noncurrent liabilities activity for the year ended June 30, 2019 and 2018 was as follows:

2019										
		Noncurrent L	iabilities Activity	/						
	Beginning Ending Current									
	balance	Additions	Reductions	balance	portion	portion				
Compensated absences \$	10,395,372	8,710,505	8,041,808	11,064,069	8,289,784	2,774,285				
Unearned revenue	31,950,795	21,290,510	22,799,696	30,441,609	28,161,014	2,280,595				
Other liabilities	2,661,725	_	132,791	2,528,934	812,400	1,716,534				
Repurchase liability	3,220,000	_	_	3,220,000	_	3,220,000				
Deposits held in custody for						_				
others	2,134,428	2,739,054	2,737,112	2,136,370	_	2,136,370				
Net pension liability	313,603,691	17,965,579	39,477,612	292,091,658	_	292,091,658				
Bonds payable	464,280,177	65,942,096	25,290,086	504,932,187	18,175,000	486,757,187				
Other long-term debt	19,730,173	1,338,355	5,274,508	15,794,020	1,404,956	14,389,064				
Capital lease obligation	154,546,728	_	(611,005)	155,157,733	(359,977)	155,517,710				
Derivative instruments - swap	_	3,618,344	_	3,618,344	_	3,618,344				
Total noncurrent				_	_					
liabilities \$	1,002,523,089	121,604,443	103,142,608	1,020,984,924	56,483,177	964,501,747				



2018									
		Noncurrent	Liabilities Activity			Non-current			
	Beginning			Ending	9				
	balance	Additions	Reductions	balance	portion	portion			
Compensated absences \$	10,440,957	8,120,972	8,166,557	10,395,372	8,041,808	2,353,564			
Unearned revenue	35,080,792	19,964,779	23,094,776	31,950,795	22,799,693	9,151,102			
Other liabilities	658,556	2,003,169	_	2,661,725	_	2,661,725			
Repurchase liability	3,220,000	_	_	3,220,000	_	3,220,000			
Deposits held in custody for									
others	1,685,482	3,022,301	2,573,355	2,134,428	_	2,134,428			
Net pension liability	355,619,853	22,616,860	64,633,022	313,603,691	_	313,603,691			
Bonds payable	481,194,304	91,297,549	108,211,676	464,280,177	22,890,000	441,390,177			
Other long-term debt	18,379,099	2,579,511	1,228,437	19,730,173	1,487,273	18,242,900			
Capital lease obligation	153,646,921	_	(899,807)	154,546,728	(611,006)	155,157,734			
Total noncurrent									
liabilities \$	1,059,925,964	149,605,141	207,008,016	1,002,523,089	54,607,768	947,915,321			

(11) Professional Services and Contract Revenues

The SOM Faculty Practice Plan revenues primarily consist of fee for service payments, inclusive of quality incentives and capitation payment, from the Centers for Medicare & Medicaid Services (CMS) and other third party insurance providers for inpatient and outpatient services provided by the SOM faculty. In addition, significant contract payments for medical directorships and other contracted service agreements, such as behavioral health and hospitalist services, account for approximately one-third of the revenues.

The components of net professional services and contract revenues for the year ended June 30, 2019 and 2018 are as follows:

Net Professional Services and Contracts Revenue						
	2019	2018				
Faculty practice revenues:						
Gross charges \$	53,496,439	57,107,819				
Contractual and other allowances	(24,124,573)	(25,403,863)				
Provision for bad debts	(971,956)	(1,094,471)				
Bad debt recovery	172,281	212,141				
Total faculty practice	28,572,191	30,821,626				
House staff and affiliation revenues:						
House staff billings	20,443,158	20,674,083				
Affiliation billings	2,598,250	2,598,241				
Total house staff and affiliation	23,041,408	23,272,324				
Total net professional services and contract revenues \$	51,613,599	54,093,950				

Gross charges pertain to the following payers:

Faculty Practice Plan Gross Charges							
	2019	2018					
Medicare	36 %	35 %					
Medicaid and Medicaid HMO	17	18					
Contracts	15	16					
Other third party payors	30	29					
Uninsured, charity care and self pays	2	2					
	100 %	100 %					

Faculty practice gross accounts receivable pertain to the following payers:

Faculty Practice Plan Accounts Receivable							
	2019	2018					
Medicare	35 %	38 %					
Medicaid and Medicaid HMO	25	18					
Contracts	21	33					
Other third party payors	17	10					
Self pays	2	1					
	100 %	100 %					

(12) Commitments and Contingencies

(a) Operating Leases

The University leases certain space and equipment used in general operations. Rental expense was approximately \$3,451,000 and \$2,947,000 during fiscal year 2019 and 2018, respectively. Future minimum annual rental commitments approximate the following:

Operating Lease Future Commitments						
Year ending June 30:	Amount					
2020 \$	2,827,884					
2021	2,554,604					
2022	2,192,932					
2023	2,315,987					
2024	1,289,076					
2025 and thereafter	13,875,726					
\$	25,056,209					

(b) Compensated Absences

The University recorded a liability for accumulated vacation time in the amount of approximately \$8,290,000 and \$8,042,000 as of June 30, 2019 and 2018, respectively, which is included in accounts payable and accrued expenses in the accompanying statements of net position. The liability is calculated based upon employees' accrued vacation leave as of the statements of net position date.



Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15,000. Employees separating from University service prior to retirement are not entitled to payments for accumulated sick leave balances. Accordingly, the University recorded a liability for accumulated sick leave balances in the amount of approximately \$2,390,000 and \$1,950,000 as of June 30, 2019 and 2018, respectively, which is included in compensated absences in the accompanying statements of net position.

During fiscal year 2010, bargaining unit employees were required to take seven unpaid furlough days. Three of these days were banked for either future use or pay out upon separation. A liability for the accumulated leave bank in the amount of approximately \$385,000 and \$403,000 as of June 30, 2019 and 2018, respectively, is recorded in compensated absences in the accompanying statements of net position.

(c) Risk Management

The University is exposed to various risks of loss. As an instrumentality of the State of New Jersey, the liability of the University is subject to all of the provisions of the New Jersey Tort Claims Act (N.J.S.A. 59:1 1 et seq.), the New Jersey Contractual Liability Act (N.J.S.A. 59:13 1 et seq.), and the availability of appropriations. The Tort Claims Act also creates a Tort Claims Fund and provides for payment of eligible claims filed against the University or against its employees, whom the State is obligated to indemnify against tort claims which arise out of the performance of their duties. Therefore, the University's liability and employee benefit exposures are self-funded programs maintained and administered by the State (including tort liability, employment liability, medical professional liability, auto liability, trustee's and officer's liability, workers' compensation, unemployment, temporary and long-term disability, unemployment liability, life insurance and employee retirement programs). An annual appropriation is provided by the legislature for all statutory self-funded programs.

The University purchases and maintains a commercial property insurance policy through a joint insurance program with the New Jersey Association of State Colleges and Universities (NJASCU a/k/a the Consortium). University buildings, contents, plant operations, boiler & machinery, business interruption, and lost revenue are insured on an all risk replacement cost basis with a per occurrence limit of \$2.0 billion, subject to a \$100,000 per occurrence deductible. A \$500,000 combined per occurrence deductible applies to four University buildings due to flood exposure; the University's per occurrence policy deductible is capped at the \$500,000.

In addition to the property insurance policy maintained through the consortium, the University maintains several policies of insurance to ensure a comprehensive approach to managing the risk of loss from exposures that are or may be ineligible for Tort Claims Protection. The following policies are maintained and these policies also extend coverage to the University's separately incorporated 501 (c) (3) auxiliary organizations: Crime insurance policy (moneys and securities coverage) in the amount of \$2,000,000 with a per loss deductible of \$25,000; Information Security & Privacy Liability in the amount of \$10,000,000 with a per loss deductible of \$100,000; and Pollution Legal Liability in the amount of \$10,000,000 with a per loss deductible of \$100,000. The University also maintains a Student Professional Liability policy in the amount of \$1,000,000 per occurrence with a \$3,000,000 annual aggregate and a per loss deductible of \$10,000 to cover students participating in professional internships (excludes medical students since they are provided protection through the Tort Claims Act).

The following policies of insurance are maintained for the University's separately incorporated 501 (c)(3) auxiliary organizations (New Jersey Statutes Title 18A Education provides each auxiliary organization with the power to "sue and be sued" (N.J.S.A. 18A:64 30) and directs them to procure their own legal representation because they will not be represented by the State of New Jersey Office of Attorney General (N.J.S.A. 18A:64 35), thereby exempting them from protection under the New Jersey



Tort Claims Act): Director's and Officer's Liability in the amount of \$5,000,000 with a per occurrence deductible of \$25,000; General Liability in the amount of \$1,000,000 per occurrence with a \$3,000,000 annual aggregate and a per occurrence deductible of \$75,000, which also extends coverage to Rowan student educational programs and activities; and excess liability in the amount of \$20,000,000 which responds above the General Liability policy, and the University's Student Professional Liability policy referenced above, and also provides difference in conditions coverage to the University to cover any gaps in Tort Claims liability protection.

All commercial insurance policies are renewed on an annual basis. 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.

(d) Medical Malpractice Self-Insurance Fund

The University participates in a fund administered by the State known as the Medical Malpractice Self-Insurance Fund (the Fund), which is used to pay malpractice claims and related insurance premiums. The University and the State approve the payment of claims and the University is required to make contributions to the Fund from the SOM Faculty Practice Plan and the Graduate Medical Education (GME) programs. Monies in the Fund, commercial excess liability insurance coverage, and coverage provided by the New Jersey Tort Claims Act are used to meet the cost of claims against SOM. The State has the ultimate liability for any claims in excess of the Fund's assets.

Payment of claims (indemnity and expenses) from the Fund totaled \$2,805,194 and \$1,633,542 in fiscal year 2019 and 2018, respectively, for SOM. The University contributes \$3,250,000 per year to the fund. Of this amount for fiscal 2019, \$2,437,500 was paid while the remaining \$812,500 is included in accounts payable and accrued expenses as of June 30, 2019. The final payment for fiscal year 2019 was made July 10, 2019. Of the amount owed for fiscal 2018, \$2,437,500 was paid while the remaining \$812,500 was included in accounts payable and accrued expenses at June 30, 2018.

(e) Voluntary Compliance Plan

UMDNJ had operated under a five year Corporate Integrity Agreement (CIA) with the Department of Health and Human Services Offices of the Inspector General (DHHS OIG) since September 2009. This agreement was assignable to successor organizations. Upon the integration of SOM into Rowan University, the Board of Trustees of Rowan University adopted a healthcare compliance program consistent with relevant laws and practices, and to fulfill the requirements of the CIA and the 15 remaining months of the agreement. The CIA requirements expired September 2014, but the compliance measures that have been developed and implemented will be continued. A Voluntary Compliance Program was implemented on September 26, 2014 and remains in place.

(f) Other Contingencies

The University is involved in several claims and lawsuits incidental to its operations. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the University.

(g) Service Concession Arrangement for the Student Housing Facility

(i) Ground Lease

On April 30, 2015, the University entered into a ground lease with Provident Group – Rowan Properties LLC (Provident) to develop, construct and operate a student housing facility (the Project), consisting of an approximately 1,415 bed student housing facility including a shell for a residential dining facility, with all buildings, improvements, fixtures, furnishing, equipment and amenities necessary for the operation thereof on certain real property located on the campus (the Land), along with associated site infrastructure and various related amenities, utilities and improvements within



and outside the Land. The term of the ground lease is 37 years and commenced on April 30, 2015 with no option to renew or extend by Provident. Upon termination of the ground lease, all rights, title and interest to the Project shall automatically and immediately vest in the University. The base annual rent is equal to the net surplus cash flow for the immediately preceding period.

In connection with the ground lease, the New Jersey Economic Development Authority issued Revenue Bonds (the Bonds) and lent the proceeds to Provident in order to fulfill their obligations under the ground lease. The University has no obligation to pay debt service on the Bonds.

During the term of the ground lease, Provident shall use and operate the Land for the sole and exclusive purpose of developing and constructing the Project, operating the Project as a student housing facility only for residents, with a sublease of the Dining Facility with the University under the Dining Facility Sublease for use by the residents, the University, students and staff of the University and their visitors and authorized representatives. The University will act as an agent for Provident, entering into Residence License Agreements with students to reside in the student housing facility, collecting all amounts due and remitting them to the Bond Trustee and enforcing compliance with the Residence License Agreements in accordance with the management agreement. Under the terms of the Bond Trustee Indenture, the Bond Trustee will accumulate these fees to pay the annual debt service of Provident and reimburse the operating expenses of the student housing facilities on a monthly basis.

(ii) Project Development Agreement

On April 30, 2015 (the Effective Date), University Student Living, LLC (the Developer) and Provident entered into a project development agreement to design and construct the student housing facility, as defined as the Project, for the benefit of and furtherance of the educational mission of Rowan University. The term of the agreement begins with the Effective Date and will terminate upon Developer's fulfillment of the services and obligations under the agreement, which was deemed substantially complete as of July 22, 2016. The agreement is subject to a guaranteed maximum price for development costs of \$92.0 million, subject to approved change orders. If the development costs of the final completed project exceed the guaranteed maximum price, the Developer is solely responsible for and will pay any excess costs from its own funds. All fees due to the Developer are the responsibility of Provident.

(iii) Management Agreement

On April 30, 2015, the University entered into a management agreement with Provident and University Student Living Management, LLC (the Manager) (collectively, the Management Agreement) to engage the Manager to manage, operate and maintain the student housing facility. The term of the Management Agreement is five years with extensions for two successive five year periods commencing with the expiration of the original five year engagement, unless either party provides notice of nonextension at least 120 days prior to such expiration. The original five year engagement began after the date of substantial completion of the student housing facility in which revenues are deposited to the Bond Trustee.

All fees due to the Manager are the responsibility of Provident. The University is responsible for the billing and collection of student housing fees, deposits, charges and other amounts under residence license agreements and remitting the funds to the Bond Trustee. The University will provide resident life services and staffing; marketing of the student housing facility; and cable, telephone and internet services, all of which will be reimbursed as operating expenses of the Project.



(iv) Dining Facility Sublease

On April 30, 2015, the University entered into a Dining Facility Sublease with Provident for the operation and management of a dining facility that was constructed under the project development agreement. The term began on the date that the Project is substantially completed and the University accepts possession of the dining facility. The end of the lease is concurrent with the ground lease with automatic renewal to the extent that the ground lease is extended or renewed. The base annual rent is \$1.00.

(v) Recognition

During fiscal year 2017, the construction of the student housing facility was completed and the new facility — Holly Pointe Commons— was placed into service. Under the ground lease service concession arrangement, the University recognized \$114.8 million in net capital assets as well as net deferred inflows of resources. Additionally, the University recognized \$6.1 million in net capital assets and net deferred inflows of resources related to the dining facility sublease, as well as \$2.3 million of operating auxiliary enterprises revenue as outlined in the Management Agreement.

(vi) Nature and Extent of Rights

During the term of the ground lease, Provident shall use and operate the Property for the sole and exclusive purpose of developing and constructing the Project, operating the Project as a student housing facility only for residents, with a sublease of the Dining Facility with the University under the Dining Facility Sublease for use by the residents, the University, students and staff of the University and their visitors and authorized representatives. The building shall be named as determined by the University in its sole and absolute discretion. The Manager shall manage, operate, and maintain the Student Housing Facility, with the advice and consultation of a project operations committee established by Provident under the Operating Agreement, pursuant to the Ground Lease, which shall at all times be composed of five (5) members, three (3) of whom shall be appointed by the University, one (1) of whom shall be appointed by the Manager, one (1) of whom shall be appointed by Provident. Under the ground lease, the University also have the right and option at any time after ten (10) years either (a) to purchase Provident's right, title, and interest in and to the Property, or (b) to terminate the Ground Lease, or (c) to acquire all the rights, titles and interests of Provident under the Loan Agreement and the other Bond Documents and any and all disbursements to be made. Upon the termination or expiration of the Ground Lease from any cause, all rights and interests of Provident shall immediately cease and terminate, and all of the Project and Property, including all buildings, structures, improvements, equipment, engines, machinery, dynamos, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Property, and all personality and any other personal property located thereon, shall thence forward constitute and belong to and be the absolute property of the University or the University's successors and assigns.

(h) Camden Housing Project

In April 2014, the University entered into an agreement regarding Development of Housing and Related Guaranty of Rental Payment with Broadway Housing Partners LLC (the Developer) to purchase and redevelop the properties in the immediate vicinity of the Cooper Medical School of Rowan University. These properties contain approximately fifty-six residential rental units, which the Developer intends to lease to University students as fair market rental housing, and, with regard to any units that are not leased to University students, to any other qualified renters, so as to maximize occupancy of the units in the project. As the University directly benefits from the redevelopment of the properties, the University warrants to pay the Developer on an annual basis the difference between ninety-five percent of aggregate standard rent and the aggregate rent collected. There is no cap of these shortfall payments during the



initial term (years 1–10). During the second term (years 11–20), as the rent increases, in year 11 the shortfall payment shall not exceed \$300,000; and in each calendar year thereafter the cap shall be increased by a percentage equal to the percentage increase in the CPI index. The University's shortfall payments will not exceed the aggregate amount of \$2,500,000 over the course of the second term. The University shall have no obligation to pay any amounts to the Developer for the periods after the expiration of the second term. The first rental year began on August 1, 2015. The University made \$312,266 and \$544,295 shortfall payments during fiscal year 2019 and 2018, respectively.

(i) Glassboro Housing Project

In November 2016, December 2016, and April 2017 the University entered into agreements with Urban Renewal, LLC (the Developer) for affiliated student housing in Glassboro NJ. These three properties provide housing for approximately 1,619 students. As the University directly benefits from the development of the properties, the University warrants to pay the Developer on an annual basis the difference between ninety-five percent of aggregate standard rent and the aggregate rent collected for each agreement. The ninety-five percent annual guaranty amount for all three properties extends through the spring semester of 2024. The University is due a placement fee per bed up to the ninety-five percent of student units. This amount may be deducted from any shortfall payment the University may need to make. The University received a \$383,910 payment from the Developer for placement fees net of the shortfall obligation and made a shortfall payment net of the placement fees to the Developer of \$85,356, for the fiscal years 2019 and 2018, respectively.

(j) Inspira Health Network

The University entered into a Purchase and Sale Agreement with Inspira Health Network (Inspira) for certain property owned by the University for \$11.5 million during fiscal year 2016. In conjunction with the transaction, the University and Inspira also entered into a Repurchase and Right of First Refusal Agreement, whereas the University has the option to repurchase the property if Inspira has not commenced efforts to develop the land by the fourth anniversary of the closing and further, the University has the option to repurchase undeveloped portions of the property after 20 years from the date of the closing. On May 24, 2017, Inspira broke ground on the medical center project planned for the 100-acre parcel property purchased from the University. The first phase of the medical center is expected be approximately 467,000 square feet which will allow for additional development over time. The portion of the property currently under construction represents approximately 72% of the overall property cost. As a result, the University recognized the partial land sale of \$8,280,000, a gain of \$830,817, as well as \$900,000 in contribution revenue for the appraised market value of the donated land from Harrison Township and reduced the original repurchase liability from \$12,400,000 as of June 30, 2016 to \$3,220,000.

(k) Camden Garage

On May 22, 2019, the University entered into a ground lease with The Camden County Improvement Authority (CCIA) for the sum of \$1,500,000 to develop and construct a parking garage (the Project), consisting of an approximately 1,025 space parking facility to provide parking to, among others, students, faculty, staff, patients, and visitors of the Medical School and Cooper facilities and the expanding health sciences campus. In connection with the ground lease, CCIA issued revenue bonds to construct the Project and settle the lease payment to the University. The University has no obligation to pay debt service on the bonds. The term of the ground lease is from commencement of May 22, 2019 and shall terminate on the date fifteen years from the final maturity date of the Bonds, which shall occur on June 30, 2049. The lease may be extended should the issuance of additional bonds be required to complete the Project. The lease also has an early termination clause should all indebtedness issued in connection with the Project be paid and all monthly fees owed by the University or Cooper under the parking license agreements (noted below) are paid in full. During the term of the ground lease, CCIA shall use and



operate the land for the sole and exclusive purpose of developing and constructing the Project and operating the Project as a parking facility.

(I) Parking License Agreement

On May 1, 2019, the University entered into a Parking License Agreement with CCIA to license parking spots within the parking facility. The University shall pay a monthly license fee, beginning on the date the parking facility commences business operations, for the entire current use equal to the University's pro rate allocation of debt service and all fees and costs associated with the operation of the parking facility. The term of the license agreement commenced on May 22, 2019, the effective date the financing was completed and shall expire at the lesser of 30 years from the effective date, or at the time all indebtedness issued to finance or refinance the parking facility are no longer outstanding.

(13) Rowan University Foundation

(a) Component Unit

Rowan University Foundation (the Foundation) is a legally separate, tax exempt component unit of the University 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 University in support of its programs. Although the University 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 University and its educational activities. Because these resources held by the Foundation can only be used by, or are for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented as part of the University's financial statements. The University provides accounting, accounts payable, and payroll services for the Foundation.

On August 14, 2014, the Rowan Innovation Venture Fund (the Fund) was formed as a legally separate, single member limited liability corporation whose sole member is the Foundation. The Fund is managed by or under the direction of the Fund's Board of Managers as appointed by the Foundation. Further, the Foundation is able to impose its will on the Fund by influencing its activities and is legally entitled to or can otherwise access the Fund's resources. Because the Foundation is financially accountable for the Fund, the Fund is considered a component unit of the Foundation. The primary purpose of the Fund is establishing, developing, owning, managing, operating and administering a seed and early stage venture capital fund to support and leverage the innovation talents and ideas of the members of the Rowan University community and to accelerate the impact of the University on the economic development of Southern New Jersey. As the Fund is organized as a not-for-profit corporation for which the Foundation is the sole member, its activities are blended into the totals of the Foundation. The Fund is treated as a disregarded entity by the Foundation under Treasury Regulations Sections 301.7701-1 through 301.7701-3 as it is a limited liability corporation with a single owner. Accordingly, the Fund is recognized as a tax exempt entity as described in Section 501(c)(3).

During the year ended June 30, 2019 and 2018 the University received \$10,928,523 and \$11,061,684, respectively, from the Foundation. Complete financial statements of the Foundation can be obtained from the Office of the Chief Financial Officer, Rowan University, Glassboro, New Jersey.



(b) Cash, Cash Equivalents, Restricted Nonexpendable Investments and Investments

As of June 30, 2019 and 2018, the Foundation's cash, cash equivalents and investments are reported on the statements of net position as follows:

Cash, Cash Equivalents, and Investments							
	2019	2018					
Cash and cash equivalents \$	5,181,332	8,473,779					
Restricted cash and cash equivalents	2,814,142	4,131,810					
\$	7,995,474	12,605,589					
Investments \$	49,672,329	49,040,374					
Restricted investments	26,978,584	23,912,057					
Restricted nonexpendable investments	151,168,226	142,989,315					
\$	227,819,139	215,941,746					

Cash, cash equivalents, restricted nonexpendable investments and investments consist of the following as of June 30, 2019 and 2018:

Cash, Cash Equivalents, and Investments							
	2019	2018					
Cash and cash equivalents: \$							
Cash	4,538,370	3,480,896					
Money market funds	3,457,104	9,124,693					
\$	7,995,474	12,605,589					
Investments:							
Bond mutual funds (domestic) \$	27,480,235	22,256,803					
Common stock mutual funds (domestic)	75,533,231	85,676,939					
Common stock mutual funds (international)	47,749,263	42,892,144					
Venture capital investments	2,643,800	1,876,950					
Alternative investments	74,412,610	63,238,910					
\$	227,819,139	215,941,746					

For the year ended June 30, 2019 and 2018, the increase in fair value on investments was \$6,669,041 and \$10,640,563, respectively and the net realized gain on investments for June 30, 2019 and 2018 was \$4,924,956 and \$6,360,481, respectively. The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year and the current year.

The Foundation has an investment policy, which establishes guidelines for permissible investments. The Foundation may invest in domestic equity securities, international equity securities, fixed income securities, real estate investments and venture capital investments. The Foundation's cash and cash equivalents and investments are subject to various risks. Among these risks are custodial credit risk, credit risk and interest rate risk. Each one of these risks is discussed below.

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. Cash and money market accounts were held at a depository and bank balances amounted



to \$7,935,997 and \$12,615,771 as of June 30, 2019 and 2018, respectively. Of this amount, \$260,630 and \$365,678 was FDIC insured, leaving an uninsured and uncollateralized balance of \$7,675,367 and \$12,250,093.

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 Standard and Poors (S&P) and Moody's. The Foundation's investment policy requires fixed income securities to replicate the Barclays Capital Aggregate characteristics with regard to maturity, structure, duration, credit quality, sector distribution, etc. As of June 30, 2019 and 2018, the bond mutual funds (domestic) were unrated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The Foundation's investment policy does not specifically address limitations in the maturities of investments.

The Foundation's investments' average effective duration for June 30, 2019 and 2018 are as follows:

2019 Foundation Investments' Average Duration							
Investment type	Fair value	Average effective duration					
Bond mutual funds (domestic)	\$	7,457,251	5.31 years				
Bond mutual funds (domestic)		8,430,248	5.71 years				
Bond mutual funds (domestic)		7,366,190	5.68 years				
Bond mutual funds (domestic)		4,105,215	-2.82 years				
Bond mutual funds (domestic)		121,331	5.73 years				
Total \$	\$_	27,480,235					

2018								
Foundation Investments' Average Duration								
		Fair		Average effective				
Investment type	_	value		duration				
Bond mutual funds (domestic)	\$	6,894,043		5.67 years				
Bond mutual funds (domestic)		4,446,773		6.13 years				
Bond mutual funds (domestic)		6,870,963		6.05 years				
Bond mutual funds (domestic)		155,933		6.03 years				
Bond mutual funds (domestic)		3,889,091		-1.14 years				
Total	\$	22,256,803						

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The



Notes to the Financial Statements as of June 30, 2019 and 2018

fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 unadjusted quoted or published prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 quoted prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.
- Level 3 pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity or the investment.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value:

- Bond and common stock mutual funds The fair value of bond and common stock mutual funds are based on quotations obtained from national securities exchanges or the published price as of the measurement date.
- Venture capital investments The fair value of the venture capital investments is based off of the
 initial cost of investments that are entered into during the current fiscal year and cost was determined
 to approximate fair value. Venture capital investments made in prior years are analyzed to determine
 if any adjustments to the cost basis of such investments is necessary.
- Alternative investments (including absolute return, private equity and realty investments) The fair
 value is based off of the net asset value (NAV), which is provided by the investment managers and
 reviewed by the management for reasonableness.

While the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.



Notes to the Financial Statements as of June 30, 2019 and 2018

The Foundation's financial instruments at June 30, 2019 are summarized in the following table by their fair value hierarchy:

Foundation Fig	nancial Instrur	ne	ents Fair Value	Hierarchy	
	Total		Level 1	Level 2	Level 3
Investments measured at fair value:					
Bond mutual funds (domestic) \$	27,480,235		27,480,235		_
Common stock mutual funds					
(domestic)	75,430,884		75,430,884	_	_
Common stock mutual funds					
(international)	47,749,263		47,749,263		_
Common stock	102,347		_	_	102,347
Venture capital investments	2,643,800		_	_	2,643,800
Subtotal	153,406,529	\$	150,660,382		2,746,147
Investments measured at net asset					
value:					
Absolute return	32,455,426				
Private equity	27,491,854				
Realty investments	14,465,330				
Subtotal	74,412,610				
Total cash equivalents					
and investments \$	227,819,139				

The Foundation's financial instruments at June 30, 2018 are summarized in the following table by their fair value hierarchy:

Foundation Financial Instruments Fair Value Hierarchy						
	Total		Level 1	Level 2	Level 3	
Investments measured at fair value:						
Bond mutual funds (domestic) \$	22,256,803		22,256,803	_	_	
Common stock mutual funds						
(domestic)	85,676,939		85,676,939	_	_	
Common stock mutual funds						
(international)	42,892,144		42,892,144	_		
Venture capital investments	1,876,950			_	1,876,950	
Subtotal	152,702,836	\$	150,825,886		1,876,950	
Investments measured at net asset						
value:						
Absolute return	32,393,018					
Private equity	19,667,196					
Realty investments	11,178,696					
Subtotal	63,238,910					
Total cash equivalents and investments \$	215,941,746					

Investments Measured at NAV

The following table represents the unfunded commitments and redemption terms by investment type as of June 30, 2019:

Investments Measured at NAV							
				Unfunded		Redemption frequency (if currently	Redemption
		Fair value		commitments		eligible)	notice period
Absolute return ^(a)	\$	32,455,426		None		Quarterly	65–100 days
Private equity ^(b)		27,491,854		25,251,000		Illiquid	Not applicable
Realty investments (c)		14,465,330		8,969,000		Illiquid	Not applicable
	\$	74,412,610					

The following table represents the unfunded commitments and redemption terms by investment type as of June 30, 2018:

Investments Measured at NAV						
					Redemption	
					frequency	
			Unfunded		(if currently	Redemption
		Fair value	commitments		eligible)	notice period
Absolute return ^(a)	\$	32,393,018	None		Quarterly	65–100 days
Private equity ^(b)		19,667,196	16,389,000		Illiquid	Not applicable
Realty investments ^(c)		11,178,696	11,398,000		Illiquid	Not applicable
	\$	63,238,910				

- (a) Absolute return includes 4 hedge funds as of June 30, 2019 and 2018. The funds that seek to achieve capital appreciations through various strategies, including long/short equity, long/short credit, relative value and other market neutral strategies. For one of the investments valued at \$13.9 million as of June 30, 2019, redemptions are restricted due to lockup provisions through March 31, 2020, whereas the remaining 75% of the investment will be released from restriction equally at the end of each quarter end. The remaining investments are redeemable as disclosed above.
- (b) Private equity includes 16 and 13 funds as of June 30, 2019 and 2018, respectively. The funds seek to invest in nonpublicly traded investments that will eventually be sold at a return in excess of public markets. This strategy is implemented through illiquid vehicles and cannot be redeemed. The remaining life of these funds is 1 to 11 years with possible extensions for nine funds. Capital is distributed to investors as the funds' investments are liquidated over that time period.
- (c) Realty investments include a total of 9 and 8 funds as of June 30, 2019 and 2018, respectively. One of the investments is an open end fund that has quarterly liquidity with 90 days' notice. 6 funds seek to purchase real estate that can be improved and later sold to provide a return that is in excess of public real estate markets. This strategy is implemented through illiquid vehicles and cannot be redeemed. The remaining life of these funds is 2 to 6 years with possible extensions for three funds. Capital is distributed to investors as the funds' investments are liquidated over that time period.

(c) Restricted Nonexpendable Net Position

Restricted nonexpendable net position as of June 30, 2019 and 2018 consists of the following:

Restricted Nonexpendable Net Position							
	2019	2018					
Henry and Betty Rowan for general operations \$	97,000,118	97,000,118					
Henry M. Rowan College of Engineering Endowment	17,000,000	15,000,000					
Jean & Ric Edelman Fossil Park Endowment	5,988,777	3,497,442					
Rohrer College of Business	3,597,255	3,096,955					
Keith and Shirley Campbell Endowment to support library							
operations	1,641,896	1,641,896					
Thomas N. Bantivoglio Honors Program for scholarships	1,373,347	1,343,347					
John B. Campbell Professorial Chair	1,176,282	1,176,282					
Rohrer Scholars for scholarships	1,080,932	1,080,932					
Lawrence & Rita Salva Medical School	1,010,250	1,010,250					
William G. Rohrer Professorial Chair in the College of							
Business	1,000,000	1,000,000					
King Family Professorial Chair	1,000,000	1,000,000					
CMSRU Student Loan Assistance Program	1,000,000	1,000,000					
Inspira Health Network Endowed Fund	1,000,000	1,000,000					
Endowed Chair for Geriatrics	1,000,000	1,000,000					
Henry M. Rowan Endowment for Engineering Scholarship	1,000,000	_					
Other endowment funds	15,299,369	13,142,093					
\$	151,168,226	142,989,315					

(14) South Jersey Technology Park at Rowan University, Inc.

Component Unit

South Jersey Technology Park at Rowan University, Inc. (SJTP) was established and is being maintained as part of the economic outreach vision of the University, its initial sole member. SJTP hopes to create jobs and job training and provide new and varied "hands-on" educational experiences for the University students as well as combat community deterioration. The goal of SJTP is to create job opportunities and job training for the under-employed and unemployed of the South Jersey region. SJTP is an organization described under Section 501(c) (3) of the Internal Revenue Code and therefore exempt from Federal income taxes under Section 501(a) of the Code. SJTP's assets are used exclusively for the benefit, support, and promotion of the University and its educational activities. Because the members of the SJTP Board of Directors are appointed by the Board of Trustees of the University, SJTP is considered a component unit of the University and is discretely presented as part of the University's financial statements.

(a) Related Party Transactions

Lease Agreements

In fiscal year 2008, the University Board of Trustees approved a long-term lease agreement for the SJTP to use a parcel of land owned by the University. The lease commenced on January 1, 2008 and is for 50 years with a renewal term of 20 years. Under the lease agreement, SJTP is to pay \$1,000 each year. The rental payment of \$1,000 is included in professional and other services expenses in the accompanying statement of revenues, expenses, and changes in net position for fiscal years 2019 and 2018.

The University Board of Trustees approved a lease agreement by and between the University and the SJTP to lease the first floor of the Samuel H. Jones Innovation Center to support its educational mission. Beginning July 16, 2016, the University also assumed the lease for the second floor of the Innovation Center and intends to conduct renovations to increase wet lab space for the University. For the year ended June 30, 2019 and 2018, SJTP recognized \$1,161,544 and \$1,135,604, respectively, in rental income related to this lease agreement. The University also reimbursed SJTP \$150,984 and \$148,234 for utility charges associated with this lease for fiscal year 2019 and 2018.

Business Operating Agreement

SJTP and the University entered into a business operating agreement for the University to provide certain services and functions to SJTP. SJTP pays the University for these services and functions which include salaries and benefits of employees who perform functions for SJTP, accounting services, custodial services, repairs and maintenance, and other indirect charges. The charges amounted to \$408,606 and \$397,674 for fiscal year 2019 and 2018, respectively, and are reflected in professional and other services expenses in the accompanying statements of revenues, expenses, and changes in net position.

(15) Subsequent Events

On October 7, 2019, Rowan University entered into an agreement with Rowan College of South Jersey (RCSJ) to collaborate in the development of a facility designed to allow the expansion of the University's School of Osteopathic Medicine and the expansion of certain physician practices. RCSJ will develop and construct a building to be leased by the University for these purposes.



ROWAN UNIVERSITY

(A Component Unit of the State of New Jersey)

Required Supplementary Information (Unaudited)

Schedules of Employer Contributions

June 30, 2019

Public Employees' Retirement System		2019	2018	2017	2016	2015
Contractually required contribution Contributions in relation to the contractually required contribution	\$	9,320,515 9,320,515	7,325,414 7,325,414	5,331,193 5,331,193	3,690,074 3,690,074	2,386,805 2,386,805
, ,	_	9,320,313	7,323,414	3,331,193	3,090,074	2,300,003
Contribution deficiency (excess)	\$ =					
University employee covered-payroll	\$	53,123,772	50,762,197	52,135,711	50,275,748	51,495,300
Contributions as a percentage of employee covered payroll		17.54 %	14.43 %	10.23 %	7.34 %	4.63 %
Police and Firemen's Retirement System		2019	2018	2017	2016	2015
Contractually required contribution	\$	1,248,845	1,069,699	805.419	545,161	268,537
				,	0.0,.0.	,
Contributions in relation to the contractually required contribution	_	1,248,845	1,069,699	805,419	545,161	268,537
Contributions in relation to the contractually required contribution Contribution deficiency (excess)	- \$_	1,248,845	1,069,699	,	, -	
• •	\$ \$ \$	1,248,845 — 1,974,471	1,069,699	,	, -	

Information provided for Required Supplementary Information will be provided for ten (10) years, as the information becomes available in subsequent years.

See accompanying independent auditors' report.

ROWAN UNIVERSITY

(A Component Unit of the State of New Jersey)

Required Supplementary Information (Unaudited)

Schedules of Proportionate Share of the Net Pension Liability

June 30, 2019

Public Employees' Retirement System	 2019	2018	2017	2016	2015
University proportion of the net pension liability – State Group University proportion of the net pension liability – Total Plan	1.157 % 0.632	1.152 % 0.604	1.147 % 0.571	1.058 % 0.544	1.184 % 0.613
University proportionate share of the net pension liability University employee covered-payroll	\$ 274,241,746 50,762,197	295,481,815 52,135,711	337,030,671 50,275,748	251,080,946 51,495,300	238,238,870 50,121,737
University proportionate share of the net pension liability as a percentage of the employee covered-payroll	540.2 %	566.8 %	670.4 %	487.6 %	475.3 %
Plan fiduciary net position as a percentage of the total pension liability	40.45 %	36.78 %	31.20 %	38.21 %	42.74 %
Police and Firemen's Retirement System	 2019	2018	2017	2016	2015
University proportion of the net pension liability – State Group University proportion of the net pension liability – Total Plan	0.412 % 0.091	0.412 % 0.084	0.395 % 0.073	0.379 % 0.073	0.406 % 0.083
University proportionate share of the net pension liability University employee covered-payroll	\$ 17,849,912 1,901,881	18,121,876 1,960,579	18,589,182 1,918,325	16,256,503 2,066,181	14,428,274 1,985,629
University proportionate share of the net pension liability as a percentage of the employee covered-payroll	938.5 %	924.3 %	969.0 %	786.8 %	726.6 %
Plan fiduciary net position as a percentage of the total pension liability	57.91 %	54.52 %	48.55 %	52.84 %	58.86 %
Teachers' Pension and Annuity Fund	 2019	2018	2017	2016	2015
University proportion of the net pension liability	0.002 %	0.002 %	0.002 %	0.010 %	0.012 %
University proportionate share of the net pension liability State's proportionate share of the net pension liability associated with the University	\$ 1,310,288	1,479,732	1,744,239	6,423,696	6,406,231
Total net pension liability	\$ 1,310,288	1,479,732	1,744,239	6,423,696	6,406,231
University employee covered-payroll	_	_	_	7,656	7,656
University proportionate share of the net pension liability as a percentage of the employee covered-payroll	— %	— %	— %	— %	— %
Plan fiduciary net position as a percentage of the total pension liability	26.49 %	25.41 %	22.33 %	28.71 %	33.64 %

Information provided for Required Supplementary Information will be provided for ten (10) years, as the information becomes available in

Notes to Required Supplementary Information

Changes in benefit terms – There were no significant changes in benefits for any of the actuarial valuations used to determine required contributions.

Changes in assumptions - There were no significant changes in assumptions except for the annual change in the discount rate and the change in the long-term rate of return as follows:

PERS

For 2018, the discount rate changed to 5.66% and the long-term rate of return remained at 7.00%.

For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98% and the long-term rate of return changed to 7.65% from 7.90%. For 2015, the discount rate changed to 4.90% from 5.39%.

For 2018, the discount rate changed to 6.51% and the long-term rate of return remained at 7.00%.

For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%.

For 2016, the discount rate changed to 5.55% and the long-term rate of return changed to 7.65% from 7.90%. For 2015, the discount rate changed to 5.79% from 6.32%.

See accompanying independent auditors' report.

ROWAN UNIVERSITY

(A Component Unit of the State of New Jersey)

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Total OPEB Liability

June 30, 2019 and 2018

	2019	2018
University proportion of the collective total OPEB liability	— %	— %
University proportionate share of the collective total OPEB liability State's proportionate share of the total OPEB liability associated with	\$ _	_
the University	486,974,034	554,246,968
Total OPEB liability	\$ 486,974,034	554,246,968
University covered-employee payroll	196,319,174	172,658,885
University proportionate share of the total OPEB liability as a percentage of covered-employee payroll	— %	— %

Information provided for Required Supplementary Information will be provided for ten (10) years, as the information becomes available in subsequent years.

Notes to the Schedule: For the State Health Benefit State Retired Employees Plan, there are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions.

See accompanying independent auditors' report.

APPENDIX C

Forms of Indenture and Loan Agreement

TRUST INDENTURE

THE CAMDEN COUNTY IMPROVEMENT AUTHORITY

TD BANK, NATIONAL ASSOCIATION as Trustee

Dated as of July 1, 2020

Relating to

S
The Camden County Improvement Authority
Loan Revenue Refunding Bonds
(Cooper Medical School of Rowan University Project), Series 2020A

The Camden County Improvement Authority
Loan Revenue Refunding Bonds
(Cooper Medical School of Rowan University Project), Series 2020B
(Federally Taxable)

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	-

EXHIBIT "A": FORM OF 2020A BOND
EXHIBIT "B": FORM OF 2020B BOND

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WHEREAS, the obligation of Rowan to make payments under the 2010 Lease Agreement is a general corporate obligation of Rowan, payable from any legally available funds of Rowan, and

WHEREAS, in connection with the 2010 Bonds, Rowan entered into an Interest Rate Hedge Agreement with RBC Capital Markets, dated February 6, 2019 ("SWAP Agreement"); and

WHEREAS, the Outstanding 2010 Bonds maturing on or after July 1, 2023 and currently outstanding in the aggregate principal amount of \$72,260,000 ("Callable 2010 Bonds"), are subject to redemption prior to maturity on or after July 1, 2020, at the option of the Authority with the consent of Rowan, in whole or in part at any time or from time to time at a redemption prior equal to 100% of the principal amount thereof being redeemed, together with accrued interest to the date of redemption; and

WHEREAS, as a result of favorable conditions in the municipal bond market, Rowan has the opportunity to economically refund and redeem up to all of the Callable 2010 Bonds to effect significant savings for Rowan and, as a result thereof, Rowan has heretofore determined to undertake such refunding; and

WHEREAS, in connection with the refunding of the Callable 2010 Bonds, Rowan has determined that it is economically advisable to cash settle and terminate the SWAP Agreement ("SWAP Termination"); and

WHEREAS, in furtherance of such determination, Rowan has heretofore requested assistance from the Authority, pursuant to an application for bond financing filed by Rowan prior to the date hereof ("Application"), for purposes of providing conduit bond financing to finance the costs of: (i) the refunding of up to all of the Callable 2010 Bonds; (ii) the SWAP Termination, and (iii) the costs of issuance with respect to the proposed refinancing (collectively, the "2020 Project"); and

WHEREAS, pursuant to N.J.S.A. 40:37A-55, the Authority is authorized to extend credit or make loans to any governmental unit or person, including Rowan, for the planning, design, equisition, construction, equipping and furnishing of a "public facility", upon the terms and conditions that the loans be secured by loan and security agreements, mortgages, leases and other instruments, the payments on which shall be sufficient to pay the principal of and interest on any bonds issued for the purpose by the authority, and upon such other terms and conditions as the authority shall deem reasonable; and

WHEREAS, pursuant to N.J.S.A. 40:37A-60, the Authority is permitted to issue refunding bonds for the purpose of financing the cost of any "public facility" or "facilities" or funding or refunding any bonds; and

WHEREAS, pursuant to N.J.S.A. 40:37A-45(p), the 2010 Project acquired, owned or constructed by Rowan constitutes a "public facility" within the meaning of the Act and, as such, the Authority is authorized to provide financial assistance to Rowan for the purpose of refinancing the Callable 2010 Bonds originally issued to finance the costs of such 2010 Project;

TRUST INDENTURE

This TRUST INDENTURE ("Indenture"), dated as of July 1, 2020, between THE CAMDEN COUNTY IMPROVEMENT AUTHORITY, a public body corporate and politic of the State of New Jersey ("Authority"), and TD BANK, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, with trust and fiduciary powers in the State of New Jersey, being duly qualified to accept and administer the trusts created hereby ("Trusteg").

WITNESSETH:

WHEREAS, The Camden County Improvement Authority ("Authority") has been duly created by a resolution of the Board of Chosen Freeholders of the County of Camden, New Jersey ("County") as a public body corporate and politic of the State of New Jersey pursuant to and in accordance with the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto ("Act"); and

WHEREAS, Rowan University ("Rowan" or "Public University") is a leading public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, N.S., S.A. 18A:64M-1, et seq. ("Rowan Act"); and

WHEREAS, Rowan and the Cooper Health System ("Cooper") have heretofore established a four-year allopathic medical school located in the City of Camden ("City") that combines the resources of Cooper and Rowan known as "Cooper Medical School of Rowan University" for purposes of providing a state-of-the-art school of medicine conferring graduate degrees in the medical sciences ("Medical School"); and

WHEREAS, in connection with the development and construction of the Medical School, the Authority, on behalf of Rowan, issued \$93,885,000 Lease Revenue Bonds (Cooper Medical School of Rowan University Project) (Federally Taxable – Build America Bonds) Series 2010A ("2010 Bonds"), of which \$83,660,000 remain outstanding ("Outstanding 2010 Bonds"), and the series of the series of

WHEREAS, the 2010 Bonds were issued by the Authority to finance the costs of: (i) the acquisition of certain real property at Broadway and Benson Streets in the City ("Project Site"); (ii) the development and construction on the Project Site of an approximately 200,000 square foot facility to house the new medical school facility, including classrooms, laboratories, offices and administrative space ("Facility"); (iii) the equipping of the Facility; (iv) all other costs and expenses necessary therefore or related to the acquisition of the Project Site and the development, construction and equipping of the Facility; and (v) the costs of issuance with respect to the issuance and sale of the 2010 Bonds ("2010 Project"); and

WHEREAS, in connection with the issuance of the 2010 Bonds, the Authority and Rowan entered into a Lease and Agreement, dated as of December 1, 2010 ("2010 Lease Agreement"), pursuant to which Rowan has leased the Project Facilities to Rowan and Rowan has agreed to make payments to the Authority in amounts sufficient to pay debt service on and other amounts due with respect to the 2010 Bonds; and

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WHEREAS, the Authority has reviewed the Application and has made certain findings and determinations with respect to said application and preliminarily authorized, *inter alia*, the issuance of, in one or more series on a tax-exempt or taxable basis, its Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020, in the aggregate principal amount not to exceed \$110,000,000 (collectively, the "2020 Bonds") to finance the cost of the 2020 Project; and

WHEREAS, the Authority has, pursuant to a Bond Resolution, adopted on March 12, 2020 ("Bond Resolution"), authorized, *inter alia*, the issuance of the 2020 Bonds to finance the costs of the 2020 Project; and

WHEREAS, the 2020 Bonds will be payable from certain loan payments to be received by the Authority from Rowan pursuant to, and in accordance with, the terms and conditions set forth in a Loan and Security Agreement, dated as of July 1, 2020, by and between the Authority and Rowan ("Loan Agreement"); and

WHEREAS, the Board of Trustees of Rowan, pursuant to and in accordance with the terms of the Rowan Act, has adopted a resolution consenting to the financing of the Refunding Project through the execution of the Loan Agreement, the issuance of the Bonds and the execution and delivery of this Indenture; and

WHEREAS, pursuant to the terms of the Loan Agreement, Rowan is required to make the Loan Payments (as defined herein) to the Authority on each Loan Payment Date (as defined herein) in an amount equal to the debt service on the 2020 Bonds due on the immediately succeeding Interest Payment Date (as defined herein) or Principal Installment Date (as defined herein), as the case may be; and

WHEREAS, the obligation of Rowan to make the Loan Payments pursuant to the Loan Agreement will be a general corporate obligation of Rowan, payable from any legally available funds of Rowan; and

WHEREAS, the Authority will issue the 2020 Bonds pursuant to the Act, the Bond Resolution and this Indenture, and will offer and sell such Bonds through the public sale thereof by an investment banking firm to be selected by the Chairman, Vice Chairman, Executive Director, Interim Executive Director of the Authority in accordance with the Authority's procurement procedures ("Investment Banking Firm") and this Bond Resolution, pursuant to a bond purchase agreement (referred to herein as a "Purchase Agreement"); and

WHEREAS, the 2020 Bonds shall be special, limited obligations of the Authority, payable solely from and secured by its interest in the Pledged Property (as defined herein), including: (i) the Revenues (as defined herein) received from Rowan; (ii) the Funds and Accounts (as each term is defined herein) established hereunder (other than the Rebate Fund), including Investment Securities (as defined herein) held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the 2020 Bonds in accordance with the terms and provisions of this Indenture; and

WHEREAS, all things necessary to make the 2020 Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, legal and binding 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 2020 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 (as defined herein) by the Owners (as defined herein) 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 (as defined herein) 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 Authority does hereby transfer, pledge and assign to the Trustee and its successors in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in the Pledged Property, including 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 begunder by the Authority or by anyone in 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 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 then these presents and the estate and rights hereby granted shall cease, determine 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

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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 Loan Agreement shall have the following meanings, unless some other meaning is plainly intended:

"Account" or "Accounts" shall mean, as the case may be, each or all of the Accounts established and created under Article IV of this Indenture.

"Act" means the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto N.J.S.A. 40:37A-1 et seq.).

"Additional Loan Payments" shall mean any and all amounts payable by the Public University to the Authority pursuant to the Loan Agreement including, but not limited to, Section 5.02(B) of the Loan Agreement representing additional Costs of the 2020 Project, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of this Indunture and the Loan Agreement, including reasonable attorneys' fees related hereto and thereto and any and all charges, fees, costs and expenses that the Authority or the 2020 Insurer may reasonably pay or incur in connection with: (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity (iii) any amendment, waiver or other action with respect to, or related to this Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation of other dispute in connection with the Indenture or any other Related Document or the transactors contemplated thereby, other than costs resulting from the failure of the 2020 Insurer to honor its obligations under the 2020 Insurance Policy.

"Aggregate Debt Service" for any period shall mean, as of any date of calculation, the aggregate Debt Service for such period with respect to all Bonds Outstanding or to be (or assumed to be) Outstanding during such period.

"Annual Authority Administrative Fee" shall mean the annual fee for the general administrative expenses of the Authority for the Bonds as set forth in the Loan Agreement.

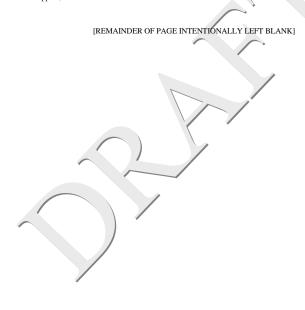
"Article" shall mean a specified Article hereof, unless otherwise indicated.

"Authority" shall have the meaning set forth in the Recitals to this Indenture.

"Authority Administrative Expenses" shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under this Indenture and the Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Annual Authority Administrative Fee; (iii) all fees and expenses including, but not

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 Pledged Property 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, as their interests may appear, as follows:



limited to, indemnification expenses, if any, incurred in connection with the issuance of any Bonds, the financing of the 2020 Project or the compelling of the full and punctual performance of this Indenture and the Loan Agreement in accordance with the terms hereof and thereof; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and others; and (v) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent he Bond Registrar or the Trustee or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under this Indenture and the Loan Agreement, all to the extent not capitalized pursuant to the requirements of this Indenture, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the Public University.

"Authorized Authority Representative" shall prean the Chair, Vice Chair, Executive Director, Interim Executive Director, Secretary and any Assistant Secretary, 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 canacity.

"Authorized Denominations" shall mean with respect to any Series of Bonds, \$5,000 or any integral multiple of \$5,000.

"Authorized Public University Representative" shall mean the Chair, Vice Chair, President or Senior Vice President for Finance and Chief Financial Officer of the Public University, and when used in reference to any art or document also means any other person or persons authorized by a resolution of the Public University Board to perform any act or execute any document.

"Bond" or "Bonds" shall mean the 2020 Bonds issued pursuant to Sections 2.01, 2.02 and 2.03 of this Indenture to provide funds to finance the 2020 Project, together with Refunding Bonds, if any, issued pursuant to Section 2.05 of this Indenture.

"Bond Counsel" shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Public University.

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

"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.

"Bond Resolution" shall have the meaning ascribed in the Recitals to this Indenture

"Bond Year" shall mean, with respect to the 2020 Bonds, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If

no day is selected by the Authority before the earlier of the final maturity date of the 2020 Bonds or the date that is five (5) years after the Issue Date in the case of the 2020 Bonds. Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the 2020 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Refunding Bonds is issued.

"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 not closed.

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

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

"Continuing Disclosure Agreement" shall have the meaning set forth in Section 6.15 of this Indenture.

"Cost" or "Costs" shall mean and shall be deemed to include, with respect to the 2020 Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of the Loan Agreement, (a) fees and charges of the Trustee pursuant to this Indenture, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority, and of the Public University, costs of rating agencies, bond insurance, bond insurers or credit ratings, Esdrow Agent fees verification agent fees, escrow security fees, escrow security bidding fees, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing; (b) all other costs which the Public University or the Authority shall be required to pay under the terms of any contract or contracts for the completion of the 2020 Project including, but not limited to, the cost of insurance; (c) any sums required to reimburse the Public University for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2020 Project; (d) deposits in any Fund or Account under this Indenture, all as shall be provided in this Indenture; and (e) such other expenses not specified herein or in the Loan Agreement as may be necessary or incidental to the financing of the 2020 Project. Cost as defined herein shall be deemed to include the cost and expenses incurred by any agent of the Authority or the Public University for any of the above-mentioned items or in connection with the administration and enforcement of the Continuing Disclosure Agreement and the Loan Agreement.

"County" shall mean the County of Camden, New Jersey.

"Debt Retirement Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(e) of this Indenture.

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"Fiduciary" or "Fiduciaries" shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean the respective twelve (12) month fiscal periods of the Public University or the Authority, as applicable.

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

"Fund" or **"Funds"** shall mean, as the case may be, each or all of the Funds created and established in Section 4.02 of this Indenture; provided, however, that such Funds do not constitute "funds" in accordance with generally accepted accounting principles.

"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 bookentry 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 hereof (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 puryamt 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 purchase, such obligations are rated AAA by Fitch, Aaa by Moody's or AAA by S&P.

"Debt Service" for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including the 2020 Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the applicable Account of the Debt Service Fund, and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in squal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than amually) preceding the due date of such Principal Installment or from the date of original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will grase to be Outstanding except by reason of the payment of such Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

"Debt Service Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(d) of this Indenture.

"Debt Service Requirement" with respect to the next Interest Payment Date for any Series of Bonds shall mean: (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date; and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date, if any, plus the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

"DTC"—shall mean The Depository Torst Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for any Series of Bonds authorized as book-entry Bonds.

Escrow Agent" means TD Bank, National Association, Cherry Hill, New Jersey, as excrow agent for the 2010 Refunded Bonds, and its successors and assigns.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement, dated as of July 1, 2020, by and among the Escrow Agent, the Public University and the Authority with respect to the 2010 Refunded Bolds.

"Event of Default" shall have the meaning given to such term in Section 7.01 hereof.

"Favorable Opinion of Bond Counsel" shall mean an opinion of Bond Counsel, addressed to the Authority, the Public University and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by this Indenture, any Supplemental Indenture, the Loan Agreement, any amendment or supplement to the Loan Agreement, and the Act and, if such Series includes Tax-Exempt Obligations, will not adversely affect the exclusion of interest on such Series of Tax-Exempt Obligations from gross income for purposes of Federal income taxation under Section 103 of the Code.

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"Indenture" shall mean this Trust Indenture, dated as of July 1, 2020, between the Authority and the Trustee, as amended, modified and supplemented in accordance with the provisions hereof.

"Insured 2020 Bonds" means, the [2020A Bonds and/or 2020B Bonds] Bonds maturing on July 1 in the years 20__ through and including 20__.

"Interest Payment Date" shall mean: (i) with respect to the 2020 Bonds, each January 1 and July 1 of each year, commencing January 1, 2021; and (ii) such other dates as shall be established by a Supplemental Indenture authorizing a Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

"Investment Securities" shall mean with respect to moneys in any Funds, Accounts or Subaccounts invested under this Indenture, any of the following securities, if and to the extent the same are at the time of purchase legal for investment of Authority funds pursuant to the provisions of the Local Fiscal Affairs Law, specifically N.J.S.A. 40A:5-14 (legal depositories for public moneys) and N.J.S.A. 40A:5-15.1 (securities which may be purchased by local units), as same may be amended and supplemented from time to time:

- A. As of the date of execution of this Indenture, the following investments and securities are currently permitted investments under the laws of the State for investment of the Authority's funds when authorized by a cash management plan approved pursuant to N.J.S.A. 404.5-142
 - (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
 - (2) Government money market mutual funds;
 - (3) Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or external factor;;
 - $(4) \qquad \text{Bonds or other obligations of the Authority or bonds or other obligations of school districts of which the District of the Authority is a part;}$
 - (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and

entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units:

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.28 1 (C.52: 18A-90.4);
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs
 (1) and (3) of this subsection a;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L.-1970, c.236 (C 17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Deposits in a public depository pursuant to N.J.S.A. 17:9-44.
- B. Any investment instruments in which the security is not physically held by the Authority shall be covered by a third party custodial agreement which shall provide for the designation of such instruments in the name of the Authority and prevent unauthorized use of such investments;
- C. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the Authority or a third party custodian prior to or upon the release of the Authority's funds; and
- D. Any investments not purchased and redeemed directly from the issuer, government money prarket mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1997, c.93 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government Securities.

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- (e) which does not permit investments in instruments that are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value;
- (f) which purchases and redeem investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within this Sate, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967 c.9 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), supplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary purkets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities; and
- (g) which does not impose liquidity fees or redemption gates.

"Issue Date" shall mean, with respect to (i) the 2020 Bonds, July __, 2021; and (ii) any Series of Refunding Bonds, the date on which the Trustee authenticates the Series of Refunding Bonds and on which such Series of Refunding Bonds is delivered to the purchasers thereof upon original issuance.

"Loan" shall mean the loan made by the Authority to the Public University in the aggregate principal amount of \$______ to finance the aggregate Costs of the 2020 Project under the terms and conditions set forth in the Loan Agreement.

"Loan Agreement" shall mean the Loan and Security Agreement, dated as of July 1, 2020, by and between the Authority and the Public University, together with any supplements an amendments thereto, relating to the 2020 Project to be financed with the proceeds of the Loan.

"Loan Documents" shall mean, collectively, the Loan Agreement, the Continuing Disclosure Agreement the Escrow Deposit Agreement, this Indenture and all documents and instruments executed and delivered in connection therewith and herewith and all amendments and modifications thereto and hereto.

"Loan Payment" shall mean the sum of money representing principal and interest for the 2020 Project necessary to amortize Debt Service on the 2020 Bonds payable by the Public University on each Loan Payment Date, as set forth in Exhibit A to the Loan Agreement, as described in Section 5.02(A) of the Loan Agreement and redemption premium, if any, to the extent required to redeem the 2020 Bonds pursuant to Article III of this Indenture and, as applicable, Additional Loan Payments payable by the Public University upon demand pursuant to Sections 5.02(B) of the Loan Agreement, respectively.

"Loan Payment Date" shall mean, (i) with respect to the 2020 Bonds, thirty (30) days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be, and (ii) such other dates determined in accordance with

For purpose of the above language, the terms "government money market mutual fund" and "local government investment pool" shall have the following definitions:

Government Money Market Mutual Funds. An investment company or investment trust:

- (a) which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. sec. 80a-1 et seq., and operated in accordance with 17 C.F.R. sec. 270.2a-7, except that a government money market mutual fund may not impose liquidity fees or redemption gates regardless of whether permitted to do so under 17 C.F.R. s.270.2a-7.
- (b) the portfolio of which is limited to U.S. Government securities that meet the definition of any eligible security pursuant to 17 C.F.R. sec.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, contrites, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.) that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, and repurchase agreements that are collateralized by such securities; in which direct investment may be pursuant to paragraphs (1), (3) and (5) of subsection a. of this section; and
- (c) which is rated by a nationally recognized statistical rating organization.

Local Government Investment Pool. An investment pool:

- (a) which is managed in accordance with generally accepted accounting and financial reporting principles for local government investment pools established by the Governmental Accounting Standards Board;
- (b) which is rated in the highest category by a nationally recognized statistical rating organization.
- (c) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. sec.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (C.40A:4A-1 et seq.) that meet the definition of an eligible security pursuant to 17 C.F.R. 170.2a-7 and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection a. of this section;
- (d) which is in compliance with rules as may be adopted pursuant to the "Administrative Procedure Act," P.L. 1968, c.410 (c.52:14B-1 et seq.) by the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs, which rules shall provide for disclosure and reporting requirements and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments;

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the Loan Agreement as may be set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds.

"Loan Term" shall mean the period during which the Loan Agreement is in effect as specified in Section 5.01 of the Loan Agreement.

"Month" shall mean a calendar month.

"Moody's" shall mean Moody's Investors Services, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

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

"Official Statement" means the Official Statement dated July $_$, 2020, with respect to the 2020 Bonds.

"Operating Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(c) of this Indenture.

"Opinion of Counsel" means an opinion in writing signed by legal counsel acceptable to the Public University 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 University.

"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 2.12 hereof; (b) Bonds which are deemed to have been paid in accordance with Article XI hereof; and (c) Bonds in exchange for or in liger of which other Bonds have been authenticated and delivered pursuant to Article II hereof.

"Paying Agent" or "Paying Agents" shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association designated as paying agent for the Bonds, and its successors and assigns and its successor or successors appointed in the manner provided in this Indenture.

"Person" or "Persons" shall mean any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

"Pledged Property" shall mean: (i) the Revenues; (ii) the Funds and Accounts established hereunder (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of this Indenture.

"Prepayment" shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.05 of the Loan Agreement.

"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 Installment" shall mean, as of any date of calculation, and with respect to a particular Series of Bonds, so long as any Bonds thereof are Outstanding: (i) the principal amount of such Series of Bonds due on a certain future date for which no Sinking Fund Installments have been established plus any applicable redemption premium thereon; and (ii) any Sinking Fund Installments due on a certain future date for such Series of Bonds, if any, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of such Series of Bonds on such future date in a principal amount equal to such Sinking Fund Installments.

"Principal Installment Date" shall mean: (i) with respect to the 2020 Bonds, each July I commencing July 1, 2021, on which any Principal Installment shall become due and payable by the Authority; or (ii) such other date as set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

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

"Project Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(a) of this Indenture.

"Public University" means the public institution for ligher education authorized and created pursuant to State law, the name of which is Rown University, located primarily in Glassboro, New Jersey.

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

"Rebate Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(f) of this Indenture.

"Record Date" shall meany (i) with respect to the 2020 Bonds, the fifteenth day of the calendar month immediately pre-eding any Interest Payment Date; or (ii) such other dates as set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds.

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof plus the applicable edemption premium thereon, if any, payable upon redemption thereof pursuant to such Bond or this Indenture or the applicable Supplemental Indenture whether such Redemption Price is expressed as a percentage of the principal amount of the Bond or otherwise.

"Refunding Bonds" shall mean the Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 2.05 hereof, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture.

"Registered Owner" shall mean the Owner of any Bond which is issued in fully registered form, as determined on the Record Date, as reflected on the registration books of the

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Indenture together with an opinion of Bond Counsel to the effect that the interest on such Bonds is not includable in gross income for Federal income tax purposes pursuant to the provisions of the Code.

"Tax Agreement" means, collectively, the Tax and Non-Arbitrage Certificate executed and delivered by the Public University and the Non-Arbitrage Certificate executed and delivered by the Authority at the time of issuance and delivery of any Tax-Exempt Obligations.

"Taxable Obligations" shall mean any Series of Bonds which are issued pursuant to the terms of this Indenture and which are not issued as Tax-Exempt Obligations, including, but not limited to, the 2020B Bonds.

"Trustee" shall mean, with respect to the 2020 Bonds and any Series of Refunding Bonds issued hereunder, TD Bank, National Association, Cherry Hill, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Indenture or appointed trustee pursuant to a Supplemental Indenture.

"2010 Bonds" shall mean the Lease Revenue Bonds (Cooper Medical School of Rowan University Project) (Federally Taxable – Build America Bonds) Series 2010A, originally issued in the aggregate principal amount of \$93,885,000.

"2010 Refunded Bonds" means, collectively, the 2010 Bonds maturing on July 1 in the years 2023 through 2035, both dates inclusive.

"2020 Bonds" shall mean, collectively, the 2020A Bonds and the 2020B Bonds.

"2020A Bonds" the Series of Tax-Exempt Obligations issued as Bonds so designated, authenticated and delivered to the Underwriters upon original issuance pursuant to Sections 2.02 and 2.03 hereof in the aggregate principal amount of \$______,which are designated Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020A.

"2020B Bonds" the Series of Taxable Obligations issued as Bonds so designated, authenticated and delivered to the Underwriters upon original issuance pursuant to Sections 2.02 and 2.03 hereof in the aggregate principal amount of \$______, which are designated Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020B (Federally Taxable).

"2020 Insurance Policy" means the insurance policy issued by the 2020 Insurer guaranteeing the scheduled payment of the principal of and interest on the Insured 2020 Bonds.

"2020 Insurer" means _______, a New York stock insurance company, or any successor thereto or assignee thereof.

"2020 Project" means the Costs of: (i) the current refunding of the 2010 Refunded Bonds; (ii) the SWAP Termination; and (iii) the costs of issuance incurred by the Authority and the Public University in connection with the issuance and sale of the 2020 Bonds.

Authority which shall be kept and maintained on behalf of the Authority at the principal corporate trust office of the Bond Registrar.

"Related Document" means this Indenture, the Loan Agreement or any other transaction document, including any underlying security agreement related to the $2020 \ \underline{Bonds}$.

"Revenue Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(b) of this Indenture.

"Revenues" shall mean: (i) all amounts, including Loan Payments, received by the Authority from the Public University under the Loan Agreement, (ii) any moneys or securities held pursuant to this Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under this Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to this Indenture, and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

"Rule" shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof.

"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 2.13 hereof.

"Series" shall mean all of the Bonds authenticated and delivered upon original issuance pursuant to this Indenture and my Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture, regardless of variations in maturity, interest rate, sinking fund installments or other provisions.

"Sinking Fund Installment" shall mean that designated amount on deposit in the Debt Service Fund which shall be applied by the Trustee to the redemption of Bonds of any Series.

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

"State" shall mean the State of New Jersey or any successor to its duties and functions.

"Supplemental Indenture" shall mean any indenture supplemental to or amendatory of this Indenture adopted by the Authority in accordance with Article IX hereof.

"SWAP Agreement" shall have the meaning set forth in the recitals to this Indenture.

"SWAP Termination" shall have the meaning set forth in the recitals to this Indenture.

"Tax-Exempt Obligations" shall mean any Series of Bonds which are issued as taxexempt Bonds, including, but not limited to, the 2020A Bonds, pursuant to the terms of this

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"Underwriter" shall mean the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter, dated the date of sale of the $2020\,\mathrm{Bonds}$.

"Written Request" means a request in writing signed by an Authorized Authority Representative or an Authorized Public University Representative, as applicable.

"Yield" shall mean that yield which when used in computing the present worth of all payments of principal of and interest on an obligation produces an amount equal to its purchase price. The Yield for the Bonds is to be computed in accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing persons shall include firms, associations, corporations, districts, agencies and bodies, and words of the masculine gender shall mean and include correlative words of the feminine and returer gender and vice versa. All times referenced herein shall be to prevailing Eastern time unless otherwise specifically noted.

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.

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ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorization of Bonds. No Bonds may be issued under this Indenture except in accordance with this Article II.

- (a) In accordance with the Act and pursuant to the provisions of this Indenture, there is hereby authorized to be issued one or more Series of Bonds of the Authority. The Bonds shall be special and limited obligations of the Authority payable solely(from Revenues and secured by the Pledged Property. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Indenture is not limited except as may hereafter be provided in this Indenture or as may be limited by law.
- (b) The Bonds may, if and when authorized by the Authority pursuant to this Indenture and one or more Supplemental Indenture, be issued in one or more Series at one or more times, and the designation thereof, shall include such further appropriate particular program or project designation added to or incorporated in such title for the Bonds of any particular Series as the Authority shall determine herein or in a Supplemental Indenture with respect to such Series of Bonds. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.
- (c) Nothing contained in this Indenture shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Indenture of any Bonds of two (2) or more separate Series authorized pursuant to such Supplemental Indenture to be issued pursuant to any of the provisions of Sections 2:02, 2.03 and 2.05 hereof into a single Series of Bonds for purposes of sale and issuance; provided that leach of the tests, conditions and other requirements contained in Sections 2.02, 2.03, 2.05 and 2/13 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this subsection or in such Supplemental Indenture, such a consolidated Series shall be treated as a single Series for all purposes of this Indenture.
- (d) The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property), and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property), or be or constitute a pleage of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) is obligated to pay the principal of and interest on the Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the Bonds, but all Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement, as authorized in the Act.

Section 2.02. General Provisions for Issuance of Bonds

(a) All of the Bonds of each Series, including the 2020 Bonds, shall be executed by the Authority for issuance under this Indenture and shall be delivered to the Trustee. Thereupon

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- (x) Except in the case of the initial 2020 Bonds, a certificate of an Authorized Public University Representative stating that the Public University is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Loan Agreement:
- (xi) An Opinion of Counsel to the Public University (dated the date the Bonds are initially issued) to the effect that the Loan Agreement for any amendment or supplement thereto) has been duly and validly authorized, is in full force and effect on the date of issuance of the Bonds and is enforceable against the Public University in accordance with its terms, provided that such opinion may take exception for limitation imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy; and
- (xii) Such further documents, moneys and securities as are required by the provisions of Sections 2.03 or 2.05 or Article XI hereof or any Supplemental Indenture adopted pursuant to Article IX hereof.
- (b) All of the Bonds of each Series shall be identical in all respects, except as to such further name designation incorporated in the title for the Bonds of each Series, denominations, maturity date, interest rates, numbers and letters.

Section 2.03. The 2020 Bonds

(a) The 2020A Bonds are hereby authorized to be issued and secured hereunder as follows:

(i) <u>2020A Bonds</u>

(A) the 2020A Bonds are entitled to the benefit, protection and security of the provisions hereof. The 2020A Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title "Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020A".

(B) The 2020A Bonds shall be issued in an aggregate principal amount of \$\ \text{shall bear interest payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2021, at the rates per annum set forth below and shall mature on July 1 (subject to prior redemption as provided in Article III) of each year in the years and in the principal amounts as follows:

Due (July 1) 2021	Principal <u>Amount</u> \$	Interest Rate %	Due (July 1) 2029	Principal <u>Amount</u> \$	Interest Rate %
2022	Ψ	70	2030	Ψ	70
2023			2031		
2024			2032		
2025			2033		
2026			2034		
2027			2035		
2028					

the Trustee shall authenticate and shall deliver the Bonds to the Authority or upon its order, but only upon the receipt by the Trustee of:

- (i) An opinion of Bond Counsel (dated the date the Bonds of such Series are initially issued and addressed to the Authority, together with a reliance letter addressed to the Trustee) to the effect, inter alia, that, except insofar as a may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy (A) the Authority has the right and the power under the Act, as amended to the date of such opinion, the Indenture has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms and no other authorization for the execution and delivery of the Indenture is required, (B) the Indenture creates the valid pledge that it purports to create on the Pledged Property, and (C) the Bonds of such Series are valid, binding, special and limited obligations of the Authority as provided in this Indenture enforceable in accordance with their terms and the terms of this Indenture and entitled to the benefits of this Indenture and of the Act, as amended to the date of such opinion, and such Bonds have been duly and validly authorized and issued in accordance with applicable law, including the Act as amended to the date of such opinion, and in accordance with this Indenture;
- (ii) A written order as to the delivery of such Series of Bonds signed by an Authorized Authority Representative, which order shall (A) direct the application of the proceeds of such Series of Bonds, and (B) set forth the maturity schedule for said Series of Bonds and the interest rate or rates payable with respect thereto;
- (iii) A copy, duly certified by an Authorized Authority Representative, of the Bond Resolution authorizing, *inter alia*, the execution of this Indenture (or any Supplemental Indenture), the Loan Agreement (and any amendment or supplement thereto), and the bond purchase contract with the Underwriter;
- (iv) A fully executed copy of the Loan Agreement (or any supplement or amendment thereto);
 - (v) A fully executed copy of this Indenture (or any Supplemental Indenture);
- (vi) Certified copies of any resolutions of the Public University authorizing and approving, *Inter alia*, the execution and delivery of the Loan Agreement (and any amendment and supplement thereto), the Continuing Disclosure Agreement, the Tax Agreement and the Escrow Deposit Agreement;
- (vii) A fully executed copy of the bond purchase contract for such Series of Bonds executed by the Authority and the Underwriter thereof;
- (viii) An executed copy of Form 8038-G as required by Section 149(e) of the Code with respect to any Series of Tax-Exempt Obligations;
- (ix) Except in the case of the initial 2020 Bonds, a certificate of an Authorized Authority Representative stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

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- (ii) The 2020A Bonds shall be issued in fully registered, book-entry only form in Authorized Denominations. Unless the Authority shall otherwise direct the Bond Registrar, the 2020A Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter "R", and/or such other letter or letters as determined by the Trustee, prefixed to the number. Subject to the provisions of this Indenture, the form of the 2020A Bonds, and the Trustee's certificate of authentication shall be substantially in the form set forth in Exhibit "A", attached hereto.
- (b) The 2020B Bonds are hereby authorized to be issued and secured hereunder as follows:.

(i) <u>2020B Bonds</u>

- (A) The 2020B Bonds are entitled to the benefit, protection and security of the provisions hereof. The 2020B Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title "Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020B (Federally Taxable)".
- (B) The 2020B Bonds shall be issued in an aggregate principal amount of \$_______ shall bear interest payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2021, at the rates per annum set forth below and shall mature on July 1 (subject to prior redemption as provided in Article III) of each year in the years and in the principal amounts as follows:

Due (July 1)	Principal Amount	Interest Rate
2021	\$	%
2022		
2023		

- (ii) The 2020B Bonds shall be issued in fully registered, book-entry only form in Authorized Benominations. Unless the Authority shall otherwise direct the Bond Registrar, the 2020B Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter "R", and/or such other letter or letters as determined by the Trustee, prefixed to the number. Subject to the provisions of this Indenture, the form of the 2020B Bonds, and the Trustee's certificate of authentication shall be substantially in the form set forth in Exhibit A", attached hereto.
- (c) The proceeds of the Loan, shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows:
 - (i) an amount equal to \$_____ for the payment of the costs of issuance related to the issuance and sale of the 2020A Bonds, including a portion of the Initial

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Authority Financing Fee allocable to the 2020A Bonds, shall be deposited in the 2020A Account of the Operating Fund and paid in accordance with Section 4.05(b) hereof; and

- (ii) an amount equal to \$_\$ for the payment of the costs of issuance related to the issuance and sale of the 2020B Bonds, including a portion of the Initial Authority Financing Fee allocable to the 2020B Bonds, shall be deposited in the 2020B Account of the Operating Fund and paid in accordance with Section 4.05(b) hereof; and
- (iii) an amount equal to \$_____ shall be deposited into the 2010A Account in the Project Fund and, immediately upon such deposit, the Trustee shall transfer such amount to the Escrow Agent to be applied as set forth in the Escrow Deposit Agreement; and
- (iv) an amount equal to \$\(\) shall be deposited into the SWAP Termination Account in the Project Fund and, immediately upon such deposit, the Trustee shall utilize such amount to pay the costs of the SWAP Termination.

Section 2.04. Determination of Interest Pavable

The Bonds shall bear interest from the most recent Interest Bayment 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 2.05. Refunding Bonds

- (a) One or more Series of Refunding Bonds may be authorized and delivered upon original issuance to refund all or any portion (as determined by the Authority) of any Outstanding Bonds or any Series thereof, including one or more maturities within such Series of Bonds, upon compliance with the terms and conditions set forth in subsection (b) of this Section 2.05 and in Section 2.02 hereof
- (b) Prior to or simultaneously with the delivery of each such Series of Refunding Bonds pursuant to subsection (a) of this Section 2.05, the Trustee shall receive, in addition to the items required by Section 2.02 hereof:
 - a certified copy of the resolution of the Public University consenting to the issuance of such Series of Refunding Bonds and pledging the general obligation credit of the Public University to the punctual payment of the Loan Payment obligations incurred with respect to the issuance of such Series of Refunding Bonds;
 - (ii) irrevocable written instructions to the Trustee, satisfactory to it, to give due notice of redemption of all or any portion of the Bonds (or any Series thereof), if any, to be redeemed on a redemption date specified in such instructions;

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Section 2.07. 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 addryss 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

Section 2.08. 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, Interim Executive Director and aptested by the manual or facsimile signature of its Executive Director or Interim Executive Director (provided the Bonds are not executed by the Executive Director or Interim Executive Director) or Deputy Executive Director, Secretary or any Assistant Secretary, 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 of 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 forms set forth in Exhibit "A" and Exhibit "B" 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

- (iii) if the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable written instructions to the Trustee, satisfactory to it, to make due provision for the notice provided for in Section 3.04 to the Holders of the Bonds being refunded within the applicable time periods set forth in such Section 3.04, except in the case where any Series of Bonds is not by its terms subject to redemption;
- (iv) either (A) moneys in an amount sufficient to effect payment at the applicable Redemption Price of those Bonds, if any, to be redeemed or the principal amount of those Bonds, if any, to be paid at maturity, together with accrued interest on such Bonds to the redemption or maturity date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the Holders of the Bonds to be refunded, or (B) Government Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to comply with the provisions of Section 11.01 and Section 11.02 hereof, and any moneys required pursuant to said Sections which Government Obligations and moneys shall be held in trust and used only as provided in said Sections and including a verification report to the same effect; and
- (v) executed copies of amendments to the Loan Agreement certified to as being in full force and effect by an Authorized Authority Representative and an Authorized Public University Representative.
- (c) The proceeds, including accrued interest, of the Refunding Bonds of such Series shall be applied simultaneously with the delivery of such Refunding Bonds, as provided in the Supplemental Indenture authorizing such Refunding Bonds.
- (d) Notwithstanding satisfaction of the other conditions to the issuance of a Series of Refunding Bonds set forth in this Section 2.05, while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, no such issuance may occur if an Event of Default (or any event which, once all notice or grace-periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance, unless otherwise permitted by the 2020 Insurer.

Section 2.06. Forms and Denominations of Bonds.

- (a) The Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the forms set forth in Exhibits "A" and "B" 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.

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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 2.09. 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 authoriticate 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 fax 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 University. 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 University, 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 2.10. 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 2.11. 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 surrendeed to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first primished 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 may require the payment of an amount by the Bondowner sufficient to reimburse the Authority and any other reasonable fees and expenses incurred in connection therewith.

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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 University.

(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 thall 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.

Section 2.14. Legends. The Bonds of each Series may contain or may have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture or a Supplemental Indenture as may be necessary or desirable to comply with the custom or rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Authority prior to the authentication and the delivery thereof.

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Section 2.12. 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 University.

Section 2.13. 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) below. 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) below.
- (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, or (ii) the Trustee receives written notice from Participants having interests in not less than 50% of the Bonds 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 being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial Owners of the Bonds, then the Trustee, based on information provided to it by the Securities Depository, shall notify the beneficial Owners of the Bonds of such determination or such notice and of the availability of critificates to beneficial Owners of the Bonds requesting the same, and the Trustee shall register in the name of and authenticate and deliver 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 gase 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 herón 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 per

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ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Redemption of Bonds Generally. Bonds subject to redemption prior to maturity pursuant to this Indenture or a Supplemental Indenture shall be redeemable, upon notice as provided in this Article III, at such times, at such Redemption Prices and upon such terms, as set forth below pertaining to the 2020A Bonds and the Supplemental Indenture authorizing Refunding Bonds. The 2020B Bonds shall not be subject to redemption prior to maturity. Except as may be otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, any Series of Bonds may be redeemed in whole or in part on any date by the Authority, at the written direction of the Public University, in accordance with this Indenture or a Supplemental Indenture, as applicable

Section 3.02. Redemption of 2020A Bonds.

- (a) Optional Redemption. The 2020A Bonds maturing prior to July 1, 20_ are not subject to optional redemption prior to maturity. The 2020A Bonds maturing on or after July 1, 20_ are subject to redemption prior to maturity at the option of the Anthority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Loan Agreement on or after July 1, 20_ in whole or in part at any time, and, if in part, in such order of maturity as the Public University may direct and, within a maturity, by lot (of other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2020A Bonds to be redeemed, plus accrued interest to the redemption date.
- (b) Credits against Scheduled Mandatory Redemption Obligations. At the option of the Authority with the consent of the Public University, to be exercised by delivery of a Certificate to the Trustee on or before the 45th day next preceding any scheduled mandatory redemption date, if any, it may: (f) deliver to the Trustee for cancellation Bonds subject to scheduled mandatory redemption on that date or portions thereof in Authorized Denominations; or (ii) specify a principal amount of Bonds or portions thereof in Authorized Denominations which prior to said date have been purchased or redeemed (otherwise than pursuant to this Section) and cancelled by the Trustee at the request of the Authority with the consent of the Public University and not theretofore applied as a credit against any scheduled mandatory redemption payment. Each Bond or portion thereof so delivered or previously redeemed shall be credited by the Trustee at the principal amount thereof against the obligation of the Authority to redeem Bonds on the scheduled mandatory redemption date or dates designated in writing to the Trustee by the Authorized Authority Representative occurring at least 45 days after the delivery of such designation to the Trustee, provided that if no such designation is made, such credit shall not be credited against such obligation.

Section 3.03. Selection of Bonds to be Redeemed

(a) The Bonds shall be redeemed only in Authorized Denominations. If less than all of the Bonds are to be redeemed prior to maturity and in any principal amount within a maturity, such Bonds shall be called for redemption in any order of maturity as the Authority may

designate with the consent of the Public University. If the Bonds are registered in book-entry form, and so long as DTC or a successor Securities Depository is the sole Registered Owner of such Bonds and if fewer than all of such Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds to be redeemed shall be selected on a prorata pass-through distribution of principal basis in accordance with DTC procedures; provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro-rata pass-through distribution of principal basis, the Bonds will be selected for redemption in accordance with DTC procedures, by lot; provided that any such redemption must be performed such that all Bonds remaining Outstanding will be in Authorized Denominations.

If the Bonds are no longer in registered book-entry form and DTC or a accessor Securities Depository is no longer the sole Registered Owner of the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same rate of interest are to be redeemed, such Bonds of the same maturity and bearing such interest rate will be selected on a pro-rata basis within any maturity as shall be selected by the Trustee by lot; provided that any such redemption must be performed such that all Bonds remaining Outstanding will be in Authorized Denominations.

For purposes of calculating pro-rata pass-through distributions of principal, "pro-rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where: (i) the numerator of which is equal to the amount due to the respective registered Owners of the Bonds on a payment date; and (ii) the denominator of which is equal to the total original principal amount of the Bonds.

- (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 of 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 with the consent of the Public University. Such request shall specify the principal amount of the Bonds and their maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which

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any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed:

- (a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption, plus: (i) the CUSIP numbers of all Bonds being redeemed (provided that the notice may contain the Trustge's standard disclaimer as to the correctness and use of the CUSIP numbers); (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest bome by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.
- (b) Each further notice of redemption shall be sent at least 30 days before the redemption date by registered or certified mail, overnight delivery service or facsimile or electronic submission to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

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 in the from prescribed by the Securities Depository to the Securities Depository at 55 Water Street, New York, New York 10041, Attention: Call Notification Department (Email: redemptionnotification@dtcc.com) or at such other address as may be provided in writing to the Trustee from time to time. The foregoing notice of redemption shall be sent to the Securities Depository at least thirty (30) days prior to the redemption date by certified or registered mail, overnight delivery service, electronic mail with confirmation of receipt or by any other secure method which enables the Trustee subsequently to verify the transmission of such notice. 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 fraving 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.

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)(i), 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 feries of 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 of such series 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 series of 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 of such series or pritions 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 ue 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 2.12 and shall not be reissued. A second notice of redemption shall be given within 60 days after the redemption date in the manner required herein to the Bondowners of redemed Bonds which have not been presented for payment within 30 days after the redemption date.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Authority as set out below, but no defect in said further notice nor any failure to give all or

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ARTICLE IV

CREATION OF FUNDS AND ACCOUNTS: APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 4.01. Pledge Effected by This Indenture

- (a) There is hereby pledged and assigned as security for the payment of the principal of, redemption premium, if any, and interest on the Bonds issaed in anticipation thereof in accordance with their terms and the provisions of this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, all of the Pledged Property.
- (b) All Pledged Property shall immediately be subject to the lien of the pledge made herein for the benefit of the Bondholders without any physical defivery thereof or further act, or any filing, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.
- (c) The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property), and shall not create or constitute any indebtedness flability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property), or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) is obligated to pay the principal of and interest on the Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the Bonds, but all Bonds shall be payable solely from Revenues or furds pledged or available for their payment, including any funds available under the Loan Agreement, as authorized in the Act.
- (d) The Authority hereby assigns its right to receive all Revenues, including all amounts to be received by the Authority from the Public University under the Loan Agreement (except for Additional Loan Payments), to the Trustee for the benefit of the Bondholders and covenants and directs the Public University, pursuant to the Loan Agreement, to pay all such Loan Payment amounts (except for Additional Loan Payments) directly to the Trustee.
- (e) Nothing contained in this Section 4.01 shall be deemed a limitation upon the authority of the Authority to issue bonds, notes or other obligations under the Act secured by revenues and funds other than the Pledged Property including, without limitation, bonds, notes or other obligations secured by Federal or State grants.

Section 4.02. Creation of Funds and Accounts. There are hereby created and ordered to be established in the custody of the Trustee the following special trust Funds and Accounts in the name of the Authority to be designated as follows:

- (a) "Project Fund" ("Project Fund"), including an Account established therein for: (i) the 2010 Refunded Bonds ("2010 Account") to be held by the Trustee on behalf of the Authority; and (ii) the SWAP Termination ("SWAP Termination Account") to be held by the Trustee on behalf of the Authority;
- (b) "Revenue Fund" ("Revenue Fund"), including Accounts established therein for the 2020 Bonds and any Series of Refunding Bonds, to be held by the Trustee on behalf of the Authority;
- (c) "Operating Fund" ("Operating Fund"), including separate Accounts established therein for each Series of the 2020 Bonds and any Series of Refunding Bonds, to be held by the Trustee on behalf of the Authority;
- (d) "Debt Service Fund" ("Debt Service Fund"), including separate Accounts established therein for each Series of the 2020 Bonds and any Series of Refunding Bonds, and within such Accounts, certain subaccounts as set forth in this Indenture, to be held by the Trustee on behalf of the Authority;
- (e) "Debt Retirement Fund" ("Debt Retirement Fund"), including separate Accounts established therein for each Series of the 2020 Bonds and any Series of Refunding Bonds, to be held by the Trustee on behalf of the Authority;
- (f) "Rebate Fund" ("Rebate Fund"), including Accounts established therein for the 2020A Bonds and any Series of Refunding Bonds issued as Tax-Exempt Obligations, to be held by the Trustee on behalf of the Authority; and
- (g) The Trustee shall establish such additional accounts or sub accounts within such funds as are called for by the provisions hereof at such time or times as such accounts or sub accounts are required or become applicable or as directed by the Authority.

Section 4.03. Project Fund.

- (a) There shall be established within the Project Fund: (i) an Account for the 2010 Refunded Bonds and any other Series of Bonds being refunded; and (ii) an Account for the SWAP Termination.
- (b) There shall be paid into such Accounts the amounts required to be so paid by the provisions of this Indenture, including any proceeds from the Loan in accordance with Section 2.03(c) hereof and any Supplemental Indenture.
- (c) Any moneys deposited in the 2010 Account of the Project Fund shall be transferred to the Escrow Agent to be used only to pay the costs of redeeming the 2010 Refunded Bonds in accordance with the terms and provisions of the Escrow Deposit Agreement.
- (d) Any moneys deposited in the SWAP Termination Account of the Project Fund shall be transferred to the Trustee to be used only to pay the costs of the SWAP Termination.

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Section 4.06. Payments From the Revenue Fund Into Certain Funds.

- (a) As soon as practicable after the deposit of Revenues into the Revenue Fund, but in any case no later than 3:00 p.m. on the first Business Day immediately following a Loan Payment Date or after the deposit of any Revenues in the Revenue Fund payable by the Public University upon demand pursuant to Sections 5.02(A) and (B) of the Loan Agreement, respectively, the Trustee shall credit, but only to the extent the amount in the Revenue Fund shall be sufficient therefor, such Revenues as follows: (i) Revenues representing Loan Payments made by the Public University pursuant to Section 5.02(A) of the Loan Agreement, the amount of such payment being in accordance with Exhibit A attached to the Loan Agreement, shall be deposited in the applicable Accounts in the Debt Service Fund in accordance with Section 4.07 hereof or, in the case of any purchase or redemption of Bonds of any Series and maturity for which sinking fund installments shall have been established, to the Debt Retirement Fund; (ii) Revenues representing Additional Loan Payments made by the Public University pursuant to Section 5.02(B) of the Loan Agreement, including the annual Authority Administrative Expenses, shall immediately be deposited in the applicable Accounts in the Operating Fund and applied in accordance with the provisions of Section 4.05(c) hereof; and (iii) any investment earnings on any moneys held in any Fund and required to be transferred to the Revenue Fund pursuant to the provisions of this Indenture, such that the total balance in each Account in the Debt Service Fund shall equal the Debt Service Requirement on each such Series of Bonds for the next respective succeeding Interest Payment Date and Principal Installment Date, as applicable, provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be included in the balance of the Debt Service Fund that amount of such proceeds to be applied in accordance with this Indenture to the payment of interest accrued and unpaid and to accrue on such Ser
- (b) All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any lossess suffered) earned or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the Revenue Fund, except that such net interest earned on any moneys or investments in the Debt Service Fund shall be held in such Fund for the purposes thereof and shall be paid into such Fund in accordance with the provisions of Section 5.02 hereof and shall be applied in accordance with the provisions hereof.

Section 4.07. Debt Service Fund.

(a) Pursuant to Section 4.06(a)(i) hereof, Revenues representing Loan Payments from the Public University deposited in the Revenue Fund on any Loan Payment Date shall be transferred to and deposited in the applicable Account in the Debt Service Fund not later than 3:00 p.m. on the first Business Day thereafter by the Trustee. Not later than 3:00 p.m. on the first Business Day after any Loan Payment Date, the Trustee shall determine whether the amounts on deposit in the Accounts in the Debt Service Fund, after all Revenues representing Loan Payments from the Public University originally deposited in the Revenue Fund and

(e) Upon the transfer of funds from the 2010 Account and SWAP Termination Account of the Project Fund, the Trustee shall close such Accounts and monies then remaining in such Accounts, if any, shall be transferred to the Debt Service Fund and shall be applied as set forth in Section 4.07 hereof.

Section 4.04. Revenue Fund. Except as set forth in Sections 4.05 and 5.02 hereof, all Revenues shall be promptly deposited by the Trustee upon receipt thereof into the Revenue Fund and shall be applied as set forth in Section 4.06 hereof. All moneys at any time deposited in the Revenue Fund shall be held in trust for the benefit of the Holders but shall nevertheless be disbursed and applied solely for the uses and purposes set forth in this Article IV.

Section 4.05. Operating Fund.

- (a) Pursuant to an order of the Authority simultaneously delivered to the Trustee upon the original issuance of the 2020 Bonds and the initial advance of the Loan and, thereafter, upon the original issuance of any Series of Refunding Bonds, any proceeds of the Loan and Public University moneys or Bond proceeds, as the case may be, representing costs of issuance and the Initial Authority Financing Fee shall be immediately deposited in the Operating Fund. Such amounts shall be paid by the Trustee in accordance with subsection (b) of this Section 4.05.
- (b) There shall be established within the Operating Fund separate Accounts for each Series of the 2020 Bonds and any Series of Refunding Bonds. Amounts deposited in the Operating Fund shall be paid out by the Trustee pursuant to written direction of the Authority and the Public University from time to time for costs of issuance and Authority Administrative Expenses, including expenses incurred by the Authority to perform an arbitrage rebate calculation with respect to any Series of Tax-Exempt Obligations, upon requisition therefor submitted to the Trustee and signed by an Authorized Authority Representative stating: (i) the name of the Person, firm or corporation to whom each such payment is due; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation in the stated amount has been or will be incurred; and (iv) each obligation in the stated amount has been or will be incurred; and (iv) each obligation in the stated amount has been or will be incurred by or on behalf of the Authority and that each item thereof is a proper charge against the Operating Fund and has not been previously paid. To the extent such amounts deposited therein are not spent within ninety (90) days of the Issue Date of each Series of the 2020 Bonds and any Series of Refunding Bonds, the Trustee shall, without further direction, deposit in the applicable Account of the Debt Service Fund for such Series of Bonds any balance then remaining for such Series of Bonds unless the Public University requests, in writing (with a copy to the Authority) that such balance remain in the Operating Fund for an additional period of time as specified in such request.
- (c) Amounts paid by the Public University as Additional Loan Payments for the performance of an arbitrage rebate calculation pursuant to Section 6.06 of the Loan Agreement with respect to any Series of Tax-Exempt Obligations and payment of, among other expenses, the annual Authority Administrative Expenses shall be paid to the Trustee and the Trustee shall deposit the same in the respective Accounts in the Operating Fund. Such amounts shall be paid by the Trustee to the Authority in accordance with subsection (b) of this Section 4.05.

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transferred to and deposited in the applicable Account in the Debt Service Fund in accordance with the provisions hereof, are sufficient to meet the Debt Service Requirement on each Series of Outstanding Bonds for the next succeeding Interest Payment Date and Principal Installment Date, as applicable. Subject to and after the application of the provisions of Section 4.07 hereof, in the event such amounts in the applicable Account of the Debt Service Fund are insufficient to meet such Debt Service Requirement on each Series of the Outstanding Bonds, the Trustee shall give written notice thereof, by facsimile transmission in accordance with Section 12.03 hereof, to the Authority and the Authorized Public University Representative of such deficiency no later than 4:00 p.m. on the first Business Day after such Loan Payment Date, which notice shall state the amount of such deficiency as of the close of business on any Loan Payment Date and that such deficiency must be cured no later than the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The notice to the Authorized Public University Representative and the Authority shall also include the amount of the Interest Payment and Principal Installment, as applicable, due and payable and the amount required to be paid by the Public University to cure such deficiency and to enable the Trustee to make a Debt Service payment on the applicable Series of Outstanding Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. The receipt of any such notice by the Authorized Public University Representative shall be acknowledged by the Authorized Public University Representative shall be acknowledged by the Authorized Public University Representative to the Trustee within one (1) Business Day after receipt mereof.

- (b) (i) On each Interest Payment Date, the Trustee shall make available to the Paying Agent from moneys available in the Debt Service Fund, an amount which equals the interest on each Series of Outstanding Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such interest on the Interest Payment Date; and (ii) on the Principal Installment Date of each Series of Outstanding Bonds, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal of each Series of Outstanding Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal on the Principal Installment Date. The Trustee may also pay out of the Debt Service Fund the accrued interest included in the purchase price of each Series of Outstanding Bonds, where applicable, pursuant to the provisions of subsection (c) below.
- (c) The amount, if any, deposited in the Debt Service Fund representing accrued interest, if any, on the proceeds of the Bonds and any Series of Refunding Bonds, shall be set aside in the Account established for such Series of Bonds in such Fund and applied, in accordance with written instructions of the Authority delivered to the Trustee prior to the authentication of such Series of Bonds, to the payment of accrued interest on such Series of Bonds as the same becomes due and payable.
- (d) In the event of the refunding of any Bonds, the Trustee shall, if an Authorized Authority Representative so directs, in writing, withdraw from the applicable Account in the Debt Service Fund established for the Series of Bonds being refunded all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Series of Bonds being refunded, and set aside such amounts to be held in trust as set forth in such written direction; provided that such withdrawal shall not be made unless: (i) immediately thereafter the Series of Bonds being refunded shall be deemed to have been paid pursuant to Section 11.01 hereof; and (ii) the amount remaining in the Debt Service Fund, after giving effect to the issuance of the

Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to subsection (a) of this Section 4.07 with respect to the Debt Service Requirement on each Outstanding Series of Bonds.

Section 4.08. Debt Retirement Fund

- (a) Subject to the limitations contained in subsection (d) of this Section 4.08, if, on any Loan Payment Date prior to any Interest Payment Date or Principal Installment due date, as the case may be, the amount on deposit in the applicable Account of the Debt Service Fund shall be less than the amount required to be in such Fund pursuant to subsection (a) of Section 4.07, the Trustee shall transfer from the applicable Account of the Debt Retirement Fund to the applicable Account of the Debt Retirement Fund if less than the amount for all of the moneys in the applicable Account of the Debt Retirement Fund if less than the amount required) which will be sufficient to make up such deficiency.
- (b) To the extent not required to make up a deficiency as required in subsection (a) of this Section 4.08, amounts in the Debt Retirement Fund shall be applied, as rapidly as practicable in the case of mandatory redemption, or, at the written direction of an Authorized Public University Representative, to the purchase or optional redemption (including redemption premium, if any) of the applicable Series of Bonds.
- (c) Upon any purchase or redemption pursuant to this Section 4.08 of Bonds of any Series and maturity for which Sinking Fund Installments shalf have been established or delivery to the Trustee for cancellation by the Authority of Bonds of such Series or maturity, there shall be credited toward each such Sinking Fund Installment thereafter to become due an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased, redeemed, or delivered for carcellation bears to the total amount of all such Sinking Fund Installments to be credited. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.
- (d) The transfers required by subsection (a) of this Section 4.08 shall be made from amounts in the applicable Account of the Debt Retirement Fund only to the extent that such amounts are not then required to be applied to the redemption of Bonds of such Series for which notice of redemption shall have been given by the Trustee to Bondholders.

Section 4.09. Satisfaction of Sinking Fund Installments.

(a) In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least sixty (60) days prior to the date of such Sinking Fund Installment, for cancellation, Bonds of the Series and maturity entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate Redemption Price of such Bonds applicable on the date of such Sinking Fund Installment (or the principal amount thereof if such date be the date of maturity of such Bonds), provided that concurrently with such delivery of

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to the claim of any party, including any Bondholder, 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 4.10. 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, the Public University, or the Trustee at the written direction of the Authority and upon the receipt of funds from the Public University, shall deposit in the Rebate Fund the amount for such deficiency.

Moneys held in the Rebate Fund shall be invested and reinvested by the Trustee in Government Obligations, as shall be directed by an Authorized Authority Representative upon written direction of the Public University, that mature not later than such times as shall be necessary to provide moneys when needed for the payments to be made from such Fund. The interest earned on any moneys or investments in the Rebate Fund, shall be retained in such Fund.

- (d) Notwithstanding the provisions of this Section 4.10, 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 Agreement. Such calculation shall give regard to all regulations applicable to such Section 148(f) including any temporary regulations heretofore or hereafter released.
- (e) The Authority and the Public University 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 hereunder, except that the Trustee shall be liable for its negligence or willful misconduct. The Public University shall indemptly and hold harmless the Trustee from and against any liabilities which the Trustee may incur in the exercise and performance of its duties and obligations hereunder, excepting only those damages, costs, expenses or liabilities caused by the Trustee's 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 University or the Authority shall not comply with their respective obligations hereunder, the Trustee shall have no obligation to cause compliance on their respective behalf. The indemnification provisions of this Section 4.10 shall survive the termination of this Indenture and the removal or resignation of the Trustee.

Section 4.11. 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.

such Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Authority Representative specifying: (i) the principal amount, Series, maturity, interest rate and numbers of the Bonds so delivered; (ii) the date of the Sinking Fund Installment in satisfaction of which such Bonds are so delivered; (iii) the aggregate Redemption Price on the date of such Sinking Fund Installment (or the principal amount in the case of any Series of Bonds which mature on such Sinking Fund Installment date) of any Bonds so delivered; and (iv) the unsatisfied balance of such Sinking Fund Installment after giving effect to the delivery of such Bonds.

(b) The Trustee shall, upon receipt of the notice required and in the manner provided in Article III hereof, call for redemption on the date of each Sinking Fund Installment falling due prior to maturity such principal amount of Bonds of the Series and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

Section 4.10. Application of Moneys in the 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 this Section 4.10, as of the last day of each fifth Bond Year or more frequently as determined by the Authority (each, a "Rebate Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America ("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 University shall deposit in the Rebate Fund the amount, if any needed to increase the amount in such Fund to an amount equal to one hundred percent (100%) of the Rebatable Arbitrage for the period from the date of issuance of the Bonds 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 90% of the amount of the Rebatable Arbitrage for such period.
- (c) Subject to this Section 4.10, as of the last day on which the last 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 University, shall deposit in the Rebate Fund the amount, if any, needed to increase the amount in such Fund to an amount equal to the Rebatable Arbitrage for the period from the date of issuance of the Bonds 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

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Section 4.12. 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, determine 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, minvested 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 4.12 shall be held uninvested and without any liability for interest.

Section 4.13. Reports From Trustee. The Trustee shall furnish monthly to the Authority and the Public University 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 4.14. 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 University with such information as the Authority or the Public University with such information as the Authority or the Public University all matters relating to: (i) the Yield on the Bonds as the same may refue to any data or conclusions necessary to verify that the Bonds are not "arbitrage bonds." within the meaning of Section 148 (f) of the Internal Revenue Code; and (ii) 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 University. The Authority and the Public University 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.

Section 4.15. Moneys Remaining in Funds and Accounts; Reimbursement of Fiduciary and Authority. Except as set forth in Section 4.12 hereof with respect to unclaimed funds, upon the final maturity of any Series of Bonds issued hereunder, any moneys remaining in the Funds and Accounts held under this Indenture for such Series of Bonds shall be paid to each such Fiduciary (to the extent each such Fiduciary has incurred expenses which remain unpaid or unreimbursed, as the case may be) and the Authority (to the extent the Authority has incurred Authority Administrative Expenses which remain unpaid or unreimbursed, as the case may be), by the Trustee, free and clear of the lien and pledge of this Indenture, to the extent required to reimburse such Fiduciary for such expenses and, thereafter, the balance therein (but not including unclaimed funds resulting from defeased bonds of any Series) shall be paid and shall belong to the Public University free and clear of the lien and pledge of 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 Loan Agreement, and, until used or applied as herein provided, shall (except for moneys in the Rebate Fund) constitute part of the Pledged Property 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 University except as provided under Section 5.02 hereof for investment purposes. Norther 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 writting.

Section 5.02. Investment of Moneys. Moneys held in each of the Funds and Accounts hereunder shall, pursuant to the oral (confirmed promptly in writing) or written direction of the Authority, with the prior oral consent of the Public University (confirmed promptly in writing), 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 4.10 hereof) shall be credited to such fund or account, and any loss resulting from such Investment Obligations whenever the cash balance in such fund or account. The Trustee shall not be responsible for any loss or decrease in value of the investments made p

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.

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of equal rank with, the pledge and assignment created by this Indenture, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be the valid and legally binding special and limited obligations of the Authority. The Authority shall at all times, to the extent permitted by State law, defend, preserve and protect the pledge of the Pledged Property under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons

Section 6.06. Creation of Liens. The Authority shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Property held or set aside by the Authority or by Fiduciaries under this Indenture, and shalf not create or cause to be created any lien or charge on the Pledged Property; provided, however, that nothing contained in this Indenture shall prevent the Authority from issuing, if and to the extent permitted by law, evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in this Indenture shall be discharged and satisfied as provided in Article XI hereof.

Section 6.07. Accounts and Reports

- (a) The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance wift generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof, the expenditure of moneys for the 2020 Project and each Fund or Account established under this Indenture. All books and papers of the Authority shall, subject to the terms thereof, at all times, upon prior reasonable written notice to the Authority, during regular business hours, be subject to the inspection of the Trustee, the Public University and the Holders of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.
- (b) The Trustee or any Fiduciary shall advise the Authority as soon as practicable after the end of each Month of the respective transactions during such Month relating to each Fund or Account held by it under this Indenture.
- (c) The Authority shall cause its books and accounts, including annual balance sheets and statements of income and surplus, to be audited annually by an accountant within one hundred twenty (120) fays after the close of its Fiscal Year, and, if requested by the Trustee, to file or cause to be filed with the Trustee, and otherwise as provided by law, a copy of the reports of such audits, including statements in reasonable detail of the status of all funds held by the Trustee pursuant to this Indenture and the security therefor and of the Revenues collected.
- (d) The Authority shall file or cause to be filed with the Trustee forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in this Indenture, a certificate signed by an Authorized Authority Representative specifying such Event of Default or default and the nature and status thereof.

ARTICLE VI

PARTICULAR COVENANTS AND PROVISIONS

Section 6.01. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid, but solely from the Pledged Property, the principal or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

Section 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the muturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for inferest shall not be entitled, in case of any default under this indenture, to the benefit of this Indenture or to any payment out of Revenues or Funds established by this Indenture, including the investment thereof, pledged under this Indenture or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to this Indenture) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Oustanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds pursuant to Section 2.05 hereof and such issuance shall not be deemed to constitute an extension of maturity of the Bonds to be refunded.

Section 6.03. Offices for Servicing Bonds. The Authority shall at all times maintain one or more agencies in the State, and may maintain one or more such agencies in any other state or states, where Bonds may be presented for payment. The Authority hereby appoints the Trustee, as a Bond Registrar, and the Authority shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or of this Indenture, and the Trustee shall continuously maintain or make arrangements to provide such services.

Section 6.04. Further Assurance. At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and Funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge to the payment of the principal or Redemption Price of and interest on the Bonds, including any Series thereof.

Section 6.05. Power to Issue Bonds and Pledge of Pledged Property. The Authority is duly authorized under all applicable State laws to create and issue the Bonds, to adopt this Indenture and to pledge the Pledged Property purported to be subjected to the lien of this Indenture in the manner and to the extent provided in this Indenture. Except to the extent otherwise provided in this Indenture, the Pledged Property so pledged is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect theretop prior to, or

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(e) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of the Bondholders at the principal corporate trust office of the Trustee, who shall file a written request therefor with the Authority. The Authority may charge or cause to be charged each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handline and postage.

Section 6.08. The Loan Agreement. The Authority shall collect or cause to be collected and forthwith cause to be deposited in the Revenue Fund held by the Trustee all amounts, if any, payable to it by the Public University pursuant to the Loan Agreement. Upon written request of the Trustee, the Authority shall provide the Trustee with copies of all requests for annual Authority Administrative Expenses under the Loan Agreement. The Authority shall enforce or cause to be enforced all of the provisions of the Loan Agreement. The Authority will not consent or agree to or permit any amendment, change or modification to the Loan Agreement except in accordance with the provisions of Section 6.11 hereof. Copies of the Loan Agreement certified by an Authorized Authority Representative shall be filed with the Trustee, and copies of any such amendment thereto certified by an Authorized Authority Representative shall be filed with the Trustee.

Section 6.09. Power to Determine and Collect Loan Payments. The Authority has, and will have as long as Bonds are Outstanding hereunder, good right and lawful power to establish and collect or cause to be established and collected the Loan Payments from the Public University.

Section 6.10. Loan Payments. Prior to the execution of the Loan Agreement, and in each and every Fiscal Year during which Bonds are Outstanding, the Authority shall at all times establish and collect or cause to be established and collected Loan Payments from the Public University, as shall be required to provide Revenues at least sufficient, together with other available funds, for the payment of the sum of

- (a) an amount equal to the Debt Service on the Outstanding Bonds for such Fiscal Year and
- (b) all other charges or liens whatsoever payable out of Revenues during such Fiscal Year.

Section 6.11. Inforcement of Loan Agreement; Amendments. The Authority shall enforce the provisions of the Loan Agreement and shall duly perform its covenants and agreements thereunder, as applicable, for the benefit of the Trustee and the Bondholders. The Loan Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of any Outstanding Bonds without the prior written consent of: (i) the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding; or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of each Series so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the

Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 6.11; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made under the Loan Agreement or extend the time of payment thereof. The Loan Agreement may be amended, changed, modified or altered without the prior written consent of the Holders of Outstanding Bonds to provide necessary changes in connection with the issuance of Refunding Bonds, to cure any ambiguity therein, to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Loan Agreement or to provide other changes which will not adversely affect the interest of such Holders. Subsequent to the execution by the Authority and the Public University of any amendment to the Loan Agreement, a copy thereof, certified by an Authorized Authority Representative, shall be filed with the Trustee in accordance with Section 6.08 hereof.

For purposes of this Section 6.11, the Trustee shall be entitled to rely upon a Favorable Opinion of Bond Counsel with respect to the extent, if any, as to which any amendment affects the interests of any Holders of Bonds then Outstanding.

Section 6.12. Additional Covenants with Respect to the Loan Agreement. So long as any Bonds or any Series thereof shall be Outstanding, the Authority will, at all times:

- (a) comply with the obligations on the part of the Authority contained in the Loan Agreement (or any amendment thereto) and require the Public University to comply with its obligation to make Loan Payments thereunder and to pay all other amounts payable under the Loan Agreement (or any amendment thereto) as the same shall become due and payable; and
- (b) promptly take <u>all</u> actions or proceedings necessary or required to compel compliance by such other parties to the Loan Agreement (or any amendment thereto) with respect to the obligations contained therein.

Section 6.13. General

- (a) Upon the date of authentication and delivery of any Series of Bonds, all conditions, acts and things required by law and this Indenture to exist, to have happened and to have been performed precedent to the issuance of such Series of Bonds, shall exist, have happened and have been performed and the issue of such Series of Bonds, together with all other indebtedness of the authority, shall comply in all respects with the applicable laws of the State.
- (b) The Authority shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act, this Indenture and the Loan Agreement, including the exercise of its remedies thereunder.
- Section 6.14. Federal Tax Covenants. The Authority hereby covenants, and the Public University has covenanted in the Loan Agreement, not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the

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ARTICLE VII

DEFAULT AND REMEDIES

Section 7.01. Events of Default. If anyone 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) if default shall be made by the Authority in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, as applicable; or
- (b) if default shall be made by the Authority in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor, when and as such interest installment or Sinking Fund Installment shall become due and payable; or
- (c) if default shall be made in the due and punctual payment of the redemption premium of any Bond when and as the same shall become due and payable; or
- (d) the entering of an order or decree appointing a receiver with the consent or acquiescence of the Public University or the entering of such order or decree without the acquiescence or consent of the Public University if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or
- (e) a petition is filed by the Public University under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Indenture or thereafter enacted, unless in the case of a petition filed against the Public University, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal or the Public University shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Public University or any of its property shall be appointed by court order or take possession of the Public University's property or assets, if such order regnains in effect or such possession continues for more than thirty (30) days; or
- (f) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall continue for a period of sixty (60) days and the Authority shall have failed to commence to cure such default within such sixty (60) day period after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding; or
- (g) if the Authority shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of its properties and/or its rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable

requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Series of Tax-Exempt Obligations. The Authority further covenants, and the Public University has covenanted in the Loan Agreement, that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations which would cause such Series of Tax-Exempt Obligations to be "arbitrage bonds" (as defined in Section 148 of the Code). The Authority further covenants, and the Public University has covenanted in the Loan Agreement, to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The Authority further covenants, and the Public University has covenanted in the Loan Agreement, not to cause the 2020 Bonds and any additional Series of Tax-Exempt Obligations to become "private activity bonds" (within the meaning of Section 141 of the Code).

Section 6.15. Secondary Market Disclosure. The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Bonds and the Authority will not provide any such information. Further, the Authority shall have no liability to the Holders of the Bonds or any other Person with respect thereto. The Authority has required the Public University in the Loan Agreement, as an Obligated Person (as defined under the hereinafter defined Rule), to covenant and agree that it will undertake all responsibilities for compliance with secondary market disclosure requirements pursuant to the Rule, as described in the Continuing Disclosure Agreement ("Continuing Disclosure Agreement") to be executed by and between the Public University and Digital Assurance Certification, L.L.C., acting as dissemination agent. Notwinstanding any other provision of this Indenture, the failure of the Public University to comply with the provisions of the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder and the Beneficial Owners of the Bonds (as defined in the Continuing Disclosure Agreement) may take such actions as set forth in the Continuing Disclosure Agreement as may be necessary and appropriate to cause the Public University to comply with its obligations set forth in the Continuing Disclosure Agreement.

Section 6.16. Financing Statements. The Authority hereby authorizes the Trustee to prise and file such financing statements and continuation statements, if applicable, relating to the influence including, but not limited to, the financing statements with respect to the 2020 Bonds) and other documents, and to take such other actions as may be required by law in order to create, perfect and continue the security interest provided for under the State Uniform Commercial Code or other applicable laws of the State or under other state or federal law. The Trustee shall perform or shall cause to be performed any acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall be reasonably requested for the protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Authority of recording, registering, filing and refiling of such instrument and of every additional instrument which shall be necessary to preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the principal of and interest on the Bonds secured hereby shall have been paid. The Trustee shall file at such time or times and in such place or places as the Trustee may be advised by an opinion of counsel will preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the aforesaid principal and interest shall have been paid.

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to meet its debts as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

(h) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Authority in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Authority, of its properties and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Authority and its affairs or a decree or order finding or determining that the Authority is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days.

With regard to any alleged default concerning which notice is given to the Public University under this Section 7.01, the Authority hereby grants the Public University 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 repredy such default. Upon the occurrence of an Event of Default for which the Trustee has received notice pursuant bection 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 mult to all Bondowners.

Section 7.02. Acceleration of Maturity in Event of Default. In each and every case so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, upon the occurrence of an Event of Default identified in Section 7.01 hereof, either the Truste may (by notice, in writing, to the Authority), or, upon receipt of direction, in writing, from the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding (by notice, in writing, to the Authority and the Trustee), the Trustee shall, declare the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, anything in this Indenture or in any of the Bonds to the contrary notwithstanding.

The right of the Trustee or of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with the reasonable and proper fees, charges, expenses and liabilities of the Trustee and all other sums then payable by the Authority and the Public University under this Indenture (except the principal of, and interest accrued since the next preceding Interest Payment Date on the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under this Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, by written notice to the Authority and the Trustee, may rescind such

declaration and annul such default in its entirety or if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default shall ipso facto be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power 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 soft 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 Pledged Property and of the Loan 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 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, to realize on or to foreclose any of its interests or liens hereunder or under the Loan Agreement, 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 Pledged Property 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 51% in aggregate principal amount of Bonds then Outstanding 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.
- (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 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.
- 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 51% in aggregate principal amount of Bonds then Outstanding shall

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interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal, redemption premium, if any, and interest, without any preference or priority, ratably according to the aggregate amount so due: and

(c) <u>Third</u>: To the payment of the remainder, if any, to the Public University 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 Trustee 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 it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. 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, 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 University.

Section 7.08. Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee 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 of 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 University, the Trustee, and the Bondowners shall be restored to their former positions and all rights hereunder, and all rights, remedies and powers of the Trustee shalf 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

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, bdd 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 m 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 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.

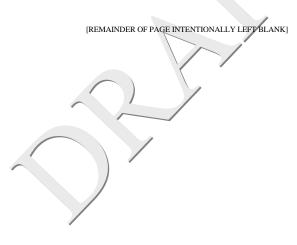
Section 7.07. Application of Moneys in Event of Default. Any moneys held or received by the Trustee (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Pledged Property, 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

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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 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 University, the Trustee and the Bondowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall exend to any subsequent or other default, or impair any right consequent thereon.

Section 7.10. Cancellation of Bonds Owned by the Public University. Upon the occurrence of any Event of Default, any Bonds owned by the Public University 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.

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- (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 Pledged Property 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 University 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 University 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 University 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 of 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.
- (1) Nowithstanding any other provision of this Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification 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 University, the Authority or any other Person, and the Trustee shall not incur

(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 and shall be protected in acting or refraining from acting upon any resolution, Certificate, statement, instrument, opinion, refort, 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 Authority Representative or a Certificate of an Authorized Public University Representative as to the sufficiency of any request or direction or the Public University 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 University 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 ely upon a Certificate of Authorized Authority Representative or a Certificate of an Authorized Public University Representative, as applicable.
- (d) The Trustee may consult with counsel, and the advice or opinions of such counselor 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 in 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 University, personally or by agent or attorney.

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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 Loan Agreement or any of the other Loan 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 University with Section 148 of the Internal Revenue Code or any covenant in this Indenture or in the Loan Agreement regarding yields on investments.
- $\left(q\right)$. The Trustee shall not be required to give a bond or surety to act under this Indenture.

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

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 University, 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 munitained 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 is good faith determines that the withholding of such notice is in the interests of the Bondowners. For the purpose of this Section, 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 services performed by the Trustee under this Indenture (which in the case of compensation for the Trustee's services shall be agreed upon by the Authority with the acknowledgment of the Public University), which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust;

- (b) except as otherwise expressly provided herein, upon its request, for all services performed by the Trustee (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; and
- (c) of indemnification for, and to be held harmless against any loss, liability or expense incurred as provided in the Loan Agreement.

Pursuant to the Loan Agreement, the Public University has agreed to pay to the Trustee all reasonable fees, charges, advances and expenses of the Trustee and to reimburse the Trustee and hold it harmless, and the Trustee agrees to look only to the Public University for the payment of all reasonable fees, charges, advances and expenses of the Trustee and any Paying Agent as provided in the Loan Agreement. The Trustee agrees that the Authority shall have no liability for any fees, charges and expenses of the Trustee.

All indemnity provisions in favor of the Trustee under this Indenture and the Loan Agreement shall survive the termination of this Indenture and the Loan 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, with trust and fiduciary powers in the State, and having a combined capital and surplus of at least \$75,000,000 or having its obligations hereunder guaranteed by an affidated 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, it shall restge immediately in the magner and with the effect specified in this Article.

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 University 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 University, polition any 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, 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 University (so long as the Public University is not in default under this

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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 Loan 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 Public University or the retiring Trustee, at the expense of the Public University, or any Bondowner may petition any 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 Trustee 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 University 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 University 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 busts.

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.

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, and shall be vested with all of the title to the whole property or Pledged Property and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any 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.

Indenture 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 University or any Bondowner may at any time petition any 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 University, 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 University or any Bondowner may petition any 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 Section 8.07 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 University (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 Loan 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 Loan Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Authority, the Public University and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Pledged Property 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,

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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 University 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 afternate 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 University shall fail to make any payment or perform any of its covenants in the Loan 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 University. All moneys so used or advanced by the Trustee, together with interest at the Prime Rate plus 2%, shall be repaid by the Public University 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 University from any default hereunder.

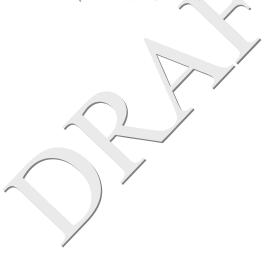
Section 8.13 Notice to Rating Agencies. The Trustee shall promptly give written notice to each Rating Agency by registered or certified mail, postage prepaid, of the occurrence of any of the following events: (a) the appointment of a successor Trustee hereunder, (b) the date that no Bonds remain Outstanding, (c) the Tustee becomes aware of any material change made in this Indenture or the Loan Agreement, (d) any redemption of Bonds pursuant to this Indenture other than mandatory sinking fund redemptions, if any, or (e) the acceleration of the Bonds in accordance with Article VII hereof.

Section 8.14. 1, 2005, c. 92 Covenant. In accordance with 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 L. 2005, c. 51. The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The Trustee agrees that it will maintain continued compliance with L. 2005, c. 51 and any regulations pertaining thereto. The Trustee acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

Section 8.16. Compliance with 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 (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.

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- (g) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, of the Revenues or of any other moneys, securities or Funds: or
- (h) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Indenture of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; or
- (i) To modify any of the provisions of this Indenture in any other respect whatsoever, provided that (i) such modification shall be, and be expressed to be effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, or (ii) if such modification shall become effective prior to the authentication and delivery of the first Bond authorized to be issued pursuant to this Indenture, each Supplemental Resolution shall be specifically referred to in the text of all Bonds authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;
- (j) To cure any ambiguity, supply any omission, or cure of correct any defect or inconsistent provision in this Indenture; or
- (k) To insert such provisions clarifying matters of questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect.

Section 9.02. Supplemental Indentures Requiring Consent of Bondowners. Subject to Section 12.01 hereof, with the consent of the Owners of not less than a majority in principal amount of the Bonds then Oustanding, 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

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, enter into one or more Supplemental Indentures, for anyone or more of the following purposes:

- (a) To close this Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness; or
- (b) To add to the covenants and agreements of the Authority in this Indenture, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with this Indenture as theretofore in effect; or
- (c) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Indenture as theretofore in effect; or
- (d) To authorize Bonds of a Series and, in connection therewith, specify and determine, or delegate to an Authorized Authority Representative the power to specify and determine, the matters and things referred to in Sections 2.02 and 2.05 hereof and also any other matters and things relative to such Bonds (including any Series thereof) which are not contrary to or inconsistent with this-Indenture as theretofore in effect, or to amend, modify or rescind any such authorization specification or determination at any time prior to the first authentication and delivery of such Bonds (including any Series theeof); or
- (e) Notwithstanding any other provisions of this Indenture, to authorize a Series of Bonds having terms and provisions different than the terms and provisions theretofore provided in this Indenture including, but not limited to, provisions relating to the timing of the payment of interest, maturity amounts and valuation as of a given time, and authorizing the form of the bond for such Series of Bonds; provided that the authorization and issuance of such Series of Bonds shall not in any manner impair or adversely affect the rights or security of the Bondholders under this Indenture; or
- (f) To authorize, in compliance with all applicable law. Bonds of each Series to be issued in the form of fully registered Bonds issued and held in certificated or book-entry form on the books of the Authority, any Fiduciary or custodian appointed for that purpose by the Authority and in connection therewith, make such additional changes herein, not adverse to the rights of the Holders of the Bonds, as are necessary or appropriate to accomplish or recognize such certificated or book-entry form Bonds, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, this Indenture relating to the giving of notice, and specify and determine the matters and things relative to the issuance of such certificated or book-entry form Bonds as are appropriate or necessary; or

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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 offestion 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 University's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, so long as the Public University is not in default under the Loan Agreement, a Supplemental Indenture under this Arnice IX shall not become effective unless and until the Public University 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 University 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 be delivered to the Authority 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.

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ARTICLE X

LOAN TO THE PUBLIC UNIVERSITY

Section 10.01. Terms and Conditions for Loan. The Authority shall loan the proceeds of the Bonds (including the 2020 Bonds) to the Public University and shall enter into the Loan Agreement in the manner, on the terms and conditions and upon submission of the documents required by this Article X.

Section 10.02. Form of Loan Agreement. The Loan Agreement shall be in such form as an Authorized Authority Representative determines, with such changes therein as shall be approved by the Authority, as conclusively evidenced by the execution thereof by an Authorized Authority Representative.

Section 10.03. Delivery of Documents in Connection With the Loan Agreement. Prior to or at the execution and delivery of the Loan Agreement and the closing of a Series of Bonds, the Authority and the Trustee shall have received the following documents:

- (a) an opinion of Counsel to the Public University to the effect that the Loan Agreement was duly authorized by the Public University;
 - (b) a counterpart of the Loan Agreement executed by the Public University;
- (c) certified copies of the authorizing proceedings of the Public University for the execution and delivery of the Loan Agreement, and
- (d) such other certificates, documents, opinions and information as the Authority and Bond Counsel may reasonably require in connection with the execution, delivery and implementation of the Loan Agreement and the issuance of such Series of Bonds.

All opinions and certificates required under this Section 10.03 shall be dated the closing date of such Series of Bonds and the opinions shall be addressed to the party or parties specified in the bond purchase contract executed by the Authority and the underwriter in connection with the sale and award of such Series of Bonds.

Section 10.04. Default Under the Loan Agreement. The Trustee shall, by 4:00 p.m. on the first Business Day after a Loan Payment Date, immediately notify the Authority, the 2020 Insurer (while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds) and the Authorized Public University Representative of the Trustee's failure to receive a Loan Payment from the Public University and of any other event of default under the Loan Agreement known to the Trustee pursuant to the terms hereof.

Nowithstanding the above, the failure of the Trustee to receive any Loan Payment from the Public University on any Loan Payment Date shall not cause an Event of Default for the purposes of Article VII of this Indenture or the acceleration of any of the Bonds then Outstanding.

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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 payor provide for the payment of such Bond or Bonds in anyone 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 indestedness 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 as to the adequacy of the trust funds to fully pay the Bonds deemed to be paid. For purposes of this subsection (e), 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.

In the event any Bonds are not by their terms subject to redemption within sixty (60) days from the date of deposit in subsection (c) above, or any Bonds are not by their terms subject to redemption prior to maturity, and said Bonds are deemed to have been paid in accordance with this Section 11.01, the Trustee, at the direction of the Authority, shall provide notice thereof, in a form given to the by the Authority satisfactory to the Trustee, stating such Bonds shall have been deemed to have been paid in accordance with the terms of this Indenture. Any notice of defeasance mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond.

Notwithstanding any provisions of any other Section of this Indenture which may be contrary to this Section 11.01, all moneys or Government Obligations set aside and held in trust

Section 10.05. Trustee's Obligations. Subject to the provisions of Section 8.01 and Section 8.02 hereof, the Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of the Loan Agreement including, without limitation, the prompt payment of all Loan Payments and Authority Administrative Expenses, and all other amounts due to the Trustee thereunder, and the observance and performance of all duties, covenants, obligations and agreements thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of the Public University under the Loan Agreement and shall at all times, to the extent permitted by State law, defend, enforce, preserve and protect the rights and privileges of the Authority and the Holders under or with respect to the same; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the Authority) from settling a default under the Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the Authority and the Holders. The Authority hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and microsts of the Authority under the Loan Agreement, subject to the provisions of this Section 10.05.

Section 10.06. Termination of the Loan Agreement. Upon the payment in full by the Public University of all amounts due under the Loan Agreement, the Trustee shall, at the written direction of the Authority, undertake such actions as shall be required to effectuate the termination provisions of the Loan Agreement-including, without limitation, the execution of all relevant documents in connection with such actions

Section 10.07. Files. After the execution and delivery of the Loan Agreement, the Trustee shall retain all the documents received by it pursuant to this Article X in connection therewith in a file pertaining to the Loan Agreement, to which file the Trustee shall from time to time add all records and other documents pertaining to Loan Payments and other amounts received by the Trustee under the Loan Agreement and all communications from or received by the Trustee with respect to the Loan Agreement and the Public University. Such file shall be kept at the principal corporate trust office of the Trustee and shall be available for inspection by the Authority and the Public University at reasonable times and under reasonable circumstances.

Section 10.08, Insufficiency of or Failure to Make Loan Payments.

- (a) The Loan Agreement shall provide that the Public University shall pay on each Loan Payment Date during the Bond Year, Loan Payments which, together with other moneys on deposit in the Debt Service Fund, will equal the Debt Service Requirement on the Outstanding Bonds on the next succeeding Interest Payment Date or Principal Installment Date, as applicable, during each Bond Year. The Loan Payments due under the Loan Agreement shall be on deposit in the Revenue Fund not later than the Loan Payment Date.
- (b) In accordance with Section 4.07 hereof and subject to and after application of the provisions of Section 4.07 hereof, in the event the Public University has failed to make a Loan Payment on any Loan Payment Date so that the amounts so received by the Trustee and on deposit in the Debt Service Fund are insufficient to meet the Debt Service Requirement on the Outstanding Bonds due on the next ensuing Interest Payment Date or Principal Installment Date, as applicable, the Trustee shall notify the Authority and the Authorized Public University Representative, in writing by appropriate transmission in accordance with Section 12.03 hereof, of such deficiency in accordance with the provisions of Section 4.07(a) hereof.

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pursuant to this Section 11.01 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 the 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, any Rebatable Arbitrage to the United States of America and the fees, charges and expenses of the Authority, the 2020 Insurer (while the 2020 Insurance Policy giarantees the payment of the Insured 2020 Bonds), the Trustee, any Paying Agent, inpluding 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, determine and be void, and thereupon the Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Trustee in respect hereof shall thereupon the Trustee in respect hereof shall 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 and the Public University 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 University 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, and 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 por 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 University 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 University.

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 2020 Insurare (while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds) 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 sale and exclusive benefit of the parties hereto, the Paying Agent, the Bond Registrar, the 2020 Insurer (while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds) and the Owners of the Bonds as herein provided.

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

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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 Loan Agreement, the Tax Agreement or any other Loan 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 Loan Documents or elsewhere and whether arising out of of 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 Pledged Property to the extent provided in this Indenture) and the Loan Agreement (except for the fees and expenses of the Authority and the Authority's right to indemnification under the Loan 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.

or tiled with the Authority, the Trustee, or the Public University 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):

To the Authority at:

The Camden County Improvement Authority c/o Interim Executive Director 2220 Voorhees Town Center Voorhees Township, New Jersey 08043

To the Trustee at:

TD Bank, National Association 2059 Springdale Road Cherry Hill, New Jersey 08003 Attention: Corporate Trust Department.

To the Public University at:

Rowan University
201 Mullica Hill Road
Glassboro, New Jersey 08028-1701
Attention: Senior Vice President for Finance and Chief Financial Officer

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 officiency 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 caff for the redemption of all Bonds, (iii) all of the Bonds are defeased in accordance with Article XI hereof, or (iv) any amendment is made to this Indenture or the Loan 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.

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- (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 University 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 anyone or more phrases, sentences, of auses 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, Reserved.

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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ARTICLE XIII

MATTERS RELATED TO THE 2020 INSURER AND THE 2020 INSURANCE POLICY

Section 13.01. 2020 Insurer Deemed Owner of Insured 2020 Bonds in Certain Circumstances. Notwithstanding anything in this Indenture to the contrary, while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the 2020 Insurer shall be deemed to be the sole Owner of the Insured 2020 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Insured 2020 Bonds are entitled to take pursuant to this Indenture pertaining to: (i) defaults and remedies; and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Indenture and each Insured 2020 Bond, while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the Trustee and each Owner of the Insured 2020 Bonds appoint the 2020 Insurer as their agent and attorney-in-fact with respect to the Insured 2020 Bonds and agree that the 2020 Insurer may at any time during the continuation of any proceeding yor against the Authority or the Public University under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation. (A) all matters relating to any claim or enforcement proceeding, including to any Claim, (C) the posting of any surely, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject in yplan of adjustment. In addition, while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the Trustee and each Owner of the Insured 2020 Bonds with respect to the Insured 2020 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding. Remedies granted to the Owners shall expressly include mandamus.

Section 13.02. Limitation of Acceleration. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the maturity of Insured 2020 Bonds shall not be accelerated without the consent of the 2020 Insurer and in the event the maturity of the Insured 2020 Bonds is accelerated, the 2020 Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Authority or the Public University) and the Trustee shall be required to accept such amounts Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the 2020 Insurer's obligations under the 2020 Insurance Policy with respect to such Insured 2020 Bonds shall be fully discharged.

Section 13.03. Limitations on Grace Period Upon Certain Defaults. Notwithstanding the provisions of Sections 7.01(f) of this Indenture, while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, no grace period for an Event of Default resulting the performance or observance of any covenants under this Indenture shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the 2020 Insurer. In addition, notwithstanding the provisions of Article VII of this Indenture, while the 2020

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criteria of S&P or any combination thereof, shall be used to effect defeasance of the Insured 2020 Bonds unless the 2020 Insurer otherwise approves.

In addition to the requirements set forth in Article XI of this Indenture, while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, to accomplish defeasance of the Insured 2020 Bonds, the Authority shall cause to be delivered. (f) a report of an independent firm of nationally-recognized certified public accountants or such other accountant as shall be acceptable to the 2020 Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Insured 2020 Bonds in full on the maturity or redemption date ("Verification"); (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer); (iii) an opinion of nationally-recognized bond counsel to the effect that the Insured 2020 Bonds are no longer Outstanding under this Indenture; and (iv) a certificate of discharge of the Trustee with respect to the Insured 2020 Bonds. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority, the Trustee and the 2020 Insurer. The 2020 Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the

Insured 2020 Bonds shall be deemed Outstanding under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

Section 13.09. Amounts Deemed Paid by 2020 Insurer; Limitations of Discharge of Indenture. Amounts paid by the 2020 Insurer under the 2020 Insurance Policy shall not be deemed paid for purposes of this Indenture and the Insured 2020 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Authority in accordance with this Indenture. This Indenture shall not be discharged unless all amounts due or to become due to the 2020 Insurer have been paid in full or duly provided for.

Section 13.10. Additional Covenants. In addition to the covenants made by the Authority and the Public University in Article VI of this Indenture, while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, each of the Authority and the Public University covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Pledged Property under applicable law.

Section 13.11. Payment Procedures Under the 2020 Insurance Policy.

(a) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee in the applicable Account of the Debt Service Fund, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Insured 2020 Bonds due on such Payment Date, the Trustee shall give notice to the 2020 Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured 2020 Bonds due on such Payment Date, the Trustee shall make a claim under the 2020 Insurance Policy and give notice to the 2020

Insurance Policy guarantees the payment of the Insured 2020 Bonds, no grace period shall be permitted for an Event of Default under Sections 7.01(a), (b) and (c) of this Indenture.

Section 13.04. 2020 Insurer Considered Third-Party Beneficiary. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the 2020 Insurer shall be considered a third-party beneficiary to this Indenture and the Loan Agreement.

Section 13.05. Consent of 2020 Insurer Upon Redemption or Purchase of Insured 2020 Bonds. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the exercise of any provision of this Indenture which permits the purchase of Insured 2020 Bonds in lieu of redemption shall require the prior written approval of the 2020 Insurer if any Insured 2020 Bond so purchased is not cancelled upon purchase.

Section 13.06. Limitations of Amendments, Supplements, Modifications to or Waiver of Indenture. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, any amendment, supplement, modification to, or vaiver of, this Indenture, the Loan Agreement or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the 2020 Insurer shall be subject to the prior written consent of the 2020 Insurer.

In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Insured 2020 Bonds or the rights of the Bondholders, the Trusteeshall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no 2020 Insurance Policy.

Section 13.07. Certain Rights of the 2020 Insurer. The rights granted to the 2020 Insurer under this Indenture or any other Related Document to request, consent to or direct any action are rights granted to the 2020 Insurer in consideration of its issuance of the 2020 Insurance Policy; provided that such rights shall only exist while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds. Any exercise by the 2020 Insurer of such rights is merely an exercise of the 2020 Insurer's contractual rights and shall not be construed or defended to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the 2020 Insurer, affirmative or negative, as to whether the consent of the Bondholders or any other person is required in addition to the consent of the 2020 Insurer.

Section 13.08. Limitations as to Defeasance of Insured 2020 Bonds. Notwithstanding the provisions of Article XI of this Indenture, while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, only: (1) cash; (2) non-callable direct obligations of the United States of America ("Treasuries"); (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated; (4) subject to the prior written consent of the 2020 Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by \$&P and Moody's, respectively; or (5) subject to the prior written consent of the 2020 Insurer, securities eligible for "AAA" defeasance under then-existing

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Insurer and the 2020 Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured 2020 Bonds and the amount required to pay principal of the Insured 2020 Bonds, confirmed in writing to the 2020 Insurer and the 2020 Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the 2020 Insurance Policy.

- (c) The Trustee shall keep a complete and accurate record of all funds deposited by the 2020 Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured 2020 Bond. The 2020 Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.
- (d) Upon payment of a claim under the 2020 Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Insured 2020 Bonds referred to berein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the 2020 Insurance Policy in trust on behalf of Owners of the Insured 2020 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of the Insured 2020 Bonds in the same manner as principal and interest payments are to be made with respect to the Insured 2020 Bonds. It shall not be necessary for such payments to be made by checks or wire transfer separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in this Indenture or the Loan Agreement to the contrary, the Authority agrees to pay, or cause the Public University to pay, to the 2020 Insurer: (i) a sum equal to the total of all amounts paid by the 2020 Insurer under the 2020 Insurer contrary, the Authority agrees to pay, or cause the Public University to pay, to the 2020 Insurers: (i) a sum equal to the total of all amounts paid by the 2020 Insurer under the 2020 Insurer at the Late Payment Rate (as hereinafter defined) per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured 2020 Bonds and (b) the maximum rate permissible

applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

- (e) The Authority hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Property and payable from such Pledged Property on a parity with debt service due on the 2020 Bonds.
- (f) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the 2020 Insurer.

Section 13.12. Subrogation of Rights of 2020 Insurer. The 2020 Insurer shall, to the extent it makes any payment of principal of or interest on the Insured 2020 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2020 Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceedings (as hereinafter defined)). Each obligation of the Authority or the Public University to the 2020 Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

Section 13.13. Certain Reimbursements to 2020 Insurer. The Authority shall pay or reimburse, or cause the Public University to pay or reimburse as Additional Loan Payments under Section 5.02(B) of the Loan Agreement, the 2020 Insurer any and all charges, fees, costs and expenses that the 2020 Insurer may reasonably pay or incur in connection with: (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under this Indenture or any other Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, this Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation or other dispute in connection with this Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the 2020 Insurer to honor its obligations under the 2020 Insurance Policy. The 2020 Insurer reserves the right to charge areasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture or any other Related Document.

Section 13.14. Limitations on Payments to Trustee and Authority. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, after payment of reasonable expenses of the Trustee, the application of funds realized upon an Event of Default shall be applied to the payment of expenses of the Authority or rebate only after the payment of past due and current debt service on the 2020 Bonds.

Section 13.15. Rights of 2020 Insurer to Pay Principal and Interest. The 2020 Insurer shall be entitled to pay principal or interest on the Insured 2020 Bonds that shall become "Due for Payment" (as such terms is defined in the 2020 Insurance Policy) but shall be unpaid by reason of "Nonpayment" (as such term is defined in the 2020 Insurance Policy) by the Authority and any amounts due on the Insured 2020 Bonds as a result of acceleration of the maturity thereof in accordance with this Indenture, whether or not the 2020 Insurer has received a "Notice

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- (vii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and
- (viii) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents; and
- (ix) to the extent that the he Public University has entered into a continuing disclosure agreement, covenant or undertaking with respect to the 2020 Bonds, all information furnished pursuant to such agreements shall also be provided to the 2020 Insurer, simultaneously with the furnishing of such information.

While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the 2020 Insurer shall have the right to receive such additional information as it may reasonably request.

Section 13.18. Certain Communication with 2020 Insurer. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the Public University will permit the 2020 Insurer to discuss the affairs, finances and accounts of the Public University or any information the 2020 Insurer may reasonably request regarding the security for the 2020 Bonds with appropriate officers of the Authority and the Public University and will use commercially reasonable efforts to enable the 2020 Insurer to have access to the facilities, books and records of the Public University on any Business Day upon reasonable prior office.

Section 13.19. Limitations as to Interest Rate Hedge Agreements. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, any interest rate exchange agreement ("Swap Agreement") entered into by the Public University that is secured by and payable from the Pledged Property, if any, shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months; and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x upiess there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the 2020 Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the 2020 Bonds and on any debt on parity with the 2020 Bonds. The Public University shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the 2020 Insurer prior to the payment of any such termination amount that such payment will not cause the Public University to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counderparties or guarantors to any Swap Agreement must have a rating of at least "A." and "A3" by S&P and Moody's. If the counterparty or guarantor's rating falls below "A." or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex shall be acceptable to the 2020 Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the 2020 Insurer, shall be required.

of Nonpayment" (as such terms are defined in the 2020 Insurance Policy) or a claim upon the 2020 Insurance Policy.

Section 13.16. Notices to 2020 Insurer. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, except as may be otherwise expressly provided in this Indenture, any notice required to be given to any party shall also be given to the 2020 Insurer as specified in the manner specified in Section 12.03 of this Indenture, addressed as follows

New York, New York 10019		
Attention:		
Re: Policy No	/	
Telephone:		
Telecopier:		*

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 13.17. Certain Information to be Provided to 2020 Insurer; Notices to 2020 Insurer. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the 2020 Insurer shall be provided with the following information by the Authority, the Public University or the Trustee, as the case may be:

- (i) Annual audited financial statements of the Public University within 180 days after the end of the Public University's fiscal year (together with a certification of the Authority that it is not aware of any default or Event of Default under this Indenture or the Loan Agreement), and the Public University's annual budget within 30 days after the approval thereof together with such other information, data or reports as the 2020 Insurer shall reasonably request from time to time;
- (ii) Notice of any default known to the Trustee, the Public University or the Authority within five (5) Business Days after knowledge thereof;
- (iii) Prior notice of the advance refunding or redemption of any of the Insured 2020 Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (iv) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
- (v) Notice of the commencement of any proceeding by or against the Authority or the Public University commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");
- (vi) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured 2020 Bonds:

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IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf and attested by its duly Authorized Officers, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf attested by its duly Authorized Officer, all as of the day and year first above written.

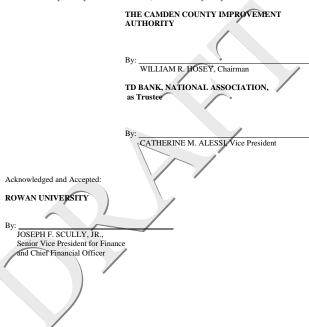


EXHIBIT "A" TO TRUST INDENTURE

(FORM OF 2020A 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 DERSON 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

THE CAMDEN COUNTY IMPROVEMENT AUTHORITY
LOAN REVENUE REFUNDING BONDS
(COOPER MEDICAL SCHOOL OF ROWAN UNIVERSITY PROJECT), SERIES 2020A

Interest Rate

Maturity Date
July 1, 20___

Dated Date
July __, 2020

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CAMDEN COUNTY IMPROVEMENT 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 July 1, 2020 (said Trust Indenture, as amended and supplemented from time to time

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Property (as defined thereunder) and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the 2020A Bonds, and the rights, duties and obligations of the Authority, the Trustee and the Owners of the 2020A Bonds, and a description of the terms upon which the 2020A Bonds are issued and secured, upon which provision for payment of the 2020A 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 2020A Bonds. Capitalized terms not defined herein are used with the meanings given to them in the Indenture.

Pursuant to the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the 2020A Bonds are to be paid by the Public University directly to the Trustee for the account of the Authority and deposited in a special account created by the Indenture and designated the "Revenue End" and all Loan Payments under the Loan Agreement have been duly pledged and assigned to the Trustee for that purpose.

Interest Rates. The 2020A Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such 2020A Bonds to which interest has been paid, unless the date of such 2020A Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such 2020A Bond is prior to the first Interest Payment Date of the 2020A Bonds, in which case interest shall be payable from the Dated Date of the 2020A Bonds, or unless the date of such 2020A 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 2020A Bonds on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

Optional Redemption. The 2020A Bonds maturing prior to July 1, 20_ are not subject to optional redemption prior to maturity. The 2020A Bonds maturing on or after July 1, 20_ are subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Loan Agreement, on or after July 1, 20_ in whole of in part at any time, and, if in part, in such order of maturity as the Public University pay direct and, within a maturity by lot (or other customary method of selection determined by the Trustee), at a Redemption Poice equal to one hundred percent (100%) of the principal amount of 2020A Bonds to be redeemed, plus accrued interest to the redemption date.

Limitation on Rights; Acceleration; Modifications. The Owner of this 2020A 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 2020A 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 2020A Bonds or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

in accordance with the provisions thereof, being herein called the "Indenture"), by and between the Authority and TD Bank, National Association, as Trustee ("Trustee"), until said Principal Amount is paid.

Method of Payment. The principal of and interest on this 2020A 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 2020A 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 2020A Bond at the Principal Office of the Trustee. The interest payable on this 2020A Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority ("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 2020A 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 2020A 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 the Business Days before the applicable Record Date preceding such Interest Payment Date.

Authorization. This 2020A Bond is one of a duly authorized series of bonds of the Authority designated "The Camden County Improvement Authority Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020A" in the aggregate principal amount of \$\frac{\text{"Bonds"}}{\text{"Bonds"}}\$ issued, together with the Authority's Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020B (Federally Taxable), for the purpose of providing funds to Rowan University (herein called the "Public University"), to undertake a project consisting of: (i) the current refunding of the 2010 Refunded Bonds; (ii) the SWAP Termination (as defined in the Indenture); and (iii) the payment of costs and expenses incurred by the Authority and the Public University in connection with the issuance of the 2020A Bonds, 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 County Improvement Authorities Law ("Act"), and pursuant to proceedings duly had by the Authority. The funding will be made pursuant to the Loan and Security Agreement, dated as of July 1 2020 (said Loan Agreement, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Loan Agreement"), by and between the Authority and the Public University.

Security. The 2020A 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 Loan 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 2020A Bonds. Reference is hereby made to the Indenture for a description of the Pledged

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Special and Limited Obligations. Notwithstanding anything to the contrary in the Indenture, the 2020A Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property), and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) is obligated to pay the principal of and interest on the 2020A Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the 2020A Bonds, but all 2020A Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement, as authorized in the Act. 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 2020A 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 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 ondition of and consideration for the execution of the Indenture and the issuance of the 2020A Bonds.

Statement of Insurance. ("___"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on the 2020A Bonds maturing on July 1 of the years 20__ through 20__ inclusive ("Insured 2020A Bonds"), to TD Bank, National Association, Cherry Hill, New Jersey, or its successor, as paying agent for the Insured 2020A Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from _____ or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of any Insured 2020A Bond acknowledges and consents to the subrogation rights of _____ as more fully set forth in the Policy.

Authentication This 2020A 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 2020A Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, THE CAMDEN COUNTY IMPROVEMENT AUTHORITY has caused this 2020A Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chair and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary and its official common seal or a facsimile thereof to be affixed or imprinted hereon, all as of the Dated Date specified above.

THE CAMDEN COUNTY IMPROVEMENT (SEAL) Chairman ATTEST: Secretary

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(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto

(Social Security or Federal Employer

Identification No.) ("Transferee") the within 2020A Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the within 2020A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Exchange or a

NOTICE: No transfer will be registered and no new bond will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within 2020A Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer identification number of the Transferee is supplied. If the Transferee is a trust, attach names and Social Security or Federal Employer Identification numbers of the settler or beneficiaries, the date of the trust and the name of the trustee.

ABBREVIATIONS

The following abbreviations, when used in the description on the face of the within 2020A Bond, shall be construed as though they were written out in full according to applicable laws and

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with the right of survivorship and not as tenants in common -Custodian Under Uniform Gifts to Minors Act UNIFORM GIFT MIN ACT (Cus)

Additional abbreviations may also be used though not in the above list.

CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2020A Bonds described in the within mentioned Indenture

TD BANK, NATIONAL ASSOCIATION, as Trustee Authorized Signature Date of Authentication July ___, 2020

EXHIBIT "B" TO TRUST INDENTURE

(FORM OF 2020B 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 Registrond Owner beautiful Company in the Company of the Registration of the Property of Company of the Company interest the registre. the Registered Owner hereof, Cede & Co., has an interest herein.

Registered

No. R-

Registered

UNITED STATES OF AMERICA STATE OF NEW JERSEY

THE CAMDEN COUNTY IMPROVEMENT AUTHORITY LOAN REVENUE REFUNDING BONDS (COOPER MEDICAL SCHOOL OF ROWAN UNIVERSITY PROJECT), SERIES 2020B (FEDERALLY TAXABLE)

Interest Rate

Maturity Date July 1, 20

Dated Date July ___, 2020 CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CAMDEN COUNTY IMPROVEMENT 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 July 1, 2020 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Indenture"), by and between the Authority and TD Bank, National Association, as Trustee ("Trustee"), until said Principal Amount is paid.

Method of Payment. The principal of and interest on this 2020B 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 2020B 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 2020B Bond at the Principal Office of the Trustee. The interest payable on this 2020B Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority ("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 2020B 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 2020B 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 2020B Bond is one of a duly authorized series of bonds of the Authority designated "The Camden County Inprovement Authority Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020B" in the aggregate principal amount of \$\scrt{S}\$. ("Bonds"), issued, together with the Authority's Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020A, for the purpose of providing funds to Rowan University (herein called the "Public University"), to undertake a project consisting of (i) the current refunding of the 2010 Refunded Bonds; (ii) the SWAP Termination (as defined in the Indenture); and (iii) the payment of costs and expenses incurred by the Authority and the Public University in connection with the issuance of the 2020B Bonds, 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 County Improvement Authorities Law ("Act"), and pursuant to proceedings duly had by the Authority. The Infiding will be made pursuant to the Loan and Security Agreement, dated as of July 1, 2020 (said Loan Agreement, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Loan Agreement"), by and between the Authority and the Public University.

Security. The 2020B 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 Loan 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

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solely to the Pledged Property) is obligated to pay the principal of and interest on the 2020B Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the 2020B Bonds, but all 2020B Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement, as authorized in the Act. 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 2020B 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 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 the Indenture and the issuance of the 2020B Bonds.

Authentication. This 2020B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentury 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 2020B Bond do exist, have happened and have been performed in due time, form and manner as required by law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

2020B Bonds. Reference is hereby made to the Indenture for a description of the Pledged Property (as defined thereunder) and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the 2020B Bonds, and the rights, duties and obligations of the Authority, the Trustee and the Owners of the 2020B Bonds, and a description of the terms upon which the 2020B Bonds are issued and secured, upon which provision for payment of the 2020B 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 2020B Bonds. Capitalized terms not defined herein are used with the meanings given to them in the Indenture.

Pursuant to the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the 2020B Bonds are to be paid by the Public University directly to the Trustee for the account of the Authority and deposited in a special account created by the Indenture and designated the "Revenue Fund" and all Loan Payments under the Loan Agreement have been duly pledged and assigned to the Trustee for that purpose.

Interest Rates. The 2020B Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such 2020B Bonds to which interest has been paid, unless the date of such 2020B Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such 2020B Bond is prior to the first Interest Payment Date of the 2020B Bonds, in which case interest shall be payable from the Dated Date of the 2020B Bonds, or unless the date of such 2020B 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 2020B Bonds on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

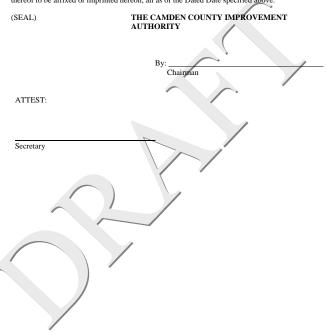
Redemption. The 2020B Bonds shall not be subject to redemption prior to their stated maturity dates.

Limitation on Rights; Acceleration; Modifications. The Owner of this 2020B 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 2020B 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 2020B Bonds or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

Special and Limited Obligations. Notwithstanding anything to the contrary in the Indenture, the 2020B Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property), and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited

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IN WITNESS WHEREOF, THE CAMDEN COUNTY IMPROVEMENT AUTHORITY has caused this 2020B Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chair and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary and its official common seal or a facsimile thereof to be affixed or imprinted hereon, all as of the Dated Date specified above.



CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2020B Bonds described in the within mentioned Indenture

TD BANK, NATIONAL ASSOCIATION, as Trustee Authorized Signature Date of Authentication: July ___, 2020

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto

[Social Security or Federal Employer Identification No.) ("Transferee") the within 2020B Bond and all rights thereunder, and hereby irrevocably constitutes and appoints as attorney to transfer the within 2020B Bond on the books kept for registration thereof, with full power of substitution in the premises in the premises.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Exchange or a commercial bank or a trust company

NOTICE: No transfer will be registered and no new bond will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within 2020B Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer identification number of the Transferee is supplied. If the Transferee is a trust, attach names and Social Security or Federal Employer Identification numbers of the settler or beneficiaries, the date of the trust and the name

ABBREVIATIONS

The following abbreviations, when used in the description on the face of the within 2020B Bond, shall be construed as though they were written out in full according to applicable laws and

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with the right of survivorship and not as tenants in common
UNIFORM GIFT MIN ACT (Cus) - Custodian Under Uniform Gifts to Minors Act

Additional abbreviations may also be used though not in the above list.



LOAN AND SECURITY AGREEMENT

BY AND BETWEEN

THE CAMDEN COUNTY IMPROVEMENT AUTHORITY

AND

ROWAN UNIVERSITY

DATED AS OF JULY 1, 2020

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THIS LOAN AND SECURITY AGREEMENT, dated as of July 1, 2020 (together with any supplements and amendments hereto, collectively, the "Loan Agreement"), by and between The Camden County Improvement Authority, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of Chosen Freeholders of the County of Camden, New Jersey ("County"), and any successor to its duties and functions ("Authority"), and Rowan University ("Public University"), a public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, N.J.S.A. 18A:64M-1, et see (the "Rowan Act").

WITNESSETH:

WHEREAS, the Authority is authorized by the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State, as amended and supplemented (N.J.S.A. 40:37A-44 et seq.) ("Act"), to provide within the County, public facilities (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing, including the Public University, for any of their respective governmental purposes; and

WHEREAS, the Authority is authorized by the Act to make loans to finance or refinance, as the case may be, any governmental unit or Person, including the Public University, for the planning, design, acquisition, construction, equipping and furnishing of all or any part of any public facility (as defined in the Act), for such consideration and for such period or period or time and upon such other terms and conditions as it may fix and agree upon as long as such loans are secured by loan and security agreements, mortgages, leases and other instruments, the payments on which shall be sufficient to pay the principal of and interest on any bonds issued for such purpose by the Authority, and upon such other terms and conditions as the Authority shall deem reasonable; and

WHEREAS, the Authority has determined, pursuant to the Act, to finance the costs of the 2020 Project, as hereinafter defined; and

WHEREAS, all actions necessary and required under the Act for the approval of the 2020 Project, including, without limitation, obtaining the consent of the Public University to undertake the financing have been and/or will have been taken prior to the issuance of the 2020 Bonds (as hereinafter defined); and

WHEREAS, the Authority will, pursuant to the Act, provide for the financing of the Costs (as decrinafter defined) of the 2020 Project by the issuance of its 2020 Bonds and the lending of the proceeds thereof to the Public University pursuant to the terms and conditions set forth in the Indenture (as hereinafter defined) and in this Loan Agreement; and

WHEREAS, pursuant to the terms of this Loan Agreement, the Public University is required to make the Loan Payments (as hereinafter defined) to the Authority on each Loan Payment Date (as hereinafter defined) in an amount equal to the debt service on the 2020 Bonds due on the immediately succeeding Interest Payment Date (as hereinafter defined) or Principal Installment Date (as hereinafter defined), as the case may be; and

FORM OF REQUISITION FOR PAYMENT CERTIFICATE AS TO AUTHORIZED PUBLIC UNIVERSITY

REPRESENTATIVE

TRUSTEE INFORMATION

EXHIBIT B. EXHIBIT C.

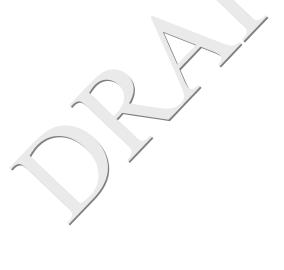
EXHIBIT D.

WHEREAS, the Public University has authorized the performance of its obligations under this Loan Agreement and the Continuing Disclosure Agreement (as hereinafter defined); and

WHEREAS, the 2020 Bonds will be issued pursuant to the provisions of Sections 2.01, 2.02 and 2.03 of the Indenture.

NOW, THEREFORE, the parties hereto mutually agree as follows:

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Bonds, the financing of the 2020 Project or the compelling of the full and punctual performance of the Indenture and this Loan Agreement in accordance with the terms hereof and thereof; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and others; and (v) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar or the Trustee or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under the Indenture and this Loan Agreement, all to the extent not capitalized pursuant to the requirements of the Indenture, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the Public University.

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"Authorized Authority Representative" shall mean the Chair, Vice Chair, Executive Director, Interim Executive Director, Secretary and any Assistant Secretary, 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.

"Authorized Public University Representative" shall mean the Chair, Vice Chair, President or Senior Vice President for Finance and Chief Financial Officer of the Public University, and when used in reference to any act or document also means any other person or persons authorized by a resolution of the Public University Board to perform any act or execute any document.

"Bond" or "Bonds" shall mean the 2020 Bonds is seed pursuant to Sections 2.01, 2.02 and 2.03 of the Indenture to provide funds to finance the 2020 Project, together with Refunding Bonds, if any, issued pursuant to Section 2.05 of the Indenture.

"Bond Counsel" shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Public University.

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

"Bond Resolution" shall mean the resolution adopted by the Authority on March 12, 2020, as the same may be amended, modified and supplemented in accordance with the provisions thereof in connection with the issuance of each Series of Bonds, including the 2020 Bonds.

"Bond Year" shall mean, with respect to the 2020 Bonds, each 1-year period that ends on the day that selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the 2020 Bonds or the date that is five (5) years after the Issue Date in the case of the 2020 Bonds, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the 2020 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Refunding Bonds is issued.

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.01. Definitions. The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Loan Agreement unless the context clearly indicates some other meaning. Terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"Account" or "Accounts" shall mean, as the case may be, each or all of the Accounts established and created under Article IV of the Indenture.

"Act" shall have the meaning set forth in the Recitals to this Loan Agreement.

"Additional Loan Payments" shall mean any and all amounts payable by the Public University to the Authority pursuant to this Loan Agreement including, but not limited to, Section 5.02(B) hereof representing additional Costs of the 2020 Project, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, all-direct and indirect costs and expenses incurred by the Authority related to the enforcement of the Indenture and this Loan Agreement, including reasonable attorneys' fees related hereto and thereto and any and all charges, fees, costs and expenses that the Authority or the 2020 Insurer may reasonably pay or incur in connection with: (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the 2020 Insurer to honor its obligations under the 2020 Insurance Policy.

"Annual Authority Administrative Fee" shall mean, with respect to: (i) the 2020 Bonds, the annual fee for the general administrative expenses of the Authority, due on each anniversary of the Issue Date until such time as the 2020 Bonds are no longer Outstanding, in the amount of \$5,000; and (ii) any Series of Refunding Bonds, the amount specified in the applicable Supplemental Indenture authorizing such Series of Refunding Bonds.

"Article" shall mean a specified Article hereof, unless otherwise indicated.

"Authority" shall have the meaning set forth in the Recitals to this Loan Agreement.

"Authority Administrative Expenses" shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under the Indenture and this Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Annual Authority Administrative Fee; (iii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any

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"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 not closed.

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"Continuing Disclosure Agreement" shall have the meaning given to such term in Section 5.12 of this Loan Agreement.

"Cost" or "Costs" shall mean and shall be deemed to include, with respect to the 2020 Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Loan Agreement, (a) fees and charges of the Trustee pursuant to the Indenture, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority, and of the Public University, costs of rating agencies, bond insurance, bond insurers or credit ratings, Escrow Agent fees, verification agent fees, escrow security bidding fees, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees-in connection with any of the foregoing; (b) all other costs which the Public University or the Authority, shall be required to pay under the terms of any contract or contracts for the completion of the 2020 Project including, but not limited to, the cost of insurance; (c) any sums required to reimburse the Public University for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2020 Project; (d) deposits in any Fund or Account under the Indenture, all as shall be provided in the Indenture; and (e) such other expenses not specified herein or in the Indenture as may be necessary of incidental to the financing of the 2020 Project. Cost as defined herein shall be deemed to include the cost and expenses incurred by any agent of the Authority or the Public University for any of the above-mentioned items or in connection with the administration and enforcement of the Continuing Disclosure Agreement and this Loan Agreement.

"County" shall have the meaning set forth in the Recitals to this Loan Agreement.

"Debt Retirement Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(e) of the Indenture.

"Debt Service" for any period shall mean, as of any date of calculation, with respect to a particular Serjes of Bonds, including the 2020 Bonds, an amount equal to the sum of: (i) the interest accruing during such period on such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the applicable Account in the Debt Service Fund; and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date or, if there should be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of original issuance of a particular Series of Bonds,

whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

"Debt Service Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(d) of the Indenture.

"Debt Service Requirement" with respect to the next Interest Payment Date for any Series of Bonds shall mean: (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue of such date; and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installment shall be due, interest accrued and unpaid and to accrue to such date, if any, <u>plus</u> the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

"Escrow Agent" means TD Bank, National Association, Cherry Hill, New Jersey, as escrow agent for the 2010 Refunded Bonds, and its successors and assigns.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement, dated as of July 1, 2020, by and among the Escrow Agent, the Public University and the Authority with respect to the 2010 Refunded Bonds.

"Event of Default" shall mean a "default" or an "Event of Default" as defined in Section 7.01 hereof but not as defined in Section 7.01 of the Indenture.

"Favorable Opinion of Bond Counsel" shall mean an opinion of Bond Counsel, addressed to the Authority, the Public University and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by the Indenture, any Supplemental Indenture, this Loan Agreement, any amendment or supplement to this Loan Agreement, and the Act and, if such Series includes any Tax-Exempt Obligations, will not adversely affect the exclusion of interest on such Series of Tax-Exempt Obligations from gross income for purposes of Federal income taxation under Section 103 of the Code.

"Fiduciary" or "Fiduciaries" shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean the respective twelve (12) month fiscal periods of the Public University of the Authority, as applicable.

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

"Fund" or "Funds" shall mean, as the case may be, each or all of the Funds created and established in Section 4.02 of the Indenture; provided, however, that such Funds do not constitute "funds" in accordance with generally accepted accounting principles.

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applicable, Additional Loan Payments payable by the Public University upon demand pursuant to Section 5.02(B) hereof.

"Loan Payment Date" shall mean, (i) with respect to the 2020 Bonds, thirty (30) days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be, and (ii) such other dates determined in accordance with this Loan Agreement as may be set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds.

"Loan Term" shall mean the period during which this Loan Agreement is in effect as specified in Section 5.01 hereof.

"Month" shall mean a calendar month.

"Moody's" shall mean Moody's Investors Services, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

"Official Statement" shall mean the Official Statement of the Authority, dated July ___ 2020, prepared in connection with the offering and sale of the 2020 Bonds.

"Operating Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(c) of the Indenture.

"Outstanding" means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered except: (i) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation pursuant to Section 2.12 of the Indenture; (ii) Bonds which are deemed to have been paid in accordance with Article XI of the Indenture; and (iii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to Article II of the Indenture.

"Person" or "Persons" shall mean any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

"Prepayment" shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.05 hereof.

"Principal Installment" shall mean, as of any date of calculation, and with respect to a particular Series of Bonds, so long as any Bonds thereof are Outstanding: (i) the principal amount of such Series of Bonds due on a certain future date for which no Sinking Fund Installments have been established plus any applicable redemption premium thereon; and (ii) any Sinking Fund Installments due on a certain future date for such Series of Bonds, if any, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of such Series of Bonds on such future date in a principal amount equal to such Sinking Fund Installments.

"Principal Installment Date" shall mean: (i) with respect to the 2020 Bonds, each July 1 commencing July 1, 2021, on which any Principal Installment shall become due and payable by

"Indenture" means the Trust Indenture, dated as of July 1, 2020, between the Authority and TD Bank, National Association, as trustee, together with any supplements and amendments thereto.

"Initial Authority Financing Fee" shall mean, with respect to: 1) the 2020 Bonds, the amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants, in the amount of \$______, in connection with the sale and award of the 2020 Bonds; and (ii) any Series of Refunding Bonds the amount specified in the applicable Supplemental Indenture authorizing such Series of Bonds or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Refunding Bonds.

"Insured 2020 Bonds" means, the 2020A Bonds maturing on July 1 in the years 20_through and including 20_.

"Interest Payment Date" shall mean: (i) with respect to the 2020 Bonds, each January 1 and July 1 of each year, commencing January 1, 2021; and (ii) such other dates as shall be established by a Supplemental Indenture authorizing a Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

"Issue Date" shall mean, with respect to (i) the 2020 Bonds, July __, 2020; and (ii) any Series of Refunding Bonds, the date on which the Trustee authenticates the Series of Refunding Bonds and on which such Series of Refunding Bonds is delivered to the purchasers thereof upon original issuance.

"Loan" shall mean the loan made by the Authority to the Public University in the aggregate principal amount of \$\(\) (which amount shall also be specified in the Indenture relating to the 2020 Bonds), to finance the aggregate Costs of the 2020 Project under the terms and conditions set forth herein.

"Loan Agreement" shall mean this Loan and Security Agreement, dated as of July 1, 2020, by and between the Authority and the Public University, together with any supplements and amendments hereto, relating to the 2020 Project to be financed with the proceeds of the Loan.

"Loan Documents" shall mean, collectively, this Loan Agreement, the Continuing Disclosure Agreement, the Indenture, the Escrow Deposit Agreement, and all documents and instruments esecuted and delivered in connection herewith and therewith and all amendments and modifications hereto and thereto.

"Loan Payment" shall mean the sum of money representing principal and interest for the 2020 Project necessary to amortize Debt Service on the 2020 Bonds payable by the Public University on each Loan Payment Date, as set forth in Exhibit A hereto and incorporated by this reference herein, as described in Section 5.02(A) hereof and redemption premium, if any, to the extent required to redeem the 2020 Bonds pursuant to Article III of the Indenture and, as

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the Authority; or (ii) such other date as set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

"Project Fund" means the Fund so designated, established and created pursuant to Section 4.02(a) of the Indenture.

"Public University" means the public institution for higher education authorized and created pursuant to State law, the name of which is Rowan University, located primarily in Glassboro, New Jersey.

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

 $\label{prop:continuous} \mbox{\bf "Rebate Fund"} \mbox{ shall mean the Fund so designated, created and established pursuant to Section 4.02(f) of the Indenture.$

"Record Date" shall mean: (i) with respect to the 2020 Bonds, the fifteenth day of the calendar month immediately preceding any Interest Payment Date; or (ii) such other dates as set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds.

"Refunding Bonds" shall mean the Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 2.05 of the Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

"Registered Owner" shall mean the Owner of any Bond which is issued in fully registered form, as determined on the Record Date, as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority at the principal conforate trust office of the Bond Registrar.

"Related Document" means the Indenture, this Loan Agreement or any other transaction document, including any underlying security agreement related to the 2020 Bonds.

"Revenue Fund" shall mean the Fund so designated, created and established pursuant to Section 4.02(b) of the Indenture.

"Revenues" shall mean: (i) all amounts, including Loan Payments, received by the Authority from the Public University under this Loan Agreement; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture, and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

"Rule" shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof.

"Series" shall mean all of the Bonds authenticated and delivered upon original issuance pursuant to the Indenture and any Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture, regardless of variations in maturity, interest rate, sinking fund installments or other provisions.

"Sinking Fund Installment" shall mean that designated amount on deposit in the Debt Service Fund which shall be applied by the Trustee to the redemption of Bonds of any Series.

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

"State" shall mean the State of New Jersey or any successor to its duties and functions.

"Supplemental Indenture" shall mean any indenture supplemental to or amendatory of this Indenture adopted by the Authority in accordance with Article $\dot{I}X$ of the Indenture.

"SWAP Agreement" shall mean the Interest Rate Hedge Agreement entered into by Rowan with RBC Capital Markets, dated February 6, 2019.

"SWAP Termination" shall mean the cash settlement and termination of the SWAP Agreement.

"Tax-Exempt Obligations" shall mean any Series of Bonds which are issued as taxexempt Bonds, including but not limited to, the 2020A Bonds, pursuant to the terms of the Indenture together with an opinion of Bond Counsel to the effect that the interest on such Bonds is not includable in gross income for Federal income tax purposes pursuant to the provisions of the Code.

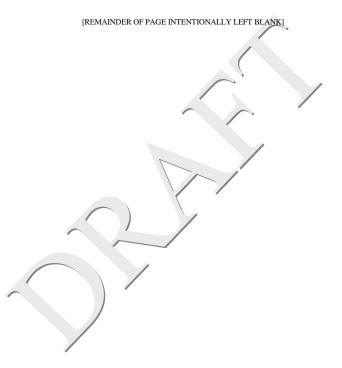
"Taxable Obligations" shall mean any Series of Bonds which are issued pursuant to the terms of the Indenture which are not issued as Tax-Exempt Obligations, including but not limited to the 2020B Bonds.

"Trustee" shall mean, with respect to the 2020 Bonds and any Series of Refunding Bonds issued under the Indenture, TD Bank, National Association, Cherry Hill, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to the Indenture or appointed trustee pursuant to a Supplemental Indenture.

"2010 Bonds" shall mean the Lease Revenue Bonds (Cooper Medical School of Rowan University Project) (Federally Taxable – Build America Bonds) Series 2010A, originally issued in the aggregate principal amount of \$93,885,000.

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shall mean and include correlative words of the feminine and neuter gender and vice versa. All times referenced herein shall be to prevailing Eastern time unless otherwise specifically noted.



"2010 Refunded Bonds" means, collectively, the 2010 Bonds maturing on July 1 in the years 2023 through 2035, both dates inclusive.

"2020 Bonds" shall mean, collectively, the 2020A Bonds and the 2020B Bonds

"2020 Project" means, collectively, the 2020A Project and the 2020B Project. the Costs of: (i) the current refunding of the 2010 Refunded Bonds; (ii) the SWAP Termination; and (iii) the costs of issuance incurred by the Authority and the Public University in connection with the issuance and sale of the 2020 Bonds.

"2020A Project" means the Costs of: (i) the current refunding of the 2010 Refunded Bonds; and (ii) the costs of issuance incurred by the Authority and the Public University in connection with the issuance and sale of the 2020A Bonds.

"2020B Bonds" the Series of Taxable Obligations issued as Bonds so designated, authenticated and delivered to the Underwriters upon original issuance pursuant to Sections 2.02 and 2.03 of the Indenture in the aggregate principal amount of \$_____, which are designated Loan Revenue Refunding Bonds (Cooper Medical School of Rowan University Project), Series 2020B (Federally Taxable.

"2020B Project" means the Costs of: (i) the SWAP Termination; and (ii) the costs of issuance incurred by the Authority and the Public University in connection with the issuance and sale of the 2020B Bonds.

"2020 Insurance Policy" means the insurance policy issued by the 2020 Insurer guaranteeing the scheduled payment of the principal of and interest on the Insured 2020 Bonds.

"2020 Insurer" means ______, or any successor thereto or assignee thereof.

means collectively, the 2020A Project and the 2020B Project.

"Underwriter" shall mean the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter, dated the date of sale of the 2020 Bonds.

"2020 Project"

"Yield" shall mean that yield which when used in computing the present worth of all payments of principal of and interest on an obligation produces an amount equal to its purchase price. The Yield for the Bonds is to be computed in accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing persons shall include firms, associations, corporations, districts, agencies and bodies, and words of the masculine gender

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ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01. Public University's Representations and Warranties. The Public University represents and warrants that:

- (A) It is a duly formed and validly existing political subdivision of the State governed by the Constitution and laws of the State, including the Rowan Act, with full power and legal right to enter into this Loan Agreement and to perform its obligations hereunder and under any other Loan Documents to which it is a party.
- (B) The entering into of this Loan Agreement by the Public University and the performance of its obligations hereunder have been duly authorized by all necessary action of its governing body and does not violate or constitute, on the part of the Public University, a violation of, breach of or default under any agreement, indenture, mortgage, deed of trust, instrument or other document by which the Public University or any of its properties are bound or with respect to any law, statute, rule or regulation or, to the knowledge of the Public University, order of any court or governmental agency.
- (C) This Loan Agreement constitutes a legal, varid and binding obligation of the Public University, enforceable in accordance with its terms, subject to bankruptcy, insolvency or other similar laws or equitable principles affeoring generally the enforcement of creditors' rights.
- (D) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any count, public board or body, pending or, to the knowledge of the Public University, threatened, or any basis therefor, wherein an unfavorable decision, ruling or finding would: (i) result in any material adverse change in the financial copolition, properties or operations of the Public University that would materially adversely affect the ability of the Public University to make Loan Payments; (ii) materially adversely affect the ability of the Public University to perform its obligations under this Loan Agreement; (iii) materially impair the 2020 Project; (iv) materially adversely affect the transactions contemplated by this Loan Agreement; or (v) adversely affect the validity or enforceability of the 2020 Bords, the Indenture, this Loan Agreement, or any other documents related to the 2020 Project.
- (E) Neither the execution and delivery of this Loan Agreement nor the fulfillment of or corpliance with the terms and conditions contained herein is prevented, limited by, conflicts with or results in a breach of, the terms, conditions or provisions of: (i) any law, rule, regulation or, to the knowledge of the Public University, order of any court or governmental agency; or (ii) any agreement, instrument or evidence of indebtedness to which the Public University is bound, or constitutes a default under any of the foregoing. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the undertaking of the 2020 Project and the transactions contemplated hereby and by the other Loan Documents either have been obtained or are reasonably expected to be obtained in due course.

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or the Loan Documents or in any other document, agreement, certificate or instrument delivered or to be delivered by the Public University in connection with any of the foregoing shall be true, correct and complete in all material respects at the time they were made and on and as of the Issue Date of the 2020 Bonds, and no information has been or will be omitted which would make any of the foregoing misleading or incomplete.

- (G) There has been no material adverse change in the financial condition or operation of the Public University not reflected in any financial statement, certificate or any other document submitted by the Public University to the Authority.
- (H) No legislation has been enacted which in any way adversely affects the execution and delivery of this Loan Agreement or the creation, organization or existence of the Public University or the titles to office of any officials thereof or the power of the Public University to carry out its obligations under this Loan Agreement.
- (I) Except as otherwise disclosed in the Official Statement, the Public University is not a party to any indenture, loan, any other agreement, resolution, contract, instrument, or subject to any restriction, which may reasonably be expected to have a material adverse effect on its properties, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Loan Agreement.
- (J) The Public University is not, as of the date hereof, in default or noncompliance in the performance, observance or fulfilment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party or by which it is bound or with respect to any law, statute, rule or regulation or, to the knowledge of the Public University, any judgment, writ, injunction or order of any court or governmental agency.
- (K) The Public-University has not taken and will not take any action and knows of no action that any other Person has taken or intends to take, which would cause this Loan Agreement to be invalid or unenforceable in whole or in part or which would cause the interest income on any Series of Tax-Exempt Obligations, including the 2020A Bonds, to be included in the gross income of the Holders thereof under the Code.
- (L) The Public University shall apply the proceeds from the sale of the 2020 Bonds for the respective purposes specified and in the manner provided for in this Loan Agreement and in the indenture.
- The Public University shall annually budget and provide moneys for payment of its Loan Payment obligations hereunder (including, but not limited to, Debt Service on any Bonds issued by the Authority which are Outstanding under the Indenture, including the 2020 Bonds, and Additional Loan Payments).
- (N) Any certificate signed by an Authorized Public University Representative and delivered to the Trustee or the Authority shall be deemed a representation and warranty by the Public University to the Trustee or the Authority, as the case may be, as to the statements weds them;

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- (F) The Authority shall apply the proceeds from the sale of the 2020 Bonds and the Revenues derived under this Loan Agreement for the purposes specified and in the manner provided in this Loan Agreement and the Indenture.
- (G) Except as otherwise disclosed in the Official Statement, 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 Authority, threafned against or affecting the Authority, or any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby, or which in any way would materially adversely affect the validity of the 2020 Bonds, the Indenture, this Loan Agreement or any other agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby or the exclusion from taxation as set forth herein.
- (H) Any certificate signed by an Authorized Authority Representative and delivered to the Trustee or the Public University shall be deemed a representation and warranty by the Authority to the Trustee or the Public University, as the case may be, as to the statements made therein.

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SECTION 2.02. Authority Representations and Findings. The Authority hereby confirms its findings and represents that:

- (A) It is a public body corporate and politic constituting an instrumentality of the State, duly organized and existing under the laws of the State, particularly the Act. The Authority is authorized to issue the 2020 Bonds in accordance with the Act and to use the proceeds from the sale of the 2020 Bonds to make the Loan to the Public University.
- (B) The Authority has complied with the provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated by this Loan Agreement, the 2020 Bonds, the Indenture and any and all other agreements relating thereto and to issue, sell and deliver the 2020 Bonds as provided in the Indenture.
- (C) By the Bond Resolution, duly adopted by the Authority and still in full force and effect, the Authority has duly authorized the execution, delivery and due performance of this Loan Agreement, the Indenture and the 2020 Bonds and the taking of any and all actions as may be required on the date hereof on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by the Indenture, the 2020 Bonds and this Loan Agreement. All approvals of the Authority necessary in connection with the foregoing have been received.
- (D) The 2020 Bonds have been duly authorized, executed, issued, sold and delivered and constitute valid and binding direct, limited and special obligations of the Authority, the principal of, redemption premium, if any, and interest on which are payable solely from the Revenues derived pursuant to this Loan Agreement and pledged therefor by the Indenture. The 2020 Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property), and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property), or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) is obligated to pay the principal of and interest on the 2020 Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged of the payment of the principal of and interest on the 2020 Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under this Loan Agreement, as authorized in the Act.
- (E) The adoption of the Bond Resolution and the execution and delivery of the Indenture, this Loan Agreement and the 2020 Bonds, and compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the Authority a violation of the Constitution of the State or a violation or breach of or default under its by-laws or any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound or, to the knowledge of the Authority, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required to be obtained by the Authority for the consummation of the transactions contemplated hereby and thereby have been obtained

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ARTICLE III

ISSUE OF 2020 BONDS; LENDING CLAUSE

SECTION 3.01. Issue of the 2020 Bonds; Lending Clause. (A) The Authority shall issue, sell and deliver the 2020 Bonds in accordance with the terms of the Indenture, subject to the execution of one or more bond purchase contracts by and between the Authority and the Underwriter for the 2020 Bonds.

- (B) The Authority agrees to lend to the Public University, and the Public University agrees to borrow from the Authority, the proceeds of the 2020 Bonds (including income earned on the investment of 2020 Bond proceeds), to be used in the manner prescribed herein and in the Indenture to finance the Costs of the 2020 Project.
- (C) Upon original issuance of the 2020 Bonds, proceeds thereof, including accrued interest, if any, shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows: (i) an amount equal to the accrued interest, if any, on the 2020 Bonds for deposit in the 2020 Account in the Debt Service Fund established for the 2020 Bonds; (ii) an amount set forth in in Sections 2.03(c)(i) and (ii) of the Indenture representing costs of issuance, subject to any limitations as to amount imposed by the provisions of the Code, for the 2020 Bonds, including the allocable portion the Initial Authority Financing Fee for each series of the 2020 Bonds, for deposit in the Operating Fund and paid to the Authority in accordance with Section 4.05(b) of the Indenture; and (iii) the amount set forth in Sections 2.03(c)(iii) and (iv) of the Indenture shall be deposited into the 2010 Account and the SWAP Termination Account nespectively, in the Project Fund established in connection with the 2020 Bonds and paid in accordance with Section 4.03 of the Indenture.
- SECTION 3.02. Benefit of Bendholders. This Loan Agreement is executed in part to induce the purchase by others of the 2020 Bonds and, accordingly, all covenants, agreements and representations on the part of the Public University and the Authority, as set forth in this Loan Agreement, are hereby declared to be for the benefit of the Holders from time to time of the 2020 Bonds. As such any of the Funds created under the Indenture (excluding the Rebate Fund) and any moneys beld therein shall be assigned by the Authority to the Trustee to secure repayment of the 2020 Bonds. The Public University, by execution hereof, consents to such assignment for the benefit of the Bondholders to secure repayment of the 2020 Bonds.
- SECTION 3.03. Compliance With Indenture. The Public University covenants and agrees to do all things within its power to comply with and to enable the Authority to comply with Indenture, this Loan Agreement and any other Loan Documents to which the Authority is a party and to fulfill and to enable the Authority to fulfill all covenants of the Indenture and the Loan Documents.

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ARTICLE IV

COMPLETION OF THE 2020 PROJECT

SECTION 4.01. Deposits to Project Fund.

- (a) The net proceeds of the 2020 Bonds, less the proceeds thereof deposited in the Debt Service Fund, if any, and the Operating Fund (for Costs consisting of costs of issuance with respect to the 2020 Bonds) pursuant to the provisions of the Indenture and the written order of the Authority as to delivery of the 2020 Bonds, will be deposited in: (i) the 2010 Account in the Project Fund established pursuant to Section 4.02(a) of the Indenture and shall be utilized by the Public University for payment of Costs of the 2020A Project in accordance with Section 2.03(c) and 4.03 of the Indenture and Section 4.02 of this Loan Agreement; and (ii) the SWAP Termination Account in the Project Fund established pursuant to Section 4.02(a) of the Indenture and shall be utilized by the Public University for payment of Costs of the 2020B Project in accordance with Sections 2.03(c) and 4.03 of the Indenture and Section 4.02 of this Loan Agreement.
- (b) The Public University shall have the right to enforce payments from the 2010 Account and the SWAP Termination Account in the Project Fund upon compliance with the procedures set forth in this Section 4.01, Section 4.02 hereof and Section 4.03 of the Indenture.

SECTION 4.02. Payments From Project Fund. The Authority has, in Sections 2.03(c) and 4.03 of the Indenture, authorized and directed the Trustee to make payments from the 2010 Account and the SWAP Termination Account reach in the Project Fund to pay the Costs of the 2020 Project or to reimburse the Public University for any Cost of the 2020 Project.

SECTION 4:03. Cooperation in Furnishing Documents. The Authority agrees to cooperate with the Public University in furnishing to the Trustee any documents that are required to effect payments out of the 2010 Account or the SWAP Termination Account in the Profect Fund in accordance with Section 4:02 hereof and Sections 2.03(c) and 4:03 of the Indenture. Such obligation is subject to any provisions of the Indenture requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the 2010 Account or the SWAP Termination Account in the Project Fund available for payment under the terms of the Indenture.

SECTION 4.04. Bonds Issued as Tax-Exempt Obligations Not to Become Arbitrage Bonds. As provided in Article V of the Indenture, the Trustee will invest moneys held by the Toustee as directed by the Authority, in writing, upon written instructions from the Public University. The Public University hereby covenants to the Authority and to the Holders of any Bonds issued as Tax-Exempt Obligations that, notwithstanding any other provision of this Loan Agreement or any other instrument, it will neither make, instruct the Authority to make nor require the Trustee to make any investment or other use of the proceeds of a Series of Bonds issued as Tax-Exempt Obligations deposited into the applicable Account in the Project Fund or other proceeds of any Series of Bonds issued as Tax-Exempt Obligations to be arbitrage bonds under Section 148

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ARTICLE V

TERM AND PAYMENTS

SECTION 5.01. Loan Term. This Loan Agreement shall remain in full force and effect from the date hereof until the date on which the principal or Redemption Price of and interest on the 2020 Bonds and any and all other Costs with respect to the 2020 Project shall have been fully paid or provision for the payment thereof shall have been made as provided in the Indenture, and the Public University shall have satisfied and performed all other covenants, agreements and obligations made or undertaken by the Public University under this Loan Agreement, at which time the Authority shall release and cancel this Loan Agreement.

The payment obligations created under this Loan Agreement are direct general, irrevocable and unconditional obligations of the Public University payable from any source legally available to the Public University.

SECTION 5.02. Payments. (A) Loan Payments. The Public University agrees to repay the Loan in an amount which is equal to that portion of the principal of, redemption premium, if any, and interest on the 2020 Bonds. The Public University agrees to pay to the Trustee, in immediately available funds, at the address shown on Entibit D annexed hereto and incorporated by this reference herein or at such other address as the Public University may be notified in writing pursuant to Section 8.11 of this Doan Agreement, on each Loan Payment Date, an amount in accordance with the schedule of Loan Payments for the 2020 Bonds set forth in Exhibit A annexed hereto and incorporated by this reference herein, which will equal the Public University's Loan Payment obligation which is to be applied to the Debt Service payable on the 2020 Bonds on the immediately succeeding Interest Payment Date or Principal Installment Date, as applicable; provided, however, that with respect to the Loan Payments required to be paid pursuant to this Section 5.02, no Loan Payments shall be payable on any Loan Payment Date to the extens the Debt Service payable on such Loan Payment Date shall be paid or provided for under the Indenture from the proceeds of the 2020 Bonds designated therefor by the Authority or from the income derived from the investment of amounts in the Funds or other amounts available in the Debt Service Fund established by and maintained under the Indenture.

- (B) Additional Payments. In addition to the Loan Payments required by paragraph (A) of this Section 5.02, the Public University agrees to pay the following additional amounts to the Trustee and the 2020 Insurer:
- (i) The Public University shall pay to the Trustee, as the same shall become due and payable at any time during the Loan Term, on any Loan Payment Date or thirty (30) days after written demand by the Trustee, such sums as represent Additional Loan Payments including, but not limited to, Authority Administrative Expenses, interest on the 2020 Insurer advances (as more fully described in Section 13.11(d) of the Indenture), any other amounts due to the 2020 Insurer pursuant to Section 13.15 of the Indenture and any other amounts due hereunder, as shall have been submitted by the Authority or the 2020 Insurer, as applicable, in writing, to the Trustee, with a copy to the Public University; provided that, while the 2020 Insurer may submit a written demand to the Public University of any Additional Loan Payments due and

of the Code, and that it will comply with the requirements of such Section throughout the term of such Series of Bonds issued as Tax-Exempt Obligations.

SECTION 4.05. Restriction on Use of Project Fund. The Public University shall not use or direct the use of proceeds of a Series of Bonds issued as Tax-Exempt Obligations deposited into the applicable Account in the Project Fund in any way, or take or omit to take any other action, so as to cause the interest on such Tax-Exempt Obligations to be included in gross income of the Owners thereof for federal income taxation purposes.

SECTION 4.06. Operating Fund. A portion of the proceeds of the 2020 Bonds shall be deposited in the 2020 Account of the Operating Fund established pursuant to Section 4.05(b) of the Indenture to pay for the Costs of the 2020 Project including costs of issuance with respect to the 2020 Bonds pursuant to the provisions of the Indenture and the written oper of the Authority as to delivery of the 2020 Bonds. Such payments shall be made by the Trustee pursuant to a written requisition of the Public University substantially in the form attached hereto as Exhibit "B" or by other written direction acceptable to the Trustee. The Public University agrees that the proceeds of sale of the 2020 Bonds deposited in the 2020 Account of the Operating Fund will be sufficient to pay the estimated Costs of the 2020 Project consisting of the costs of issuance with respect to the 2020 Bonds. In the event suof Costs shall exceed the amount available to the Public University in the 2020 Account of the Operating Fund, the Public University is all pay such additional Costs out of funds legally available therefor.

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owing to the 2020 Insurer in which event such amounts shall be paid by the Public University to the 2020 Insurer. Specifically, but not by way of limitation, the Public University agrees to pay to, or upon the order of, the Authority (a) on or before the Issue Date, the Initial Authority Financing Fee with respect to the Series of Bonds being issued by the Authority, and (b) on each anniversary of the Issue Date with respect to each Series of Bonds until such time as such Series of Bonds are no longer Outstanding, the Annual Authority Administrative Fee;

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(ii) In the event the Public University fails to make any Loan Payment or Additional Loan Payment in accordance with the provisions of this Section 5.02 on its due date, the Public University shall pay interest (to the extent permitted by law) on such overdue Loan Payment or Additional Loan Payment at the highest rate per annum borne by the 2020 Bonds until paid, which interest shall be paid directly to the Authority.

SECTION 5.03. Application/Assignment of Payments. (A) Except as is specifically provided in Section 5.02(B)(i) hereof with respect to payments to be made directly to the 2020 Insurer, the Loan Payments provided for in paragraph (A) of Section 5.02 hereof and any Additional Loan Payments provided for in clauses (i) and (ii) of paragraph (B) of Section 5.02 hereof shall be paid to and assigned to the Trustee for the account of the Authority and applied as provided in this Loan Agreement and the Indenture.

(B) The interest, if any, due thereon pursuant to clause (ii) of paragraph (B) of Section 5.02 hereof shall be paid directly to the Authority.

SECTION 5.04. Public University Loan Payment Obligations Unconditional. The obligations of the Public University to make payments required under Section 5.02 hereof and all other payments required under this Loan Agreement, as well as to perform its other obligations under this Loan Agreement, as well as to perform its other obligations under this Loan Agreement, shall be absolute and unconditional without counterclaim, recoupment, defense or set-off by reason of any default by any party under any contract for the 2020 Project or by the Authority under this Loan Agreement or under any other agreement, if any, between the Public University and the Authority. Except as may be expressly provided herein or in the Indenture, such payments shall not be decreased, abated, postponed or delayed for any reason whatsoever including, without limiting the generality of the foregoing, failure to commence of complete the 2020 Project, frustration of purpose, 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 Loan Agreement, it being the intention of the parties that the payments required of the Public University hereunder will be paid in full when due without any delay or diminution whatsoever. Notwithstanding the above, any payment made under protest by the Public University to the Authority shall be made without prejudice to the right of the Public University to proceed against the Authority, or the defaulting party, as a result of the foregoing.

Notwithstanding anything in this Loan Agreement to the contrary, the cost and expense of the performance by the Public University of its obligations under this Loan Agreement and the incurrence of any liabilities of the Public University under this Loan Agreement including, without limitation, the obligation for the payment of all Loan Payments and all other amounts required to be paid by the Public University under this Loan Agreement is an unsecured and general obligation of the Public University.

SECTION 5.05. Prepayments. To the extent the 2020 Bonds are subject to optional redemption under the Indenture, the Public University shall have the option to prepay in full or in part the unpaid balance of the Loan, together with the Redemption Price, if any, on the 2020 Bonds, and accrued interest to the redemption date, upon written notice to the Trustee, the 2020 Insurer (while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds) and the Authority of its intention to prepay the Loan, which notice shall comply in all respects with the applicable provisions of the Indenture. The Public University shall pay to the Trustee the amount of the Prepayment on a date at least thirty (30) days prior to the redemption date identified in the notice referred to herein for deposit by the Trustee in the Debt Retirement Fund to be applied to the redemption of the 2020 Bonds in accordance with Section 4.08 of the Indenture.

In addition, pursuant to Section 2.05 of the Indenture, the Authority shall have the right to effectuate a refunding of the 2020 Bonds through the issuance of Refunding Bonds, and the Public University shall consent, in a writing addressed to the Authority, to the issuance of such Refunding Bonds prior thereto.

SECTION 5.06. Payment on Termination of Loan Agreement. The Authority agrees that, upon termination of this Loan Agreement, after first deducting any moneys due to the Authority for the Authority Administrative Expenses incurred or accruing including, but not limited to, the Annual Authority Administrative Eee, or due to the 2020 Insurer or the Fiduciaries for fees and expenses of the same, and so long as no Series of Bonds remain Outstanding and payment therefor has been provided for in full, the Authority shall direct the payment to the Public University of all moneys or securities held by the Trustee for the account of the Authority pursuant to the Indenture and this Loan Agreement. If such expenses are not fully met from such payment by the Trustee to the Authority and/or the 2020 Insurer, the Public University shall immediately reimburse the Authority and/or the 2020 Insurer therefor.

SECTION 5.92. Indemnification of Authority. Both during the Loan Term and thereafter, to the extent permitted by law, the Public University shall indemnify and hold the Authority harmless against, and the Public University shall pay, any and all liability, loss, cost, dange, claim, judgment or expense, of any and all kinds or nature and however arising: (i) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, which the Authority may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Public University relating to the 2020 Project; or (ii) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, arising out of or caused by any untrue or misleading statement of a material fact relating to the Public University in Appendix A in the Official Statement. It is mutually agreed by the Public University and the Authority that neither the Authority nor its members, professionals, officers, agents, servants or employees shall be liable in any event for any action performed or omitted to be performed under this Loan Agreement and that the Public University shall save the Authority harmless from any claim or suit of whatsoever nature arising hereunder and under any of the other Loan Documents except for such claims or suits arising as a result of the Authority sons negligence or willful misconduct. This

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In addition, no later than sixty (60) days after the receipt and acceptance thereof by the Public University, a detailed audit report for the preceding Fiscal Year, certified by certified independent public accountants selected by the Public University, presenting the Public University's revenues and expenses at the close of the preceding Fiscal Year and the results of its operations during said Fiscal Year; and

SECTION 5.10. Net Loan Agreement. This Loan Agreement shall be deemed and construed to be a "net loan agreement," and the Public University shall pay absolutely net during the Loan Term the Loan Payments and all other payments required under this Loan Agreement, free of all deductions, without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

SECTION 5.11. Public University Budget Notice: Loan Payments. The Public University shall cause the officials of the Public University responsible for preparing and presenting to the Board of Trustees of the Public University the budget request for each Fiscal Year. The Public University shall give the Loan Payments scheduled to become due in such Fiscal Year. The Public University shall give the Authority, the 2020 Insurer and the Trustee immediate written notice (but in no event later than one (1) Business Day thereafter) of (i) the first reading of any budget that does not include sufficient amounts to pay the Loan Payments due in such Fiscal Year; or (ii) the occurrence of any other event which reasonably indicates that sufficient amounts for Loan Payments may not be included in a Fublic University budget.

SECTION 5.12. Secondary Market Disclosure. The Public University covenants that, as an Obligated Person pursuant to the Rule, it will execute and deliver a Continuing Disclosure Agreement to be entered into with Digital Assurance Certification, L.L.C., acting as dissemination agent ("Continuing Disclosure Agreement"). The Continuing Disclosure Agreement will set forth the obligations of the Public University to: (i) file budgetary, financial and operating data on an annual basis and notices of the occurrence of certain enumerated events; and (ii) identify any instances in the previous five (5) years in which the Public University failed to comply, in all material respects, with any previous undertakings to provide secondary market disclosure, as required to comply with and in accordance with the provisions of the Rule.

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provision shall survive the end of the Loan Term and the final maturity of all Bonds issued and Outstanding pursuant to the Indenture and any Supplemental Indentures.

The Public University, at its own cost and expense, shall defend any and all such claims, suits and actions which may be brought or asserted against the Authority, its members, professionals, officers, agents, servants or employees relating to the performance of its obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Loan Agreement from its obligation to defend the Public University, the Authority, the Trustee and any other insured named in such policy or policies of insurance in connection with claims, suits or actions covered by such policy or policies. The Public University agrees that it shall give the Authority and the Trustee prompt notice, in writing of the Public University's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action.

The Authority agrees that it:

- (i) shall give the Public University prompt notice, in writing, of the Authority's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action;
- (ii) shall not, without the prior written consent of the Public University, adjust, settle or compromise any such claim, suit or action; and
- (iii) shall permit the Public University to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notyfithstanding the foregoing, the Public University shall keep the Authority informed as to the progress of any suit, claim or action, and the Public University shall not reach a final settlement, adjustment or compromise without the Authority's prior approval, which approval shall not be unreasonably withheld.

Any cost for attorneys' fees in situations where it is necessary for the Authority to engage its own attorneys, experts' testimony costs and all costs to defend the Authority or any of is members, professionals, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Authority by the Public University and shall constitute an Additional Loan Payment pursuant to Section 5.02(B)(i) hereof.

SECTION 5.08. Nature of Obligations of the Authority. The cost and expense of the performance by the Authority of any of its obligations under this Loan Agreement shall be limited to the availability of the proceeds of the 2020 Bonds of the Authority issued for such purposes or from other funds received by the Authority under this Loan Agreement and available for such purposes.

SECTION 5.09. Financial Reports. In addition to the requirements of the Public University set forth in Article XIII of the Indenture, the Public University covenants to provide annually to the Authority and the Trustee within sixty (60) days after the same become available: (i) the adopted budget for the ensuing Fiscal Year; and (ii) such other financial information relating to the ability of the Public University to continue to meet its obligations under this Loan Agreement as may be reasonably requested by the Authority and/or the Trustee.

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ARTICLE VI

SPECIAL COVENANTS

SECTION 6.01. Compliance With Laws and Regulations. The Public University will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements which may be applicable to the Public University and the 2020 Project.

SECTION 6.02. Assignment of Loan Agreement by the Public University. This Loan Agreement may not be assigned in whole or in part by the Public University without the prior written consent of the Authority, which consent shall not be unreasonably withheld, and upon receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect thay ny such assignment shall not adversely affect the exclusion from federal income taxation of interest on the Outstanding Tax-Exempt Obligations, including the 2020A Bonds. No such disposition or assignment shall relieve the Public University from primary flability for any of its obligations hereunder or under any of the other Loan Documents, and in the event of any such disposition or assignment the Public University shall continue to remain liable for the payments specified in this Loan Agreement and for performance and observance of the other agreements on its part herein and therein provided.

SECTION 6.03. Cooperation by the Public University. The Public University shall give the Authority its full cooperation and assistance in all matters relating to financing of the Costs of the 2020 Project.

The Public University agrees that it shall provide and certify, or cause to be provided and certified, in form satisfactory to the Authority, such information concerning the Public University and the 2020 Project, the operations and finances of the Public University and such other matters necessary to enable the Authority to complete and publish the Official Statement relating to the sale of the 2020 Bonds, or to enable the Authority to make any reports required by law or governmental regulations.

SECTION 6.04. Pledge of the Public University. The Public University unconditionally and irrevocable pledges its general credit and covenants to exercise its corporate powers for the punctual payment of the principal and redemption premium, if any, of the Loan, the interest on the Loan and all other amounts due under this Loan Agreement according to the terms hereof.

agree to comply with all laws of the United States and the State or other governmental bodies or entities having jurisdiction over the Public University or this Loan Agreement and applicable to the performance of this Loan Agreement.

SECTION 6.06. Federal Tax Covenants. The Public University hereby covenants not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations, including the 2020A Bonds, to be no longer excluded from gross income to the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with

respect thereto, throughout the term of such Tax-Exempt Obligations. The Public University further covenants that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations, including the 2020A Bonds, which would cause such Tax-Exempt Obligations to be "arbitrage bonds" (as defined in Section 148 of the Code). The Public University further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The Public University further covenants not to cause any Series of Tax-Exempt Obligations, including the 2020A Bonds, to become "private activity bonds" (within the meaning of Section 141 of the Code).

SECTION 6.07. Affirmative Covenants. So long as the 2020 Bondy remain Outstanding, the Public University will, unless the Authority shall otherwise consent in writing:

- (a) Preserve and maintain its legal existence rights, franchises and privileges.
- (b) Comply with the requirements of all applicable laws, rules, regulations, ordinances and orders of any governmental authority, the non-compliance with which would reasonably be expected to materially and adversely affect its operations or financial condition, provided that the Public University shall no be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings.
- (c) Undertake and complete the 2020 Project in accordance with the terms of the Escrow Deposit Agreement.
- (d) Furnish to the Authority, the 2020 Insurer (while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds) and the Trustee, as soon as possible, and in any event within five (5) days, after the occurrence of each Event of Default (as such term is defined herein pursuant of Section-8.01 fereof) hereunder within the knowledge of the Public University, or each event within the knowledge of the Public University which, with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder, a statement of an Authorized Public University Representative setting forth details of such Event of Default or Event(s) and the action which the Public University proposes to take with respect thereto.

SECTION 6.08. Delivery of Documents. Concurrently with the delivery of this Loan Agreement and the other Loan Documents and the issuance of the 2020 Bonds, the Public University shall cause to be delivered to the Authority each of the following items:

opinions of Public University Counsel in form and substance satisfactory to the Authority;

- (ii) counterparts of this Loan Agreement duly executed by the parties hereto;
- (iii) copy of authorizing resolutions of the Public University authorizing, inter alia, this Loan Agreement, certified by an Authorized Public University Representative;
- (iv) the Loan Documents duly executed by the respective parties thereto;

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and thereunder in the place and stead of the Authority. The Public University hereby acknowledges the requirements of the Indenture applicable to the 2020 Bonds and consents to such assignment and appointment. This Loan Agreement, including, without limitation, the right to receive payments required to be made by the Public University hereunder and to compel or otherwise enforce observance and performance by the Public University of its other duties, covenants, obligations and agreements hereunder, may be further transferred, assigned and reassigned in whole or in part to one or more successor trustees at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the Public University.

The Public University hereby approves and consents to any assignment or transfer of this Loan Agreement that the Authority deems to be necessary in connection with any refunding of the 2020 Bonds.

SECTION 6.13. 2020 Insurer Provisions. While the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the Public University hereby expressly acknowledges the covenants set forth in Article XIII of the Indenture and shall comply with such covenants, as if such covenants were made herein.

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- (v) a copy of the Indenture, duly executed by the parties thereto;
- (vi) a copy of the Continuing Disclosure Agreement duly executed by the parties thereto; and
- (vii) such other certificates, documents, opinions and information as the Authority may reasonably require in connection with the execution, delivery and implementation of this Loan Agreement and the other Loan Documents, the financing of the 2020 Project and the issuance of the 2020 Bonds.

SECTION 6.09. Information. In addition to the information agreed to have been provided to the 2020 Insurer pursuant to Section 13.17 of the Indenture while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds, the Public University agrees, whenever reasonably requested by the Authority, the 2020 Insurer (while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds) or the Trustee, to provide and certify or cause to be provided and certified such information concerning the 2020 Project, the financing of the 2020 Project, the Public University and its financial condition, and other topics as the Authority may reasonably request and, further, the Public University assures that the records and accounts of the Public University shall at all easonable times and upon reasonable notice, be subject to inspection and use of the Authority, the 2020 Insurer (while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds) and the Trustee and their respective agents and attorneys.

SECTION 6.10. Negative Covenants. So long as the 2020 Bonds remain Outstanding, the Public University shall not, without the written consent of the Authority and with prior notice to the 2020 Insurer:

- (a) Amend, modify, terminate or supplement, or permit the amendment, modification, termination or supplementation of, this Loan Agreement or the other Loan Documents.
- (b) Permit any action to occur which would be in direct violation of any and all applicable federal, State, County and municipal laws, ordinances, rules and regulations now in force or hereinafter exacted.

SECTION 6.11. Third-Party Beneficiaries. To the extent this Loan Agreement confers upon or gives or grants to the Bondholders, the 2020 Insurer or the Trustee any right, remedy or claim inder or by reason of this Loan Agreement, the Bondholders, the 2020 Insurer (while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds) and the Trustee are hereby explicitly recognized as being third-party beneficiaries hereunder, and may enforce any such right, remedy or claim conferred, given or granted to them hereunder.

SECTION 6.12. Assignment and Transfer by Authority. The Public University hereby expressly acknowledges that the Authority's right, title and interest in, to and under this Loan Agreement have been assigned to the Trustee as security for the 2020 Bonds as provided in the Indenture, and that if any Event of Default shall occur, the Trustee or any bond insurer, including the 2020 Insurer, pursuant to the Indenture, shall be entitled to act hereunder

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ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. Events of Default. An "Event of Default" or a "default" shall mean, whenever such word or words are used in this Loan Agreement, my one or more of the following events:

- (a) Failure by the Public University to pay or cause to be paid when due the payments required to be paid under Section 5.02(A) hereof;
- (b) Failure by the Public University to pay when due any payments (other than payments under Section 5.92(A) hereof) to be made under this Loan Agreement, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Public University by the Authority or the Trustee;
- (c) Failure by the Public University to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder (other than as referred to in paragraphs (a) and (b) of this Section 7.01), which failure shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Public University by the Authority or the Trustee, unless the notifying party shall agree, in writing, to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice/cannot be corrected within the applicable period, the rotifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Public University within the applicable period and diligently pursued until the default is remedied; and provided further that the failure of the Public University to comply with the provisions of Section 5.12 hereof or the Continuing Disclosure Agreement shall not constitute an Event of Default hereunder.
- (d) The entering of an order or decree appointing a receiver with the consent or acquiescence of the Public University or the entering of such order or decree without the acquiescence or consent of the Public University if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or
- (e) A petition is filed by or against the Public University under any federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Public University such petition shall be dismissed within thirty (30) days after filing and such dismissal shall be final and not subject to appeal; or the Public University shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Public University or any of its property shall be appointed by court order or take possession of the Public University's property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

The foregoing provisions of paragraph (c) of this Section 7.01 are subject to the following limitations: if by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or of the State or any department, agency, political subdivision or official of either of them, or any civil or military authority, insurrections, riots, epidemics, landslides, fightning, earthquakes, fires, hurricanes, tornadoes, blizzards, or other storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, partial or entire failure of utilities, or any cause or event not reasonably within the control of the Public University, the Public University is unable, in whole or in part, to carry out its agreements herein contained, the Public University shall not be deemed to be in default during the continuance of such inability. The Public University agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements, provided that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the Public University, and the Public University shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of an opposing party or parties when such course is, in the judgment of the Public University, unfavorable to the Public University.

If any Event of Default described in this Section 7.01 shall have occurred, and if no acceleration of the amounts payable hereunder shall have been declared pursuant to Section 7.02 hereof, and all amounts then due and payable hereunder are paid by the Public University and the Public University also performs all other things in respect of which it may have been in default hereunder and pays any reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees (or, in the case of a failure by the Public University to make a payment of the Annual Authority. Administrative Fee, it the Authority shall extend the time for making such payment), then, and in every such case, such Event of Default shall be deemed to have been cured and the parties hereto shall be restored to their former respective positions; but no such curing of an Event of Default shall extend to or affect or constitute a waiver of any subsequent Event of Default or impair any right or remedy consequent thereon.

Notwithstanding the above, an Event of Default under this Article VII shall not be construed as an Event of Default under the Indenture.

SECTION 7.02. Acceleration and Annulment Thereof; Opportunity to Cure

Default.

(A) If any Event of Default occurs hereunder, the Authority and the Trustee may, upon written notice to the Public University, declare all amounts payable during the Loan Term in respect of the unpaid principal balance of the Loan made hereby, together with all interest accrued and all other amounts then payable to the Authority or the Trustee, to be immediately due and payable; and upon such declaration the said principal amount shall become due and payable immediately, anything in the Indenture, the 2020 Bonds or this Loan Agreement to the contrary notwithstanding.

(B) If, after such declaration, all amounts due, which were due and payable prior to such declaration, are paid by the Public University and the Public University also performs all other things in respect of which it may have been in default hereunder and pays the reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees, then,

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SECTION 7.05. No Duty to Mitigate Damages. The Authority, the 2020 Insurer and the Trustee shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate damages if an Event of Default shall occur hereunder.

SECTION 7.06. Employment of Attorneys. If the Authority and the Trustee, in accordance with the terms of the Indenture or this Loan Agreement so long as same remains in full force and effect, or as reasonably determined by said party, shall require and employ attorneys or incur other expenses for the collection of payments due or to become due or the enforcement or performance or observance of any obligation or agreement on the part of the Public University herein contained, the Public University shall, on demand thereof, pay to the Authority or the Trustee, as applicable, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Authority or the Trustee, or any of them.

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and in every such case, the Authority, by written notice to the Public University and the Trustee and subject to the provisions of the Indenture, may annul such declaration and its consequences and the Public University, the Authority and the Trustee shall be restored to their respective former positions and rights under the Indenture; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. Upon such payment and annulment, this Loan Agreement shall be fully reinstated as if it had pe'er been accelerated.

(C) Notwithstanding the provisions of subsections (A) and (B) of this Section 7.02, while the 2020 Insurance Policy guarantees the payment of the 2020 Insured Bonds, the maturity of Insured 2020 Bonds shall not be accelerated without the consent of the 2020 Insurer and in the event the maturity of the Insured 2020 Bonds is accelerated, the 2020 Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Adthority) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the 2020 'Insurer's obligations under the 2020 Insurance Policy with respect to such Insured 2020 Bonds shall be fully discharged.

SECTION 7.03. Remedies. Upon the occurrence of an Event of Default hereunder, the Authority may exercise any one or more of the remedies available to it under the terms of this Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute separately or concurrently and as often as required to enforce the Public University's obligations hereunder. In addition to the other femedies provided in this Loan Agreement, the Authority shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, by the Public University'of any of the covenants, conditions or provisions of this Loan Agreement, and to a decree compelling specific performance of any such covenants, conditions or provisions.

In case of any proceeding of the Authority wherein appointment of a receiver may be permissible, the Authority, as a matter of right and immediately upon institution of each proceeding, upon written notice to the Public University, shall be entitled to appointment of a receiver, with such powers as the court making such appointment can confer. Upon written demand, the Public University shall pay to the Authority all expenses, including receiver's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section 7.03 and all such expenses shall be secured by this Loan Agreement.

SECTION 7.04. Cumulative Rights; No Implied Waiver. No remedy conferred upon or reserved to the Authority, the 2020 Insurer or the Trustee by this Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute. No delay, omission or waiver by the Authority, the 2020 Insurer or the Trustee of any breach by the Public University of any of its obligations, agreements or covenants hereunder, shall be deemed a waiver of any subsequent breach, and no delay or omission to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

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ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Successors and Assigns. This Loan Agreement shall inure to the benefit of the Public University, the Authority, the 2020 Insurer (while the 2020 Insurance Policy guarantees the payment of the 2020 Insured Bonds) and the Trustee and their respective successors and assigns and shall be binding upon the Public University, the Authority, the 2020 Insurer (while the 2020 Insurance Policy guarantees the payment of the Insured 2020 Bonds) and the Trustee and their respective successors and assigns.

SECTION 8.02. Amendments, Changes and Modifications. This Loan Agreement shall not be amended or modified in any manner without the written consent of the Authority and the Public University and in accordance with the Section 6.11 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 2020 Bonds.

In addition to the foregoing, while the 2020 Insurance Policy guarantees the payment of the 2020 Insured Bonds, any amendment, supplement, modification to, or waiver of this Loan Agreement or any other Related Document that requires the consent of Bondowners or adversely affects the rights and interests of the 2020 Insurer shall be subject to the prior written consent of the 2020 Insurer. The 2020 Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver of consent proposed in respect of this Loan Agreement or any other Related Document.

SECTION 8.03. Amounts Remaining Under Indenture. Upon expiration of the Loan Term, it's agreed by the parties hereto that any amounts remaining in any Fund or Account created under the Indenture for the benefit of the 2020 Bonds, after payment in full of the 2020 Bonds (or provisions for payment thereof having been made in accordance with the provisions of the Indenture) and the unpaid or unreimbursed fees, charges and expenses of the Trustee, the Paying Agent, the 2020 Bond Insurer and the Authority (including Authority Administrative Expenses) in accordance with the Indenture and this Loan Agreement, shall belong to and be paid to the Public University pursuant to Section 4.15 of the Indenture. Notwithstanding the above, if the 2020 Bonds shall have been defeased in accordance with Section 11.01 and Section 11.02 of the Indenture, unclaimed funds remaining under the Indenture for the benefit of the 2020 Bonds pursuant to Section 11.02 thereof shall be released to the Public University free and clear of the lien and pledge of the Indenture.

SECTION 8.04. Counterparts. This Loan 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.

<u>SECTION 8.05.</u> <u>Headings</u>. The Article and Section headings in this Loan Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Loan Agreement.

SECTION 8.06. Non-Waiver. It is understood and agreed that nothing contained in this Loan Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Loan Agreement.

<u>SECTION 8.07.</u> Survival of This Loan Agreement. Notwithstanding anything else to the contrary herein, the provisions of Sections 5.07, 6.06 and 8.03 hereof shall survive the expiration of the Loan Term and the final maturity of the 2020 Bonds.

SECTION 8.08. Assignment. This Loan Agreement may not be assigned by the Public University except as provided in Section 6.02 hereof.

SECTION 8.09. Severability. Any provision of this Loan Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any such jurisdiction.

SECTION 8.10. Applicable Law. This Loan Agreement shall be deemed to be a contract made in the State and governed by the laws of the State.

SECTION 8.11. Notices. All notices, consents, approvals and statements (including statements of amounts due hereunder) required to be given or authorized to be given by either party pursuant to this Loan Agreement shall be in writing, and shall be sent by facsimile transmission (with written confirmation of receipt and hard copy to follow in a manner described below) or shall be sent by personal delivery, registered or certified mail or recognized overnight delivery to the main office of the other party:

To the Authority at:

The Camden County Improvement Authority c/o Interim Executive Director 2220 Voorhees Town Center Voorhees Township, New Jersey 08043

To the Public University at:

Rowan University
201 Mullica Hill Road
Glassboro New Jersey 08028-1701
Attention: Senior Vice President for Finance and Chief Financial Officer

To the Trustee at:

TD Bank, National Association 2059 Springdale Road Cherry Hill, New Jersey 08003 Attention: Corporate Trust Services

To the 2020 Insurer at:

Attention:

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IN WITNESS WHEREOF, the Authority has caused this instrument to be signed by its Chairman as its duly authorized officer and its official seal to be hereunto affixed and the Public University has caused this instrument to be executed in its name by its Vice President for Finance and Chief Financial Officer, and its official seal to be hereunto affixed, all as of the day and year first above written.

THE CAMDEN COUNTY IMPROVEMENT AUTHORITY

By:
WILLIAM R. HOSEY, Chairman

(SEAL)

ROWAN UNIVERSITY

JOSEPH F. SCULLY, JR., Senior Vice President for Finance and Chief Financial Officer or to such other representatives or addresses as the Authority, the Public University, the Trustee or the 2020 Insurer may designate, in writing.

Any such notice shall be effective on the third Business Day following the mailing thereof, or upon the date of receipt, whichever is earlier.

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel to the 2020 Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

SECTION 8.12. Rights Granted to 2020 Insurer. The rights granted to the 2020 Insurer under this Loan Agreement or any other Related Document to request, consent to or direct any action are rights granted to the 2020 Insurer in consideration of its issuance of the 2020 Insurence Policy; provided that such rights shall only exist while the 2020 Insurence Policy guarantees the payment of the Insured 2020 Bonds. Any exercise by the 2020 Insurer of such rights is merely an exercise of the 2020 Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the 2020 Insurer, affirmative or negative, as to whether the consent of the Bondholders or any other person is required in addition to the consent of the 2020 Insurer.

The 2020 Insurer shall, to the extent it makes any payment of principal of or interest on the Insured 2020 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2020 Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any insolvency proceeding related to the Public University). Each obligation of the Authority and the Public University to the 2020 Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

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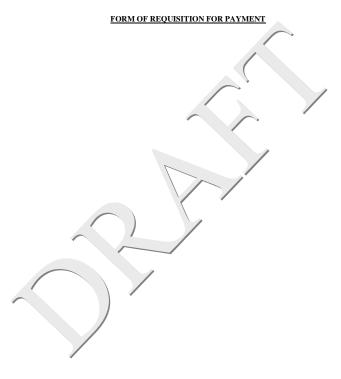
-35-

EXHIBIT A LOAN PAYMENT SCHEDULE – 2020 BONDS



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EXHIBIT B



[Attach description and invoice or billing reference.]

- Each obligation, item of Cost or expense mentioned herein has been properly incurred, is a proper charge against the 2020 Account in the Operating Fund, is an item of Cost of the 2020 Project, is unpaid or unreimbursed, and has not been the basis of any previously paid withdrawal or requisition.
- No uncured Event of Default has occurred under the Loan Agreement or the Indenture (as defined in the Loan Agreement) and everything required to be performed by the Public University has been performed.
- 7. The Public University has received no written notice of any liest right to lien or attachment upon, or other claim affecting the right to receive payment of any of the moneys payable under this requisition to any of the Persons, firms or corporations named herein, or if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of this requisition.

Capitalized terms used he ascribed to such terms in the Loan Agree	erein and not otherwise defined shall have the meanings
	ROWAN INIVERSITY By:
	Name: Title:
DATED:	

THE CAMDEN COUNTY IMPROVEMENT AUTHORITY

LOAN REVENUE REFUNDING BONDS (COOPER MEDICAL SCHOOL OF ROWAN UNIVERSITY PROJECT) SERIES 2020

REQUISITION REF. NO. 20 I, the undersigned	/ \
SERT TITLE] of Rowan University ("Public University") DO	HEREBY C

Item Description:

ERTIFY that I am INSERT TITLE OF ROWAR University ("Public University") DO HERBBY CERTIFY that I am an Authorized Public University Representative duly designated by the Public University to execute and deliver this certificate on behalf of the Public University. I DO HERBBY FURTHER CERTIFY pursuant to and in accordance with the terms of a Loan and Security Agreement by and between The Camden County Improvement Authority ("Authority") and the Public University, dated as of July 1, 2020 ("Loan Agreement") as follows:

1. This requisition is Requisition No. 20—— and is to be paid in connection with the portion of the 2020 Project related to Cost of issuance in connection with the issuance and sale of the 2020 Bonds described below:

2.	Payment is to be made from the 2020 Account in the Operating Fund.
3.	The same of the Desire Construction to the
ayment is due is:	The name and address of the Person, firm or corporation to whom
ay ment is due is:	'
~	

[If such payment is to be made to the Public University for a reimbursable advance, insert the name and address of the Person, firm or corporation to whom such advance was made together with proof of payment by the Public University.]

The amount to be paid to such Person, firm or corporation named in Paragraph 3 above is \$_

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EXHIBIT C

CERTIFICATE AS TO AUTHORIZED PUBLIC UNIVERSITY REPRESENTATIVE

I, JOSEPH F. SCULLY, JR., the duly appointed and acting Senior Vice President for Finance and Chief Financial Officer of Rowan University ("Public University") DO HEREBY CERTIFY that I am duly authorized under the Loan Agreement (as hereinafter defined) to execute and deliver this certificate on behalf of the Public University. I DO HEREBY FURTHER CERTIFY as follows:

1. The following individual(s) have each been designated as an Authorized Public University Representative in accordance with the provisions of the Loan Agreement and each is duly qualified, empowered and authorized so to act on behalf of the Public University and to deliver documents on behalf of the Public University.

Name	Signature
Capitalized terms used herein and not	otherwise defined shall have the same meaning
ascribed thereto in a Loan and Security Agreeme	nt, dated as of July 1, 2020, by and between Th
Camden County Improvement Authority and the	Public University ("Loan Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this _th day of July, 20__

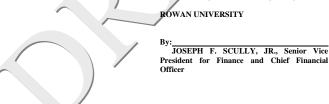
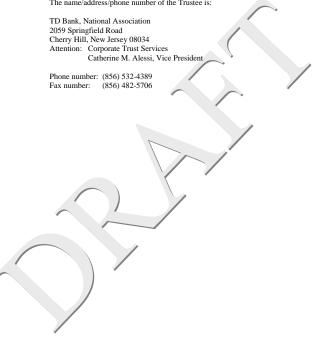


EXHIBIT D

TRUSTEE INFORMATION

The name/address/phone number of the Trustee is:



APPENDIX D

Form of Continuing Disclosure Agreement

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of July _____, 20___, is executed and delivered by Rowan University (the "Obligated Person") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Obligated Person in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Obligated Person through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer (hereinafter defined), the Obligated Person, or anyone on behalf of the Issuer or Obligated Person, regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. <u>Definitions</u>. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be (or voluntarily) submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Representative" means the Chief Financial Officer, or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Obligated Person pursuant to Section 9 hereof.

"Failure to File Event" means the Obligated Person's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"Issuer" means The Camden County Improvement Authority, as issuer of the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Official Statement" means that Official Statement prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed in Exhibit A.

"Trustee" means the institution identified as such in the document under which the Bonds were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

- (a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy each for the Issuer and the Trustee, if any, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the first day of the tenth month following the end of each fiscal year of the Obligated Person, commencing with the fiscal year ending June 30, 2020. Such date and each anniversary thereof is the "Annual Filing Date." The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.
- (b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), with a copy to the Issuer, to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing,

with a copy to the Issuer, that the Obligated Person will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

- (c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.
- (d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy each for the Issuer and the Trustee, for filing with the MSRB.
 - (e) The Disclosure Dissemination Agent shall:
 - (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
 - (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
 - (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
 - (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. "Principal and interest payment delinquencies;"
 - 2. "Non-Payment related defaults, if material;"
 - 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 - 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

- 5. "Substitution of credit or liquidity providers, or their failure to perform;"
- 6. 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;
- 7. "Modifications to rights of securities holders, if material;"
- 8. Bond calls, if material, and tender offers;
- 9. "Defeasances;"
- 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
- 11. "Rating changes;"
- 12. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
- 13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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;
- 14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- 15. "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
- 16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the

filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 - 1. "amendment to continuing disclosure undertaking;"
 - 2. "change in obligated person;"
 - 3. "notice to investors pursuant to bond documents;"
 - 4. "certain communications from the Internal Revenue Service;" other than those communications included in the Rule;
 - 5. "secondary market purchases;"
 - 6. "bid for auction rate or other securities;"
 - 7. "capital or other financing plan;"
 - 8. "litigation/enforcement action;"
 - 9. "change of tender agent, remarketing agent, or other on-going party;" and
 - 10. "other event-based disclosures."
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
 - 1. "quarterly/monthly financial information;"
 - 2. "change in fiscal year/timing of annual disclosure;"
 - 3. "change in accounting standard;"
 - 4. "interim/additional financial information/operating data;"
 - 5. "budget;"
 - 6. "investment/debt/financial policy;"

- 7. "information provided to rating agency, credit/liquidity provider or other third party;"
- 8. "consultant reports;" and
- 9. "other financial/operating data."
- (viii) provide the Obligated Person and Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.
- (f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Issuer, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.
- (g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

- (a) Each Annual Report shall contain Annual Financial Information with respect to the Obligated Person, including the financial and statistical information provided in the Official Statement set forth in Appendix A Information Concerning Rowan University.
- (b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Obligated Person is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

- (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:
 - 1. Principal and interest payment delinquencies;
 - 2. Non-payment related defaults, if material;
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties:
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. Substitution of credit or liquidity providers, or their failure to perform;
 - 6. 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:
 - 7. Modifications to rights of Bond holders, if material;
 - 8. Bond calls, if material, and tender offers;
 - 9. Defeasances;
 - 10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
 - 11. Rating changes;
 - 12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person 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

Obligated Person, 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 Obligated Person.

- 13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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;
- 14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- 15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
- 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer, Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the

categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. <u>CUSIP Numbers</u>. The Obligated Person will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

- (a) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.
- (b) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure

Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

- (c) The parties hereto acknowledge that the Obligated Person is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.
- Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. <u>Termination of Reporting Obligation</u>. The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. <u>Disclosure Dissemination Agent</u>. The Obligated Person has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, if any, replace or appoint a successor to the Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer and the Obligated Person.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

The Disclosure Dissemination Agent shall have only such duties as are (a) specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Obligated Person at all times.

THE OBLIGATED PERSON AGREES, TO THE EXTENT PERMITTED BY LAW, TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer Responsibility. The Obligated Person and the Disclosure Dissemination Agent acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures.

SECTION 13. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Obligated Person and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Obligated Person nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer and the Obligated Person. No such amendment shall become effective if the Obligated Person shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 14. <u>Beneficiaries</u>. This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Issuer, the Trustee (if any), the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. <u>Governing Law</u>. This Disclosure Agreement shall be governed by the laws of the State of New Jersey (other than with respect to conflicts of laws).

SECTION 16. <u>Counterparts</u>. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Obligated Person have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By:	
Name:	
Title:	
ROWAN UNIVERSITY	
as Obligated Person	

By:_____

Name: Joseph F. Scully, Jr.

Title: Senior Vice President for Finance and Chief Financial Officer

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	The Camden County Improvement Authority			
Obligated Person(s)	Rowan University			
Name of Bond Issue:	Revenue Refunding Bonds (Rowan University Project), Series 2020A			
Date of Issuance:	July, 2020			
Date of Official Statement	July, 2020			
CUSIP Number:	CUSIP Number:			
CLICID NI 1	CUSIP Number:			
CTTCTD 11 1	CUSIP Number:			
	CUSIP Number:			
CITCID AT 1	CUSIP Number:			
CITCID NI 1	CUSIP Number:			
	CUSIP Number:			
	CUSIP Number:			
CLICID N. 1	CUSIP Number:			
	CUSIP Number:			
	CUSIP Number:			
CLICID N. 1	CUSIP Number:			
CUSIP Number:	CUSIP Number:			
Name of Issuer Obligated Person(s)	The Camden County Improvement Authority Rowan University			
Name of Bond Issue:	Revenue Refunding Bonds (Rowan University Project), Series 2020B (Federally Taxable)			
Date of Issuance:	July, 2020			
Date of Official Statement	July, 2020			
CUSIP Number:	CUSIP Number:			
CUSIP Number:	CUSIP Number:			
CUSIP Number:	CUSIP Number:			
CUSIP Number:	CUSIP Number:			
CUSIP Number:	CUSIP Number:			
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CUSIP Number:	CUSIP Number:			
	CUSIP Number:			
	CUSIP Number:			
CUSIP Number:	CUSIP Number:			

AM 70140478.2 A-1

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer	The Camde	en County Improvement Authority
Obligated Person	: Rowan Uni	iversity
Name(s) of Bond	2020A/ Re	efunding Bonds (Rowan University Project), Series venue Refunding Bonds (Rowan University Project), DB (Federally Taxable)
Date(s) of Issuan	ce: July, 20	20
Date(s) of Disclo Agreement:	sure July, 20	20
CUSIP Numbers	:	
Report with respo the Obligated Pe Agent. [The Obl	ect to the above-named larson and Digital Assura	that the Obligated Person has not provided an Annual Bonds as required by the Disclosure Agreement between ance Certification, L.L.C., as Disclosure Dissemination ed the Disclosure Dissemination Agent that it anticipates].
Dated:		_
		Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Obligated Person
cc: Rowan U The Came	niversity den County Improvemer	nt Authority

AM 70140478.2 B-1

EXHIBIT C-1 EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:					
Issuer's Six-Dig	it CUSIP Number:				
Issuer's Nine-Di	igit CUSIP Number(s) of the bonds to which this material event notice relates:				
Number of page	s of attached:				
Descripti	on of Notice Event (Check One):				
2 3 4 5 6 7 8 9 10 11 12 13	"Bankruptcy, insolvency, receivership or similar event of the obligated person;" "Merger, consolidation, or acquisition of the obligated person, if material;" "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;" "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and				
	provide annual financial information as required nt that I am authorized by the Obligated Person or its agent to distribute this information publicly:				
Signature:					
Name:					
	Digital Assurance Certification, L.L.C. 315 E. Robinson Street Suite 300 Orlando, FL 32801 407-515-1100				

AM 70140478.2 C-1

Date:

EXHIBIT C-2 VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of July ___, 2020 between the Obligated Person and DAC.

Issuer's and Obl	ssuer's and Obligated Person's Names:				
Issuer's Six-Dig	it CUSIP Number:				
Issuer's Nine-Di	git CUSIP Number(s) of the bonds to which this notice relates:				
Number of page	s attached:				
Description	on of Voluntary Event Disclosure (Check One):				
2 3 4 5 6 7 8 9 10	"amendment to continuing disclosure undertaking;" "change in obligated person;" "notice to investors pursuant to bond documents;" "certain communications from the Internal Revenue Service;" "secondary market purchases;" "bid for auction rate or other securities;" "capital or other financing plan;" "litigation/enforcement action;" "change of tender agent, remarketing agent, or other on-going party;" and "other event-based disclosures." Int that I am authorized by the Obligated Person or its agent to distribute this information publicly:				
Signature:					
Name:	Title: :				

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Date:

EXHIBIT C-3 VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of July ___, 2020 between the Issuer and DAC.

suer's and Obligated Person's Names:
suer's Six-Digit CUSIP Number:
suer's Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:
umber of pages attached:
Description of Voluntary Financial Disclosure (Check One):
 "quarterly/monthly financial information;" "change in fiscal year/timing of annual disclosure;" "change in accounting standard;" "interim/additional financial information/operating data;" "budget;" "investment/debt/financial policy;" "information provided to rating agency, credit/liquidity provider or other third party;" "consultant reports;" and "other financial/operating data."
hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:
gnature:
ame: Title: :
Digital Assurance Certification, L.L.C. 315 E. Robinson Street Suite 300 Orlando, FL 32801 407-515-1100
ate:
ev/ 12/11

AM 70140478.2 C-3

APPENDIX E

Form of Opinion of Bond Counsel

PARKER McCAY

Parker McCay P.A.

9000 Midlantic Drive, Suite 300 P.O. Box 5054 Mount Laurel, New Jersey 08054-5054

> P: 856.596.8900 F: 856.596.9631 www.parkermccay.com

July ___, 2020

The Camden County Improvement Authority Voorhees Town Center 2220 Voorhees Town Center Voorhees, New Jersey

RE:	\$	THE	CAMDEN	COUNTY	IMPROVEMENT
	AUTHORITY	, REVENUE F	REFUNDING	BONDS (ROV	VAN UNIVERSITY
	PROJECT), SI	ERIES 2020A			
	\$	THE	CAMDEN	COUNTY	IMPROVEMENT
	AUTHORITY	, REVENUE F	REFUNDING	BONDS (ROV	VAN UNIVERSITY
	PROJECT), SI	ERIES 2020B (FEDERALLY	TAXABLE)	

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the issuance and sale by The Camden Improvement Authority ("Authority") of its: (i) \$______ aggregate principal amount of Revenue Refunding Bonds (Rowan University Project), Series 2020A ("2020A Bonds"); and (ii) \$_____ aggregate principal amount of Revenue Refunding Bonds (Rowan University Project), Series 2020B (Federally Taxable) ("2020B Bonds"; together with the 2020A Bonds, the "2020 Bonds").

The 2020 Bonds are issued pursuant to and in accordance with: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey ("State") (*N.J.S.A.* 40:37A-44 *et seq.*), and the acts amendatory thereof and supplemental thereto ("Act"); (ii) a bond resolution of the Authority, duly adopted on March 12, 2020 ("Bond Resolution"); and (iii) a Trust Indenture, dated as of July 1, 2020 ("Indenture"), by and between the Authority and TD Bank, National Association, as trustee ("Trustee"). Capitalized terms, not otherwise defined herein, shall have the meanings ascribed thereto in the Indenture, unless the context clearly requires otherwise.

The 2020 Bonds are being issued by the Authority on behalf of Rowan University ("Public University"), a public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A.* 18A:64M-1, *et seq.* ("Rowan Act").

The proceeds of the 2020 Bonds will be loaned to the Public University pursuant to and in accordance with a Loan and Security Agreement, dated as of July 1, 2020, between the Authority and the Public University ("Loan Agreement"). The proceeds of the 2020A Bonds will be



utilized by the Public University, together with other available funds, to: (i) currently refund and redeem all of the Authority's outstanding Lease Revenue Bonds (Cooper Medical School of Rowan University Project) Series 2010A, maturing on and after July 1, 2023 ("Refunded Bonds"); and (ii) pay the costs and expenses incurred by the Authority and the Public University in connection with the issuance of the 2020A Bonds (collectively, the "2020A Project"). The proceeds of the 2020B Bonds will be utilized by the Public University to: (i) pay the cost related to the SWAP Termination; and (ii) pay the costs and expenses incurred by the Authority and the Public University in connection with the issuance of the 2020B Bonds (collectively, the "2020B Project"; together with the 2020A Project, the "2020 Project").

Pursuant to the Loan Agreement, the Public University will pay the Authority on each Loan Payment Date an amount equal to the principal of, redemption premium, if any, and interest on the 2020 Bonds and, as applicable, Additional Loan Payments as and when the same become due and payable upon demand pursuant to the terms of the Loan Agreement (collectively, the "Loan Payments").

The 2020 Bonds are special and limited obligations of the Authority payable solely from and secured by the Pledged Property of the Authority under the Indenture. The Pledged Property includes Revenues derived from, among other things, Loan Payments to be made by the Public University under the Loan Agreement. The Loan Agreement is a valid and enforceable general corporate obligation of the Public University payable from legally available funds of the Public University.

The 2020A Bonds are dated July ___, 2020, mature on July 1 in each of the years in the respective principal amounts set opposite each such year in the table below and bear interest at the respective interest rates per annum below, payable semi-annually on January 1 and July 1, commencing January 1, 2021, in each year until maturity or earlier redemption.

<u>Year</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Year</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
2023	\$	%	2030	\$	%
2024			2031		
2025			2032		
2026			2033		
2027			2034		
2028			2035		
2029					

The 2020B Bonds are dated July ___, 2020, mature on July 1 in each of the years in the respective principal amounts set opposite each such year in the table below and bear interest at the respective interest rates per annum below, payable semi-annually on January 1 and July 1, commencing January 1, 2021, in each year until maturity.

Year	Principal Amount	Interest Rate
2021	\$	%
2022		
2023		



The 2020 Bonds are issued in fully registered book-entry-only form of one certificate for each maturity of the 2020 Bonds. The 2020A Bonds are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth in the Indenture. The 2020B Bonds are not subject to redemption prior to their stated maturity dates.

As Bond Counsel to the Authority, we have examined the Bond Resolution, the Indenture and such statutes of the State and such resolutions of the Authority and proceedings relating thereto as we have deemed necessary to enable us to render the opinions set forth below. We have also examined and relied upon the proceedings authorizing the issuance of the 2020 Bonds and the execution and delivery of the Loan Agreement, and certain certifications and agreements (including, solely with respect to the 2020A Bonds, a Tax and Arbitrage Certificate ("Tax Certificate") executed by the Authority and the Public University intended to satisfy certain provisions of the Internal Revenue Code of 1986, as amended ("Code"), and applicable Treasury Regulations), rulings and court decisions, receipts and other documents which we have considered relevant. We have also examined a specimen of the 2020 Bonds and have relied on certifications as to the execution and authentication of the 2020 Bonds. We have assumed that all documents, records and other instruments examined by us are genuine, accurate and complete and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation.

Based upon and subject to the foregoing we are of the following opinion:

- 1. The Authority has been duly created and is validly existing under the provisions of the Constitution and the laws of the State, including the Act, and has full right and lawful authority to issue the 2020 Bonds for the purpose of financing the costs of the 2020 Project, to adopt or execute, as appropriate, and deliver and perform its obligations under the Bond Resolution, the Indenture and the Loan Agreement.
- 2. The Bond Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority, enforceable in accordance with its terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, moratorium or other laws or other legal or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").
- 3. The Indenture and the Loan Agreement have each been duly authorized, executed and delivered by the Authority and, assuming that: (i) the Indenture has been duly authorized and delivered by the Trustee and constitutes a legal, valid and binding obligation of the Trustee; and (ii) the Loan Agreement has been duly authorized, executed and delivered by the Public University and constitutes a legal, valid and binding obligation of the Public University, the Indenture and the Loan Agreement are each legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with the respective terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.
- 4. The Indenture creates the valid pledge which it purports to create of the Pledged Property, subject only to the application thereof to the purposes and on the conditions permitted in the Indenture.



- 5. The 2020 Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute valid and binding obligations of the Authority, enforceable in accordance with the respective terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.
- 6. Interest on the 2020A Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and does not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the 2020A Bonds received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the 2020A Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by: (i) the Authority with the covenants contained in the Indenture, the Loan Agreement and the Tax Certificate; and (ii) the Public University with the covenants contained in the Loan Agreement and the Tax Certificate, that each will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the 2020A Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the Public University to comply with its respective covenants could result in the interest on the 2020A Bonds being subject to federal income tax retroactive to the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the 2020A Bonds.

Ownership of the 2020A Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the 2020A Bonds constitutes disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the 2020A Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the modified adjusted gross income of the taxpayer and certain other individuals. Modified adjusted gross income means adjusted gross income



increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the 2020A Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The 2020A Bonds are *not* "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the 2020A Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

- 7. Interest on the 2020B Bonds is included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code.
- 8. Interest on the 2020 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed on the date hereof.

We call your attention to the fact that the 2020 Bonds are special and limited obligations of the Authority payable solely from and secured by the Pledged Property, which includes, among other things, Revenues derived from the Loan Payments to be made by the Public University under the Loan Agreement. The 2020 Bonds do not constitute a debt or obligation of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property), and neither the credit nor the taxing power of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property) is pledged for the payment of the principal of, redemption premium, if any, or interest on the 2020 Bonds. The Authority has no taxing power.

We note that the Authority has received opinions of General Counsel to the Public University and Special Counsel to the Public University, Gibbons P.C., Newark, New Jersey, as to the legal, valid and binding nature of the Loan Agreement with respect to the Public University.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the 2020 Bonds.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.



The Camden County Improvement Authority
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This letter is being provided solely for the benefit of the Authority and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,