NEW ISSUE – BOOK-ENTRY ONLY

Insured Ratings: AA (S&P) / A1 (Moody's)
Underlying Ratings: A+ (Fitch) / A2 (Moody's)
See "RATINGS" herein.

In the opinion of Dilworth Paxson LLP, Bond Counsel to the Authority ("Bond Counsel"), assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Series 2024 Bonds (as defined herein) and subject to certain provisions of the Code described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Series 2024 Bonds, interest on the Series 2024 Bonds is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In the further opinion of Bond Counsel, interest on the Series 2024 Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed by the Code; however, interest on the Series 2024 Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under the laws of the State of New Jersey, as enacted and construed on the date of original delivery of the Series 2024 Bonds, interest on the Series 2024 Bonds and gain from the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

NJEFA
New Jersey Educational Facilities Authority

$159,430,000
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, MONTCLAIR STATE UNIVERSITY ISSUE, SERIES 2024 A

MONTCLAIR STATE UNIVERSITY

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

The New Jersey Educational Facilities Authority (the "Authority") $159,430,000 Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A (the "Series 2024 Bonds" or the "Bonds") are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Series 2024 Bonds. Individual purchases of the Series 2024 Bonds will be made in book-entry form, in denominations of $5,000 and any integral multiple thereof. Purchasers ("Beneficial Owners") will not receive certificates representing their interest in Series 2024 Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2024 Bonds, payments of principal, of redemption premium, if any, and interest on the Series 2024 Bonds will be made by U.S. Bank Trust Company, National Association, Edison, New Jersey, as trustee (the "Trustee"), directly to DTC. Disbursements of such payments to the DTC participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC participants and the indirect participants. See "DESCRIPTION OF THE SERIES 2024 BONDS -- Book-Entry-Only System" herein.

Interest on the Series 2024 Bonds will be payable on January 1 and July 1 of each year until maturity or earlier redemption, commencing on July 1, 2024.

The Series 2024 Bonds are subject to redemption prior to maturity as described herein.

The Series 2024 Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law (N.J.S.A. 18A:72A-1 et seq.), as amended and supplemented, a resolution of the Authority adopted February 27, 2024 (the "Resolution") and a Trust Indenture, dated as of April 1, 2024, by and between the Authority and the Trustee (the "Indenture"). The Series 2024 Bonds are being issued to (i) pay the cost of refunding all of the principal, sinking fund installment and/or interest requirements in respect of the Authority's outstanding Revenue Bonds, Montclair State University Issue, Series 2014 A maturing on and after July 1, 2025 (collectively, the "Series 2014 A Bonds to be Refunded"), (ii) pay the cost of refunding all of the principal, sinking fund installment and interest requirements in respect of the Authority's outstanding Revenue Bonds, Bloomfield College and Seminary Issue, 2013 Series A (the "2013 Series A Bonds"), (iii) pay the cost of refunding all of the outstanding principal balances of two outstanding bank loans (collectively, the "2016 Bank Loans") and (iv) pay certain costs incidental to the issuance, sale and delivery of the Series 2024 Bonds (such purposes are collectively referred to herein as the "Refunding Project").

The principal and redemption premium, if any, of and interest on the Series 2024 Bonds are payable solely from payments to be received by the Authority pursuant to a Loan Agreement, dated as of April 1, 2024, by and between the Authority and the Public University (the "Loan Agreement") and from funds and accounts held by the Trustee under the Indenture.

The Series 2024 Bonds are special and limited obligations of the Authority payable solely from the Revenues (as defined in the Indenture) and secured by the Pledged Property (as defined in the Indenture). The Revenues include, among other things, all Basic Loan Payments (as defined in the Loan Agreement) to be made by the Public University under the Loan Agreement and from amounts on deposit in certain funds and accounts established pursuant to the Indenture. The Loan Agreement is a valid and enforceable general obligation of the Public University payable from any moneys legally available to the Public University. The repayment obligations of the Public University under the Loan Agreement will be evidenced by a Note dated the date of issuance of the Series 2024 Bonds to be issued by 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 2024 Bonds. See "SECURITY FOR THE SERIES 2024 BONDS" herein.

The scheduled payment of principal of and interest on the Series 2024 Bonds, when due, will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2024 Bonds by ASSURED GUARANTY MUNICIPAL CORP.

ASSURED GUARANTY® MUNICIPAL

THE SERIES 2024 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER. SEE "SECURITY FOR THE SERIES 2024 BONDS" HEREIN FOR A DESCRIPTION OF THE SECURITY FOR THE SERIES 2024 BONDS.

This cover page, including the inside cover page, contains certain information for quick reference only. It is not intended to be a summary of this issue or of all factors relevant to an investment in the Series 2024 Bonds. For a discussion of certain factors that should be considered, in addition to the other matters set forth on this cover page, in evaluating the investment quality of the Series 2024 Bonds, Investors must read the entire Official Statement, including, but not limited to, APPENDIX A and APPENDIX B, to obtain information essential to the nature of an informed decision in the Series 2024 Bonds.

The Series 2024 Bonds are offered when, as and if issued and delivered to the Underwriters by the Authority, subject to prior sale, withdrawal or modification of the offer without notice and the approval of their legality by Dilworth Paxson LLP, Freehold, New Jersey, Bond Counsel to the Authority. First Tryon Advisors, LLC is serving as the municipal advisor to the Public University in connection with the sale and issuance of the Series 2024 Bonds. Certain legal matters will be passed upon for the Public University by its general counsel and by its special counsel, Gibbons P.C., Newark, New Jersey and for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, Newark, New Jersey. The Series 2024 Bonds are expected to be available for delivery to DTC on or about April 3, 2024.

Goldman Sachs & Co. LLC

Ramirez & Co., Inc. **Truist Securities**

Dated: March 21, 2024

$159,430,000
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS,
MONTCLAIR STATE UNIVERSITY ISSUE
SERIES 2024 A

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS AND CUSIPS

Maturity (July 1)	Principal Amount	Interest Rate	Yield	CUSIP No.†
2024	$1,985,000	5.000%	3.548%	646067HS0
2025	5,340,000	5.000	3.180	646067HT8
2026	5,265,000	5.000	2.990	646067HU5
2027	5,640,000	5.000	2.880	646067HV3
2028	2,700,000	5.000	2.800	646067HW1
2029	2,835,000	5.000	2.770	646067HX9
2030	2,975,000	5.000	2.770	646067HY7
2031	1,725,000	5.000	2.790	646067HZ4
2032	3,310,000	5.000	2.800	646067JA7
2033	4,185,000	5.000	2.820	646067JB5
2034	5,385,000	5.000	2.840	646067JC3
2035	10,020,000	5.000	2.940*	646067JD1
2036	10,255,000	5.000	3.010*	646067JE9
2037	10,765,000	5.000	3.130*	646067JF6
2038	11,305,000	5.000	3.180*	646067JG4
2039	11,870,000	5.000	3.260*	646067JH2
2040	12,270,000	5.000	3.380*	646067JJ8
2041	12,880,000	5.000	3.500*	646067JK5
2042	13,525,000	5.000	3.580*	646067JL3
2043	12,290,000	5.000	3.650*	646067JM1
2044	12,905,000	5.000	3.700*	646067JN9

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* Yields calculated to July 1, 2034 call date.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("*CGS*") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP® numbers listed above are being provided solely for the convenience of the holders of the Series 2024 Bonds only at the time of issuance of the Series 2024 Bonds and none of the Authority, the Public University, the Trustee or the Underwriters make any representation with respect to such CUSIP® numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP® numbers are subject to being changed after the issuance of the Series 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2024 Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of the Series 2024 Bonds.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2024 BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2024 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The purchase of the Series 2024 Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Series 2024 Bonds should make an independent evaluation of the entirety of the information presented in the Official Statement, including, its appendices, to obtain information essential to the making of an informed investment decision in the Series 2024 Bonds.

The information contained herein relating to the Authority under the headings, "THE AUTHORITY" and "LITIGATION - The Authority", has been obtained from the Authority (as hereinafter defined). All other information herein has been obtained by the Underwriters (as hereinafter defined) from the Public University (as hereinafter defined), the Underwriters and other sources deemed by the Underwriters to be reliable, and is not to be construed as a representation of the Authority or the Underwriters. The Authority has not participated in the making of the statements contained within this Official Statement other than the information under the headings, "THE AUTHORITY" and "LITIGATION - The Authority", and does not represent that any such statements are accurate or complete for purposes of investors making an investment decision with respect to the Series 2024 Bonds.

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

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 2024 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 2024 Bonds by any person in any such 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 that 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 or the Underwriters.

The information set forth herein relative to The Depository Trust Company ("DTC") and DTC's book-entry only system has been supplied to the Authority by DTC for inclusion herein, and the Authority takes no responsibility for the accuracy thereof. Such information has not been independently verified by the Authority or the Public University and neither the Authority nor the Public University makes any representation as to the accuracy or completeness of such information provided by DTC.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Series 2024 Bonds or the advisability of investing in the Series 2024 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and in APPENDIX G – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

The Series 2024 Bonds have not been registered under the Securities Act of 1933, as amended, and neither the Resolution nor the Indenture has been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the Series 2024 Bonds and the security therefor, including an analysis of the risk involved. The Series 2024 Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the Series 2024 Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the Series 2024 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 2024 Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

References in this Official Statement to statutes, laws, rules, regulations, resolutions, (including the Resolution), agreements (including the Indenture, the Loan Agreement, the Escrow Deposit Agreement, the Continuing Disclosure Agreement (all as hereinafter defined)), 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 distributed in connection with the sale of the Series 2024 Bonds and may not be reproduced or used, in whole or in part, for any other purpose.

If and when included in this Official Statement, the words "expects", "forecasts", "projects", "intends", "anticipates", "estimates", "will" and analogous expressions are intended to identify forward-looking statements. Any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance, governmental regulations, litigation and various other events, conditions and circumstances many of which are beyond the control of the Authority and the Public University. These forward-looking statements speak only as of the date of this Official Statement. The Authority and the Public University disclaim any obligation or agreement to release publicly any update or revision to any forward-looking statement contained herein to reflect any change in the Authority's or the Public University's expectation with regard thereto to any change in events, conditions or circumstances on which any such statement is based.

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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$159,430,000
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS,
MONTCLAIR STATE UNIVERSITY ISSUE,
SERIES 2024 A

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement (the "Official Statement"), which includes the cover page, inside cover page and the Appendices hereto, is to furnish information concerning the New Jersey Educational Facilities Authority (the "Authority"), and its $159,430,000 Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A (the "Series 2024 Bonds" or the "Bonds"). The Series 2024 Bonds are being issued pursuant to (i) the Act (as defined herein); (ii) a Resolution adopted by the Authority on February 27, 2024 (the "Resolution"); and (iii) a Trust Indenture, dated as of April 1, 2024 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee for the Series 2024 Bonds (the "Trustee"). The Series 2024 Bonds are being issued and will bear interest at the rates set forth on the inside front cover and shall be payable as set forth herein. See "SECURITY FOR THE SERIES 2024 BONDS" herein. The Series 2024 Bonds will be subject to optional and extraordinary optional redemption prior to maturity as described herein. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption" herein. Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in APPENDIX C – "FORMS OF TRUST INDENTURE AND LOAN AGREEMENT" attached hereto.

Authority for Issuance

The Series 2024 Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the "Act"). The Act, among other things, empowers the Authority to issue bonds, notes and other obligations to obtain funds to finance an eligible educational facility as such may be required or convenient for the purpose of a public or private participating institution of higher education, such as Montclair State University, located in Montclair, New Jersey, organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter referred to as the "Public University").

The Public University

Founded in 1908, the Public University has grown to become the second largest university in New Jersey, currently offering more than 300 programs across 13 colleges and schools at all degree levels. On June 30, 2023, Bloomfield College merged with and into Bloomfield College of Montclair State University, Inc. ("MSU-Bloomfield"), a nonprofit corporation of which the Public University is the sole member. The Public University intends to legally dissolve MSU-Bloomfield, upon satisfaction of certain regulatory approvals and other conditions, which is expected to be no later than June 30, 2024, whereupon the assets of MSU-Bloomfield will become the property of the Public University. For more information concerning the Public University and its incorporation of MSU-Bloomfield, see APPENDIX A – "CERTAIN INFORMATION REGARDING MONTCLAIR STATE UNIVERSITY" hereto and APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF MONTCLAIR STATE UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022" hereto.

Purpose

The Series 2024 Bonds are being issued to provide funds to finance, together with other available funds: (i) the cost of refunding all of the principal, sinking fund installment and/or interest requirements in respect of the Authority's outstanding Revenue Bonds, Montclair State University Issue, Series 2014 A maturing on and after July 1, 2025, as set forth in "APPENDIX F – SUMMARY OF SERIES 2014 A BONDS TO BE REFUNDED" (collectively, the "Series 2014 A Bonds to be Refunded"), (ii) the cost of refunding of all of the principal, sinking fund installment and interest requirements in respect of the Authority's outstanding Revenue Bonds, Bloomfield College and Seminary Issue, 2013 Series A (the "2013 Series A Bonds"), (iii) the cost of refunding of all of the outstanding principal balances of two outstanding bank loans (collectively, the "2016 Bank Loans") and (iv) certain costs incidental to the issuance, sale and delivery of the Series 2024 Bonds (such purposes are collectively the "Refunding Project"). See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Certain Outstanding Obligations

The Public University has repayment obligations in respect of various bonds of the Authority issued for the benefit of the Public University, and certain other obligations and capital leases. All of such repayment obligations are general obligations of the Public University payable from any legally available funds of the Public University. The Authority may from time to time in the future issue other series of its revenue bonds to finance or refinance projects of the Public University. See "SECURITY FOR THE SERIES 2024 BONDS – Certain Outstanding Obligations" herein and APPENDIX A – "CERTAIN INFORMATION REGARDING MONTCLAIR STATE UNIVERSITY – INDEBTEDNESS" hereto.

Bond Insurance

The scheduled payment of principal and interest on the Series 2024 Bonds, when due, will be guaranteed under a Municipal Bond Insurance Policy (the "Policy") to be issued concurrently with the delivery of the Series 2024 Bonds by Assured Guaranty Municipal Corp. (the "Insurer" or "AGM"). See "BOND INSURANCE" and APPENDIX G – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

Security

The Series 2024 Bonds are special and limited obligations of the Authority payable solely from the Revenues (as defined in the Indenture) and secured by the Pledged Property (as defined in the Indenture). See "SECURITY FOR THE SERIES 2024 BONDS – General" herein.

The Revenues include, among other things, Basic Loan Payments to be made by the Public University under the Loan Agreement dated as of April 1, 2024 (the "Loan Agreement") by and between the Authority and the Public University. The Board of Trustees of the Public University has, by resolution, authorized the execution and performance on behalf of the Public University of the Loan Agreement. The obligation of the Public University to pay Basic Loan Payments is enforceable regardless of whether Basic Loan Payments have been budgeted for by the Public University. The Loan Agreement is a valid and enforceable general obligation of the Public University payable from moneys legally available to 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 2024 Bonds. The repayment obligations of the Public University under the Loan Agreement will be evidenced by a Note dated the date of issuance of the Series 2024 Bonds to be issued by the Public University (the "Note").

The Basic 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 2024 Bonds when due, from any moneys legally available to the Public University. See "SECURITY FOR THE SERIES 2024 BONDS – Loan Agreement" herein.

THE SERIES 2024 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2024 BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE PLEDGED PROPERTY OF THE AUTHORITY PLEDGED UNDER THE TRUST INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE TRUST INDENTURE FOR THE PAYMENT OF THE SERIES 2024 BONDS.

THE REFUNDING PROJECT

The Series 2014 A Bonds to be Refunded financed and/or refinanced various capital facilities of the Public University and the 2013 Series A Bonds and the 2016 Bank Loans financed and/or refinanced various capital facilities of MSU-Bloomfield (collectively, the "2024 Project Facilities").

The Series 2014 A Bonds to be Refunded will be redeemed on July 1, 2024 ("2014 A Refunded Bonds Redemption Date") at the redemption price of 100% of the principal amount of bonds to be redeemed, plus accrued interest to the 2014 A Refunded Bonds Redemption Date. A portion of the proceeds of the Series 2024 Bonds, together with other available funds, will be deposited with The Bank of New York Mellon, Woodland Park, New Jersey, as escrow agent (the "Escrow Agent") for the Series 2014 A Bonds to be Refunded, in an escrow fund (the "Escrow Deposit Fund") pursuant to the terms of an Escrow Deposit Agreement, dated as of April 1, 2024, between the Authority and the Escrow Agent (the "Escrow Deposit Agreement") in an amount sufficient to redeem the Series 2014 A Bonds to be Refunded in full on the 2014 A Refunded Bonds Redemption Date. As a result, the Series 2014 A Bonds to be Refunded will be deemed paid in accordance with the trust indenture pursuant to which the Series 2014 A Bonds to be Refunded were issued. Pending such use, amounts deposited in the Escrow Deposit Fund will be invested in direct obligations of the United States of America which are not subject to redemption prior to maturity (the "U.S. Obligations").

The holders of the Series 2014 A Bonds to be Refunded will have a lien on all cash and U.S. Obligations in the Escrow Deposit Fund. Upon payment of all of the Series 2014 A Bonds to be Refunded, the Escrow Deposit Agreement, subject to certain conditions precedent, shall terminate.

The mathematical calculation of the adequacy of the deposit to provide for the payment of the Series 2014 A Bonds to be Refunded on the date of issuance of the Series 2024 Bonds will be verified by Causey Demgen & Moore P.C., Denver, Colorado, at the time of delivery of the Series 2024 Bonds. See "VERIFICATION OF MATHEMATICAL CALCULATIONS" herein.

The 2013 Series A Bonds will be redeemed and repaid in full and the 2016 Bank Loans will be repaid in full on the date of issuance of the Series 2024 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2024 Bonds shall be applied approximately as follows:

SOURCES:	
Par Amount of the Series 2024 Bonds	$159,430,000.00
Original Issue Premium	20,930,458.70
TOTAL SOURCES	$180,360,458.70
USES:	
Deposit to Escrow Deposit Fund for the Series 2014 A Bonds to be Refunded	$148,906,668.31
Redemption of 2013 A Bonds	25,350,771.69
Repayment of 2016 Bank Loans	4,855,658.25
Costs of Issuance [(1)]	1,247,360.45
TOTAL USES	$180,360,458.70

(1) Includes fees and expenses of legal fees, Underwriters' Discount, Trustee fees, Escrow Agent fees, Municipal Advisor fees, rating agency fees, fees of the verification agent, bond insurance premium and other issuance costs associated with the Series 2024 Bonds.

DESCRIPTION OF THE SERIES 2024 BONDS

General

The Series 2024 Bonds will initially be dated and will bear interest from the date of delivery. Interest will be payable on January 1 and July 1 of each year until maturity or earlier redemption, commencing July 1, 2024. The Series 2024 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 cover of this Official Statement.

The Series 2024 Bonds will be issued in fully registered form, without coupons, in the denomination of $5,000 or any integral multiple thereof. In the event that the Series 2024 Bonds are no longer held in book-entry form (as described in "Book-Entry-Only System" below) (i) the principal or redemption price of the Series 2024 Bonds shall be payable upon surrender at a designated corporate trust office of the Trustee and (ii) interest on the Bonds will be paid by check or draft mailed by the Trustee to Holders thereof at their addresses as it appears on the registration books of the Authority, or upon the written request of any Holder of at least $1,000,000 in aggregate principal amount of Bonds submitted to the Trustee at least ten (10) business days prior to the record date of such interest, by wire transfer in immediately available funds to an account in the continental United States of America.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC") while the Series 2024 Bonds are registered in the name of Cede & Co., its nominee name. The information in this section concerning DTC and the Book-Entry-Only-System has been provided by DTC for use in disclosure documents such as this Official Statement. The Authority believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Authority cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Series 2024 Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Series 2024 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC and its Participants. DTC, the world's largest 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, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("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 ("Indirect Participants"). DTC has Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. So long as the Series 2024 Bonds are maintained in book-entry form, the following procedures will be applicable with respect to the Series 2024 Bonds.

Purchase of Ownership Interests. Purchases of Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond ("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 2024 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 Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

Payments of Principal, Premium, if any, and Interest. Redemption proceeds and principal and interest payments on the Series 2024 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 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 or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

Transfers of Bonds. To facilitate subsequent transfers, all Series 2024 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 2024 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 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Neither the Authority nor the Trustee will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Series 2024 Bonds on the registration books of the Trustee.

Discontinuance of Book-Entry-Only System. In the event (i) DTC determines not to continue to act as securities depository for the Series 2024 Bonds, or (ii) the Public University, with the consent of the Authority, determines in accordance with the terms of the Indenture that (a) DTC is incapable of discharging its duties, or (b) it is in the best interests of the holders of the Series 2024 Bonds not to continue the Book-Entry-Only System then the Authority will discontinue the Book-Entry Only system with DTC. Upon the occurrence of the event described in (i) or (ii)(a) above, the Authority will attempt to locate another qualified securities depository. If the Authority fails to identify another qualified securities depository to replace

DTC or makes the determination noted in (ii)(b) above, the Trustee will authenticate and deliver the Series 2024 Bonds in accordance with the Indenture.

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

Redemption

The Series 2024 Bonds are subject to optional redemption and extraordinary optional redemption as described below.

Optional Redemption. The Series 2024 Bonds maturing prior to July 1, 2035 are not subject to optional redemption prior to maturity. The Series 2024 Bonds maturing on or after July 1, 2035 are subject to redemption prior to maturity on or after July 1, 2034 at the option of the Authority upon written direction from the Public University, in whole or in part at any time or from time to time at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date of redemption.

Extraordinary Optional Redemption. If all or a substantial portion of the 2024 Project Facilities are damaged or destroyed by fire or other casualty, or title to or the temporary use of all or a substantial portion of such facilities is condemned or taken for any public or quasi-public use by any governmental entity exercising or threatening the exercise of the power of eminent domain, or title thereto is found to be deficient, to such extent that in the determination of the Public University (i) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (ii) the Public University is thereby prevented from carrying on its normal operations, or (iii) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance, condemnation awards or sale under threat of condemnation with respect thereto, the Series 2024 Bonds shall be subject to extraordinary optional redemption prior to maturity, in whole or in part at any time or from time to time, from and to the extent of any condemnation or insurance proceeds deposited in the Debt Service Fund pursuant to the Loan Agreement, at the election of the Authority upon the written direction of the Public University. Any such redemption shall be made on the earliest practicable date at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

Notice of Redemption

In the event any of the Series 2024 Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Series 2024 Bonds, which notice shall (i) specify the Series 2024 Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Series 2024 Bonds are to be redeemed, the numbers of the Series 2024 Bonds, and the portions of the Series 2024 Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Series 2024 Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption.

Notice of redemption shall be given by mail, postage prepaid, at least twenty-five (25) days (or, in the case of acceleration of the Series 2024 Bonds pursuant to Indenture, seven (7) days) but not more than sixty (60) days prior to the date fixed for redemption to each Holder of Series 2024 Bonds to be redeemed at its address shown on the registration books kept by the Trustee; provided, however, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Series 2024 Bonds.

Any notice of redemption of any Series 2024 Bonds pursuant to an optional or extraordinary optional redemption may be conditional and 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 Series 2024 Bonds or portions thereof which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Series 2024 Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price, or sufficient funds for the optional or extraordinary optional redemption of Series 2024 Bonds are otherwise not on deposit with the Trustee on the redemption date) such Series 2024 Bonds or portions thereof shall cease to bear interest. Upon surrender of such Series 2024 Bonds for redemption in accordance with said notice, such Series 2024 Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2024 Bond, there shall be prepared for the Registered Owner a new Series 2024 Bond or Series 2024 Bonds of the same maturity in the amount of the unpaid principal. All Series 2024 Bonds which have been redeemed shall be canceled and destroyed by the Trustee in accordance with the Indenture and shall not be reissued.

For so long as the Securities Depository is effecting book-entry transfers of the Series 2024 Bonds, the Trustee shall provide the notices specified above only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2024 Bond (having been mailed notice from the Trustee, a Participant or otherwise) to notify the Beneficial Owner of the Series 2024 Bond so affected, shall not affect the validity of the redemption of such Series 2024 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 Series 2024 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.

Negotiable Instruments

The Series 2024 Bonds issued pursuant to the Act are negotiable within the meaning of the Uniform Commercial Code of the State of New Jersey, subject only to the provisions for registration contained in the Series 2024 Bonds.

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ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each 12-month period ending on June 30 in the years 2024 through 2050 the amounts required for the payment of debt service by the Public University on the Series 2024 Bonds, other debt service and the total debt service, assuming the issuance of the Series 2024 Bonds and the refunding of the Series 2014 A Bonds to be Refunded in the aggregate principal amount of $147,215,000, the 2013 Series A Bonds in the aggregate amount of $25,341,034.89 and the 2016 Bank Loans in the aggregate amount of $4,768,706.01, and excluding certain capital leases. For a description of the Series 2014 A Bonds to be Refunded, see APPENDIX F – "SUMMARY OF SERIES 2014 A BONDS TO BE REFUNDED." In accordance with the Indenture, the principal and interest requirements for the Series 2024 Bonds for each 12-month period ending on June 30 are defined to include the respective amounts required to provide for the payment of interest on each January 1 and July 1, and for the payment of principal on each July 1.

Year Ending June 30[1]	Series 2024 Bonds Principal	Series 2024 Bonds Interest	Series 2024 Bonds Total	Other Authority Bonds[2][4][5]	Other Obligations [3][4][5]	Total Debt Service
2024	$1,985,000	$1,948,589	$3,933,589	$18,770,356	$1,510,475	$24,214,420
2025	5,340,000	7,872,250	13,212,250	18,369,963	1,510,460	33,092,672
2026	5,265,000	7,605,250	12,870,250	18,782,463	1,510,430	33,163,142
2027	5,640,000	7,342,000	12,982,000	18,678,463	1,510,410	33,170,872
2028	2,700,000	7,060,000	9,760,000	22,716,463	1,510,428	33,986,890
2029	2,835,000	6,925,000	9,760,000	22,448,213	1,510,391	33,718,604
2030	2,975,000	6,783,250	9,758,250	22,357,463	1,510,390	33,626,103
2031	1,725,000	6,634,500	8,359,500	23,883,963	1,510,398	33,753,860
2032	3,310,000	6,548,250	9,858,250	22,114,963	1,510,386	33,483,598
2033	4,185,000	6,382,750	10,567,750	13,514,213	1,510,410	25,592,372
2034	5,385,000	6,173,500	11,558,500	12,003,400	1,510,393	25,072,293
2035	10,020,000	5,904,250	15,924,250	7,541,650	1,510,421	24,976,321
2036	10,255,000	5,403,250	15,658,250	7,540,450	1,510,418	24,709,118
2037	10,765,000	4,890,500	15,655,500	1,649,650	1,288,205	18,593,355
2038	11,305,000	4,352,250	15,657,250	1,648,000	1,288,205	18,593,455
2039	11,870,000	3,787,000	15,657,000	-	1,288,205	16,945,205
2040	12,270,000	3,193,500	15,463,500	-	1,288,205	16,751,705
2041	12,880,000	2,580,000	15,460,000	-	1,288,205	16,748,205
2042	13,525,000	1,936,000	15,461,000	-	1,288,205	16,749,205
2043	12,290,000	1,259,750	13,549,750	-	1,288,205	14,837,955
2044	12,905,000	645,250	13,550,250	-	1,288,205	14,838,455
2045	-	-	-	-	1,288,205	1,288,205
2046	-	-	-	-	1,288,205	1,288,205
2047	-	-	-	-	1,288,205	1,288,205
2048	-	-	-	-	1,288,205	1,288,205
2049	-	-	-	-	1,288,205	1,288,205
2050	-	-	-	-	1,288,205	1,288,205
TOTALS[6]	$159,430,000	$105,227,089	$264,657,089	$232,019,669	$37,670,282	$534,347,040

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

(2) Includes the Authority's outstanding Revenue Bond Issues for the Public University, Series 2015 D, Series 2016 B and unrefunded Series 2014 A. Excludes the Series 2014 A Bonds to be Refunded and the 2013 Series A Bonds. For more information, see APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF MONTCLAIR STATE UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022."

(3) Includes the Public University's and MSU-Bloomfield's respective shares of certain Authority programs including the Higher Education Capital Improvement Fund, Series 2016 B and Series 2023 A. Excludes the 2016 Bank Loans. For more information, see APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF MONTCLAIR STATE UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022."

(4) Does not include debt service for fiscal year ending June 30, 2024 paid prior to the date of this Official Statement.

(5) Does not include the NJEDA Revenue Refunding Bonds (Provident Group-Montclair Properties L.L.C. - Montclair State University Student Housing Project), Series 2017 since the debt service payments thereunder are non-recourse to the Public University.

(6) Totals may not add due to rounding.

SECURITY FOR THE SERIES 2024 BONDS

General

The Series 2024 Bonds constitute special and limited obligations of the Authority and are payable solely from Revenues (as defined in the Indenture and as described herein) and secured by the Pledged Property (as defined in the Indenture and described herein).

"Revenues" include: (i) all Basic Loan Payments; (ii) any amount directed to be transferred to or deposited in the Project Fund and the Debt Service Fund pursuant to the Indenture; (iii) all other moneys when received by the Trustee for deposit into the Project Fund and the Debt Service Fund including prepayments, insurance proceeds and condemnation proceeds; and (iv) all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture, but not including any administrative fees or expenses or any moneys required to be deposited in the Rebate Fund, the Additional Loan Payments Fund or the Project Loan Fund, which amounts are not pledged to the Holders of the Series 2024 Bonds.

"Pledged Property" includes all Revenues and the monies and earnings held in the funds and accounts created under the Indenture (except the Rebate Fund, the Project Loan Fund and the Additional Loan Payments Fund) and the right to receive the same (except amounts in respect of administrative expenses in whatever fund held); and all right, title and interest of the Authority in and to the foregoing; and all right, title and interest of the Authority in and to, and the remedies under the Loan Agreement (but excluding the Reserved Rights of the Authority described in the Indenture).

Pursuant to the Indenture, the Authority has transferred in trust and pledged and assigned to the Trustee, for the benefit of the Holders from time to time of the Series 2024 Bonds, and has granted a security interest in all of the Pledged Property, specifically excluding therefrom the following rights reserved to the Authority (collectively, the "Reserved Rights"); (i) rights to indemnification; (ii) rights of inspection and consent; (iii) rights to payment of its fees and expenses; and (iv) all rights, title and interest in any and all provisions of the Note, the Loan Agreement relating to the Note (except for the right of the Authority to receive Basic Loan Payments pursuant to the Loan Agreement as described in Section 2.17 of the Loan Agreement), including without limitation, its rights to exercise remedies as provided by the Note and the Loan Agreement.

Basic 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 2024 Bonds when due, payable from any moneys legally available to the Public University. See "SECURITY FOR THE SERIES 2024 BONDS – LOAN AGREEMENT" herein.

The Indenture establishes various funds and accounts and provides for the application of the proceeds of the Series 2024 Bonds, the loan payments received pursuant to the Loan Agreement, and other moneys which, by any of the provisions of the Indenture, are required to be deposited in such funds and accounts. For a further description of the Indenture, see APPENDIX C – "FORMS OF TRUST INDENTURE AND LOAN AGREEMENT" hereto.

THE SERIES 2024 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE

INDENTURE). THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2024 BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE PLEDGED PROPERTY OF THE AUTHORITY PLEDGED UNDER THE TRUST INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE TRUST INDENTURE FOR THE PAYMENT OF THE SERIES 2024 BONDS.

See APPENDIX C – "FORMS OF TRUST 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 and interest on the Series 2024 Bonds. Pursuant to the Loan Agreement, the Public University has covenanted and agreed to impose such fees and other charges sufficient at all times to generate revenues, which together with the other legally available moneys of the Public University will be sufficient to pay, among other things, the amounts required to satisfy Basic Loan Payments due under the Loan Agreement in 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, and interest on the Series 2024 Bonds and to pay all other obligations of the Public University as they become due and payable. 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 Basic Loan Payments provided for in the Loan Agreement and to perform its obligations under the Loan Agreement is absolute and unconditional. The obligation of the Public University to pay Basic Loan Payments is enforceable regardless of whether Basic Loan Payments have been budgeted for by the Public University. The Loan Agreement is a valid and enforceable general obligation of the Public University payable from any moneys legally available to the Public University.

Dissolution of MSU-Bloomfield. The Public University intends to legally dissolve MSU-Bloomfield upon satisfaction of certain regulatory approvals and other conditions (the "Dissolution"), whereupon the assets of MSU-Bloomfield will become the property of the Public University. The Public University expects that the Dissolution shall be consummated not later than June 30, 2024. Prior to the Dissolution, the Public University shall remain the sole member of MSU-Bloomfield and shall maintain exclusive control over MSU-Bloomfield and its assets. The Public University has covenanted in the Loan Agreement to, throughout the term of the Bonds or until the Dissolution (if sooner), cause MSU-Bloomfield to comply with the requirements of the Internal Revenue Code of 1986, as amended, and not permit MSU-Bloomfield to take any action or permit any action to be taken on its behalf which would cause the interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes. Further, the Public University has covenanted in the Loan Agreement to provide prompt notice to Holders upon consummation of the Dissolution.

See APPENDIX C – "FORMS OF TRUST INDENTURE AND LOAN AGREEMENT" for a more complete description of the provisions of the Loan Agreement.

Certain Outstanding Obligations

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

In addition, the Public University has repayment obligations in respect of various bonds of the Authority issued for the benefit of the Public University, and certain other obligations and capital leases, all as more fully described in APPENDIX A – "CERTAIN INFORMATION REGARDING MONTCLAIR STATE UNIVERSITY – CERTAIN FINANCIAL INFORMATION – Outstanding Indebtedness". See also "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF MONTCLAIR STATE UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022."

The Authority may from time to time in the future issue other series of its revenue bonds to finance or refinance projects for the Public University, each of which is to be financed pursuant to a separate loan agreement with the Authority.

Additional Bonds and Other Obligations

The repayment obligation of the Public University with respect to the Series 2024 Bonds pursuant to the Loan Agreement is a general obligation of the Public University, and no specific revenues of the Public University are pledged as additional security for such repayment obligation. Payments by the Public University under the Loan Agreement do not secure any other obligations of the Public University.

Although additional bonds may not be issued under the Indenture on parity with the Series 2024 Bonds, the Indenture permits the Public University to enter into Swap Agreements (as defined in the Loan Agreement) with respect to the Series 2024 Bonds. As of the date of issuance of the Series 2024 Bonds, the Public University has not entered into, and is not currently contemplating entering into, any Swap Agreement with respect to the Series 2024 Bonds.

In the event that any parity Swap Agreement is hereafter entered into, the Indenture and the Loan Agreement may each be amended, without notice to or consent by the holders of the Series 2024 Bonds, to effectuate such parity Swap Agreement, including (but not limited to) providing that the Trust Estate shall also secure the counterparties to any such Swap Agreement on a parity with the Series 2024 Bonds.

Further, although additional bonds may not be issued on a parity with the Series 2024 Bonds under the Indenture, there are no covenants or restrictions which prohibit or limit the incurrence of debt or additional obligations by the Public University. Accordingly, the Authority may from time to time issue bonds or other obligations on behalf of the Public University, and the Public University may from time to time incur additional obligations (whether to the Authority or otherwise).

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

BOND INSURANCE

The following information has been provided by AGM for inclusion in this Official Statement. Reference is made to APPENDIX G hereto for a specimen of the Policy. The Authority and the Public University make no representation as to the accuracy or completeness of this information or as to the absence of any material adverse changes to this information subsequent to the date hereof.

Bond Insurance Policy

Concurrently with the issuance of the Series 2024 Bonds, AGM will issue its Policy for the Series 2024 Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due as set forth in the form of the Policy included as APPENDIX G to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 20, 2023, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 13, 2023, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AGM

At December 31, 2023:

- The policyholders' surplus of AGM was approximately $2,646 million.
- The contingency reserve of AGM was approximately $876 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,077 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK") and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and net deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on February 28, 2024 that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2024 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Series 2024 Bonds or the advisability of investing in the Series 2024 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

THE AUTHORITY

Powers of the Authority

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

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

Authority Organization and Membership

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

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

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

Ridgeley Hutchinson, Vice Chair; term as a member expired April 30, 2015; President, Truehart Productions; Lambertville, New Jersey.

The Honorable Elizabeth Maher Muoio, Treasurer; Treasurer, State of New Jersey, *ex officio*.

The Honorable Dr. Brian K. Bridges, Secretary of Higher Education, *ex officio*.

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

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

Steven P. Nelson, Deputy Executive Director, serves as an Assistant Secretary to the Authority.

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

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

Outstanding Obligations of the Authority

As of December 31, 2022, the Authority has heretofore authorized and issued its obligations in a total outstanding amount of $4,829,826,452 to finance and refinance eligible projects at certain of the participating public and private colleges and universities and public libraries located in the State.

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

STATE OF NEW JERSEY HIGHER EDUCATION

The State of New Jersey's Office of the Secretary of Higher Education ("OSHE") is the leading state agency for higher education policy development and statewide program coordination in New Jersey. Under the leadership of the Secretary of Higher Education, OSHE works to enhance post-secondary opportunity with a focus on equity, access, and affordability for students from all backgrounds. OSHE is dedicated to shaping a strong and inclusive higher education landscape and strategically collaborates with a diverse array of partners to inform evidence-based practices, student-centered strategies that empower success.

As of January 2024, New Jersey institutions of higher education licensed by OSHE include twenty-nine (29) public colleges and universities and sixty-one (61) independent institutions, and as of the 2022-2023 fiscal year, enrolls over 488,018 full-time and part-time credit-seeking students statewide. OSHE licenses out-of-state institutions of higher education who have physical presence in the State at one or more locations within the State. There are approximately 11 additional out-of-state institutions with licensure to offer one or more degrees in the State.

The 29 public colleges and universities are comprised of five (5) public research universities (Rutgers, The State University of New Jersey; Rowan University; New Jersey Institute of Technology; Montclair State University; and Kean University); two (2) state colleges (The College of New Jersey and Ramapo College of New Jersey); and four (4) state universities (Stockton University; Thomas Edison State University; New Jersey City University; and William Paterson University); and eighteen (18) community colleges. The sixty-one (61) independent institutions include fourteen (14) four-year colleges and universities with a public mission, two (2) graduate only degree-granting independent institutions, one (1) independent two-year religious college, thirty-two (32) Talmudic institutions and theological seminaries, and twelve (12) proprietary institutions with degree-granting authority.

BONDHOLDERS' RISKS

Purchase of the Series 2024 Bonds involves a degree of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement, including the Appendices hereto, in order to make a judgment as to whether the Series 2024 Bonds are an appropriate investment. Certain risks associated with the purchase of the Series 2024 Bonds are described below. Such lists of possible factors, while not setting forth all the factors that must be considered, contain some of the factors that should be considered prior to purchasing the Series 2024 Bonds. The discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive. Prospective purchasers of the Series 2024 Bonds should give careful consideration to the matters referred to in the following summary.

Payment of Debt Service; Limitation on Revenues

The principal of, redemption premium, if any, and interest on the Series 2024 Bonds are payable solely from the amounts paid by the Public University to the Authority under the Loan Agreement. No representation can be made and no assurance can be given that revenues will be realized by the Public University in the amounts necessary to make payments at the times and in the amounts sufficient to pay the debt service on the Series 2024 Bonds. The obligations of the Public University under the Loan Agreement are unsecured, general obligations of the Public University.

Future revenues and expenses of the Public University will be affected by events and conditions relating generally to, among other things, demand for the Public University's education services, the ability of the Public University to provide the educational services required, management capabilities, the Public University's ability to control expenses, competition, tuition costs, legislation, governmental regulation, and developments affecting the federal or state tax-exempt status of non-profit organizations. Unanticipated events and circumstances may occur that cause variations from the Public University's expectations, and the variations may be material. For more information concerning the Public University, see APPENDIX A – "CERTAIN INFORMATION REGARDING MONTCLAIR STATE UNIVERSITY." The audited financial statements of the Public University are included as APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF MONTCLAIR STATE UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022."

Enforceability of Remedies

The remedies granted to the Trustee or the owners of the Series 2024 Bonds upon an Event of Default under the Indenture or the Loan Agreement may be dependent upon judicial actions, which are often subject to discretion and delay. Under existing law, the remedies specified in the Indenture and the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds will be qualified as to the enforceability of the provisions of the Indenture and the Loan Agreement by limitations imposed by state and federal laws, rulings and decisions affecting equitable remedies regardless of whether enforceability is sought in a proceeding at law or in equity and by bankruptcy, reorganization, insolvency, receivership or other similar laws affecting the rights of creditors generally.

Risk of Redemption

The Series 2024 Bonds are subject to redemption prior to maturity in certain circumstances. Bondholders may not realize their anticipated yield on investment to maturity because the Series 2024 Bonds may be redeemed prior to maturity at par or at a redemption price that results in the realization of less than the anticipated yield to maturity.

Event of Taxability

If the Public University or MSU-Bloomfield do not comply with certain covenants of the Public University or MSU-Bloomfield in the Loan Agreement or Tax Certificates, or if certain representations by the Public University or MSU-Bloomfield in the Loan Agreement or Tax Certificates, or certain certificates of the Public University are false or misleading, or in the event of a change in federal tax law, the interest payable on the Series 2024 Bonds may become subject to federal income taxation retroactive to the date of issuance of the Series 2024 Bonds, regardless of the date on which noncompliance or misrepresentation is ascertained. In the event that interest on the Series 2024 Bonds should become subject to federal income taxation, the Loan Agreement does not provide for the redemption of Series 2024 Bonds, or an increase in interest on the Series 2024 Bonds, although such action could constitute an Event of Default under the Loan Agreement.

Bankruptcy

The Loan Agreement provides that the Public University shall make payments to the Trustee sufficient to pay the principal of the Series 2024 Bonds (including any premium) and the interest thereon as the same become due.

Bankruptcy proceedings by the Public University could have adverse effects on holders of the Series 2024 Bonds, including (1) delay in the enforcement of their remedies, (2) subordination of their claims to claims of those supplying goods and services to the Public University after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceeds, and (3) imposition without their consent of a plan of reorganization reducing or delaying payment of the Series 2024 Bonds. The United States Bankruptcy Code contains provisions intended to ensure that, in any plan or reorganization not accepted by at least a majority of any class of creditors such as the holders of the Series 2024 Bonds, such class of creditors will have the benefit of their original claim or the “indubitable equivalent” of it, although the plan may not provide for payment in full of the Series 2024 Bonds. The effect of these and other provisions of the United States Bankruptcy Code cannot be predicted and may be affected significantly by judicial interpretation.

Restrictions on Endowment Funds

Certain endowment funds are restricted by donors for specific purposes. Neither principal of nor income from funds restricted to purposes other than general purposes may be used to make payments to the Authority in accordance with the Loan Agreement or to meet claims of general creditors.

Cybersecurity

Like all institutions of higher education, the Public University relies on electronic systems and technologies to conduct various operations including its finances, research and educational activities. In the past several years, universities and other institutions have seen an increase in the number and sophistication of cyber-attacks. These cyber-attacks have various goals but often seek to gain unauthorized access to electronic systems for the purposes of misappropriating assets or personal, operational, financial or other sensitive information, or causing operational disruption. The Public University is committed to deterring attacks on its electronic systems and vigorously responding to such attacks to minimize their impact on operations.

While the Public University has implemented several risk mitigation protocols, including additional network segmentation, which should operate to confine the effects of any future attack, no assurances can be given that its security measures will be able to prevent future cyber-attacks on its electronic systems, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Public University.

Bond Insurance Risk Factors

The Authority has obtained a commitment from AGM to provide a municipal bond insurance policy relating to the Series 2024 Bonds. See "BOND INSURANCE" above.

In the event of a failure of the Authority to make a scheduled payment of principal or interest with respect to the Series 2024 Bonds when all or some becomes due, the Trustee on behalf of any owner of the Series 2024 Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure the payment of redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Series 2024 Bonds by the Authority which is recovered by the Authority from the bond owner as a voidable preference under applicable bankruptcy law is insured by the Policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the Authority unless the Insurer in its discretion chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Insurer is unable to make payment of scheduled principal and interest as such payments become due under the Policy, the Series 2024 Bonds are payable solely from the revenues received pursuant to the applicable bond documents and secured by the Pledged Property. In the event the Insurer becomes obligated to make payments with respect to the Series 2024 Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2024 Bonds or the marketability (liquidity) of the Series 2024 Bonds.

The long-term ratings on the Series 2024 Bonds are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Series 2024 Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Series 2024 Bonds or the marketability (liquidity) for the Series 2024 Bonds. For a description of the ratings on the Series 2024 Bonds, see "RATINGS" herein.

The obligations of the Insurer are unsecured contractual obligations of the Insurer and in an event of a failure to pay by the Insurer, the remedies available may be limited by applicable bankruptcy or insurance law or other similar laws related to insolvency.

Neither the Authority, the Public University nor the Underwriters have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Public University to pay principal and interest on the Series 2024 Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information provided by the Insurer and

APPENDIX G – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY", which includes further instructions for obtaining current financial information concerning the Insurer.

RATINGS

The Series 2024 Bonds have been assigned underlying long term ratings of "A+" (stable outlook) by Fitch Ratings and "A2" (stable outlook) by Moody's. Moody's is also expected to assign a rating of "A1" to the Series 2024 Bonds, conditioned upon the issuance of the Policy by AGM for the Series 2024 Bonds at the time of delivery of the Series 2024 Bonds. S&P is expected to assign a rating of "AA" to the Series 2024 Bonds, conditioned upon the issuance of the Policy by AGM for the Series 2024 Bonds at the time of delivery of the Series 2024 Bonds.

Any desired explanation of the significance of such ratings may be obtained only from the rating agency furnishing such rating. There is no assurance that a particular rating will pertain for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency furnishing such rating, circumstances so warrant. Any downward revision or withdrawal of any such ratings could have an adverse effect on the market price of the Series 2024 Bonds.

CONTINUING DISCLOSURE

Pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, on the date of delivery of the Series 2024 Bonds, the Public University will enter into a Continuing Disclosure Agreement with Digital Assurance Certification, L.L.C., acting as Dissemination Agent (the "Continuing Disclosure Agreement"), substantially in the form set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" for the benefit of the holders of the Series 2024 Bonds.

Specifically, the Public University will covenant in the Continuing Disclosure Agreement to provide certain financial information and operating data relating to the Public University not later than the last day of the ninth month after the end of each fiscal year, commencing with the fiscal year of the Public University ending June 30, 2024, and provide notice of certain enumerated events to the Municipal Securities Rulemaking Board through its electronic data program, Electronic Municipal Market Access ("EMMA"), or such other program required by Rule 15c2-12. The financial information to be provided generally will be consistent with the information set forth in APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF MONTCLAIR STATE UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022". The operating data to be provided will be the financial and statistical information set forth in the Continuing Disclosure Agreement under the definition "Operating Data".

The Underwriters' obligation to purchase and accept delivery of the Series 2024 Bonds is conditioned upon its receiving, at or prior to the delivery of the Series 2024 Bonds, evidence that the Public University has made the continuing disclosure undertaking set forth in the Continuing Disclosure Agreement.

A failure by the Public University to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture or the Loan Agreement, and the holders of the Series 2024 Bonds are limited to the remedies set forth in the Continuing Disclosure Agreement.

The Authority and the holders of the Series 2024 Bonds are recognized under the Continuing Disclosure Agreement as being third-party beneficiaries thereunder and may enforce any such right, remedy or claim conferred, given or granted thereunder in favor of the Trustee or the holders of the Series 2024 Bonds, as the case may be.

The Public University entered into previous undertakings in respect of various other bond issues. The following information describes the instances of non-compliance with all previous undertakings to provide continuing disclosure in compliance with the requirements of Rule 15c2-12, known to the Public University, in the past five years:

The Public University has entered into prior undertakings to provide continuing disclosure for certain outstanding bond issues. In the past five (5) years, the Public University failed to timely file annual financial information for fiscal year ended June 30, 2019 and subsequently filed such information on January 30, 2020 and February 3, 2020. Additionally, the Public University failed to timely file a notice with respect to such late filing. Such notice was subsequently filed. Additionally, annual financial information for fiscal years ended June 30, 2021 and 2023 was not properly linked to all requisite CUSIPs on EMMA for certain bond issues and the Public University failed to timely file notices with respect to such late filings. Corrective action was taken to link such information to all requisite CUSIPs on EMMA and to file the notices with respect to such late filings. Furthermore, the Public University failed to timely file an event notice in connection with the appointment of a successor trustee in 2022. Such notice was subsequently filed. The Public University engaged Digital Assurance Certification, LLC, as dissemination agent, in March 2024 in connection with its continuing disclosure obligations.

The Public University has procedures in place to provide continuing disclosure in compliance with the requirements of Rule 15c2-12.

TAX MATTERS

Federal Income Taxation

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Authority, the Public University and MSU-Bloomfield have covenanted to comply with the provisions of the Code applicable to the Bonds, and have covenanted not to take any action or permit any action that would cause the interest on the Bonds to be included in gross income under Section 103 of the Code or cause interest on the Bonds to be treated as an item of tax preference for purposes of the alternative minimum tax imposed by the Code on individuals. Dilworth Paxson LLP, Freehold, New Jersey ("Bond Counsel"), will not independently verify the accuracy of those certifications and representations.

Assuming the Authority, the Public University and MSU-Bloomfield observe their respective covenants with respect to compliance with the Code, Bond Counsel is of the opinion that, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of Bonds, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. Bond Counsel is further of the opinion that interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed by the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. See "Certain Federal Tax Considerations" below.

State Taxes

In the opinion of Bond Counsel, under the laws of the State of New Jersey as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and any gains from the sale thereof are not included from gross income under the New Jersey Gross Income Tax Act.

Original Issue Premium

The initial public offering price of the Bonds may be greater than the stated Redemption Price thereof at maturity (each a "Premium Bond"). The difference between the initial public offering price for any such Premium Bond and the stated Redemption Price at maturity is "original issue premium." For federal income tax purposes, original issue premium is amortizable periodically over the term of the Premium Bond through reductions in the holder's tax basis for the Premium Bond for determining gain or loss from sale or redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Premium Bond rather than creating a deductible expense or loss. Purchasers of the Bonds should consult their tax advisors for an explanation of the accrual rules for original issue premium and any other federal, state or local tax consequences of the purchase of the Premium Bonds.

Certain Federal Tax Considerations

Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, foreign corporations that may be subject to the foreign branch profits tax, and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Bonds. The nature and extent of the tax benefit to a taxpayer of ownership of the Bonds will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Bonds should consult their own tax advisors with respect to these and other collateral federal tax consequences resulting from ownership of the Bonds.

Backup Withholding

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Changes in Law and Post-Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This impact could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of interest on the Bonds from gross income of the owners thereof for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of counsel other than Bond Counsel.

General

Bond Counsel is not rendering any opinion on any federal tax matters other than those described under the caption "TAX MATTERS". Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

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

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE RECITAL OF THE POTENTIAL TAX CONSEQUENCES OF HOLDING THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS.

LEGALITY FOR INVESTMENT

Pursuant to the Act, all bonds, notes and other obligations issued by the Authority under the provision of the Act, including the Series 2024 Bonds, are securities in which the State and all political subdivisions of the State, their officers, boards, commissions, departments or other agencies, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever who are authorized to invest in bonds or other obligations of the State, may properly and legally invest any funds, including capital belonging to them or within their control. Bonds, notes or other securities or obligations of the Authority are also securities which may properly and legally be deposited with and received by any State or municipal officer or agency of the State for any purpose for which the deposit of bonds or other obligations of the State are authorized by law.

PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS

Pursuant to the provisions of the Act, the State has pledged to and agrees with the holders of the Series 2024 Bonds issued pursuant to authority contained in the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter or restrict the rights vested by the Act in the Authority and the participating colleges (as defined in the Act) to maintain, construct, reconstruct and operate any project (as defined in the Act) or to establish and collect such rents, fees, receipts or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the bondholders authorized by the Act, and with the parties who may enter into contracts with the Authority pursuant to the provisions of the Act, or in any way impair the rights or remedies of such bondholders or such parties until the Series 2024 Bonds, together with interest thereon, are fully paid and discharged and such other contracts are fully performed on the part of the Authority.

OTHER LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2024 Bonds are subject to the approval of Dilworth Paxson LLP, Freehold, New Jersey, Bond Counsel to the Authority, whose approving legal opinion, in substantially the form included as APPENDIX E – "FORM OF APPROVING OPINION OF BOND COUNSEL" to this Official Statement, will be available at the time of the delivery of the Series 2024 Bonds. Certain legal matters will be passed upon for the Public University by its general counsel and its special counsel, Gibbons P.C., Newark, New Jersey and for the Underwriters by their counsel, Hawkins Delafield & Wood LLP.

MUNICIPAL ADVISOR TO THE PUBLIC UNIVERSITY

The Public University has retained First Tryon Advisors, LLC (the "Municipal Advisor") as municipal advisor to the Public University concerning the Series 2024 Bonds, and will receive compensation contingent upon the sale and delivery of the Series 2024 Bonds. 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 the 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.

MUNICIPAL ADVISOR TO THE AUTHORITY

The Authority has engaged Hilltop Securities Inc. ("Hilltop") to act as its municipal advisor for the Series 2024 Bonds and as its Independent Registered Municipal Advisor for purposes of SEC Rule 15Ba1-1(d)(3)(vi). Hilltop's role has been limited to the final structuring and pricing of the Series 2024 Bonds. Hilltop did not participate in the preparation of this Official Statement. Hilltop's fee is not contingent upon the sale and issuance of the Series 2024 Bonds.

LITIGATION

The Authority

There is not now pending nor, to the knowledge of the Authority, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2024 Bonds or questioning or affecting the validity of the Series 2024 Bonds or the proceedings or authority under which the Series 2024 Bonds are to be issued. There is no litigation pending or, to the Authority's knowledge, threatened which in any manner questions the right of the Authority to adopt the Resolution, to enter into the Indenture or the Loan Agreement or to secure Series 2024 Bonds in the manner herein described.

The Public University

There is not now pending nor, to the knowledge of the Public University, threatened, any proceeding or litigation contesting the Refunding Project or the Loan Agreement, or the Series 2024 Bonds, or the ability of the Public University to perform its obligations under the Loan Agreement, nor is there any litigation now pending, or to the knowledge of the Public University, threatened which, if adversely determined, would materially adversely affect the financial condition or operations of the Public University, the transactions described in this Official Statement or the validity of the Series 2024 Bonds or the Loan Agreement.

UNDERWRITING

Goldman Sachs & Co. LLC, for itself and as representative on behalf of Ramirez & Co., Inc. and Truist Securities, Inc. (collectively, the "Underwriters"), has agreed to purchase the Series 2024 Bonds pursuant to the terms of a contract of purchase, by and among the Authority, the Public University and the Underwriters, at an aggregate purchase price of $179,916,706.67 (said aggregate purchase price reflecting the par amount of the Series 2024 Bonds, plus an original issue premium of $20,930,458.70 and less an Underwriters' discount of $443,752.03). The Underwriters will be obligated to purchase all of the Series 2024 Bonds if any Series 2024 Bonds are purchased. The Underwriters intend to offer the Series 2024 Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters may offer and sell Series 2024 Bonds to certain dealers (including depositing Series 2024 Bonds into investment trusts) at prices lower than the public offering price.

Truist Securities has provided the following four sentences for inclusion in this Official Statement. Truist Securities is the trade name for the corporate and investment banking services of Truist Financial Corporation and its subsidiaries. Truist Securities has entered into an agreement (the "Truist Distribution Agreement") with Truist Investment Services, Inc. ("TIS") for the retail distribution of certain municipal securities offerings, including the Series 2024 Bonds. Pursuant to the Truist Distribution Agreement, Truist Securities will share a portion of its underwriting compensation, as applicable, with respect to the Series 2024 Bonds with TIS. TIS is a subsidiary of Truist Financial Corporation.

The Authority has not been furnished with any documents relating to the distribution agreement referenced above and makes no representations of any kind with respect thereto. The Authority is not a party to such distribution agreement and has not entered into any agreement or arrangement with TIS with respect to the offering and sale of the Series 2024 Bonds.

INDEPENDENT AUDITORS

The audited financial statements of the Public University as of and for the years ended June 30, 2023 and June 30, 2022 included in APPENDIX B to this Official Statement have been audited by Grant Thornton LLP, independent certified public accountants, as stated in their report appearing in APPENDIX B to this Official Statement.

VERIFICATION OF MATHEMATICAL CALCULATIONS

Causey Demgen & Moore P.C. (the "Verification Agent") will verify, from the information provided to it, the mathematical accuracy, as of the date of delivery of the Series 2024 Bonds, of the computations contained in the provided schedules to determine that the amount to be deposited pursuant to the Escrow Deposit Agreement together with interest earnings on such amounts, will be sufficient to pay, when due, the principal, interest and call premium payment requirements, if any, of the Series 2014 A Bonds to be Refunded. The Verification Agent will express no opinion on the assumptions provided to it, nor as to the exemption from taxation of the interest on the Series 2024 Bonds.

MISCELLANEOUS

The references herein to the provisions of the Act, the Indenture, the Resolution, the Series 2024 Bonds, the Loan Agreement, the Escrow Deposit Agreement and the Continuing Disclosure Agreement do not purport to be complete and are made subject to the detailed provisions thereof to which reference is hereby made. Copies of the above referenced documents are available for inspection at the office of the Authority.

The information contained herein relating to the Authority under the headings, "THE AUTHORITY" and "LITIGATION - The Authority", has been obtained from the Authority. All other information herein has been obtained by the Underwriters from the Public University, the Underwriters and other sources deemed by the Underwriters to be reliable and is not to be construed as a representation of the Authority or the Underwriters. The Authority has not reviewed or approved any information in this Official Statement except the information under the headings, "THE AUTHORITY" and "LITIGATION - The Authority."

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

Appendices A, B, C, D, E, F and G, attached to this Official Statement are hereby expressly incorporated as a part hereof. The Authority has not participated in the making of statements contained with this Official Statement other than the information under the headings, "THE AUTHORITY" and "LITIGATION – The Authority", and does not represent that any such statement are accurate or complete for purposes of investors making an investment decision with respect to the Bonds. Except as otherwise stated, the Authority makes no representations or warranties whatsoever with respect to the information contained herein. The Official Statement is not to be construed as a contract or agreement between or among the Authority, the Public University, the Underwriters or the Beneficial Owners of the Series 2024 Bonds.

The information regarding the Public University contained in APPENDIX A attached hereto has been provided by the Public University.

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

Information herein regarding DTC has been provided by DTC.

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

NEW JERSEY EDUATIONAL FACILITIES AUTHORITY

By: *_/s/ Steven P. Nelson_*
Steven P. Nelson
Deputy Executive Director

Approved: March 21, 2024

MONTCLAIR STATE UNIVERSITY

By: *_/s/ Benjamin Durant_*
Benjamin Durant
Chief Operating Officer and Senior
Vice President, Finance & Administration

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APPENDIX A

CERTAIN INFORMATION REGARDING MONTCLAIR STATE UNIVERSITY

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INTRODUCTION

Montclair State University (hereinafter also referred to as "MSU" or the "University") is a public research university and is the second largest university in New Jersey based on total enrollment, with a total full-time equivalent enrollment for academic year 2023-2024 of 19,600 undergraduate and graduate students. The University was established in 1908 with a two-year curriculum, and in its 116 years of operation, has grown into a nationally-ranked research university. For the third consecutive year, in 2023 the incoming Fall class set a record as the largest incoming class in the University's history, and included students from 33 states and 35 countries. More than half of the Fall 2023 incoming class identify as minorities, and nearly 45% of the students are first-generation college students. The University is a public university created under the laws of the State of New Jersey (the "State") as an instrumentality of the State, and as such, it receives appropriations from the State that, together with tuition and other revenues of the University, support the finances and operations of the University.

The University has 13 degree-granting schools and colleges offering bachelor's, master's and doctoral degrees, with over 300 majors, minors, concentrations and certificate programs, including 33 fully-online bachelor's, master's and certificate programs. The University's mission statement includes the commitment to "serve the educational needs of the State with programs characterized by academic rigor and currency in the development of knowledge and its applications." The University's mission statement further states that "all University programs will develop in students the ability to discover, create, evaluate, apply and share knowledge in a climate characterized by tolerance and openness in the exploration of ideas." The University is designed to be supportive of the needs and learning experiences of its students, with an average class-size of 24 students and an average student to teacher ratio of 17 to 1.

The University is committed to maintaining a diverse community that is reflective of the diverse population of the State. The University is designated by the U.S. Department of Education as a Hispanic Serving Institution, a designation for institutions of higher education with an undergraduate full-time equivalent student enrollment comprised of at least 25% Hispanic students. As described in more detail below, the University acquired the former Bloomfield College, which is currently operating as Bloomfield College of Montclair State University, Inc. ("MSU-Bloomfield"), on June 30, 2023. Prior to its acquisition by the University, Bloomfield College was the only institution of higher education in the State designated by the U.S. Department of Education as a Predominantly Black Institution, a designation for institutions of higher education that meet certain eligibility requirements, including having a fulltime equivalent undergraduate student enrollment comprised of at least 40% black students. In addition to being designated as a Predominantly Black Institution, Bloomfield College was also designated as a Hispanic Serving Institution and a Minority Serving Institution, and was the only institution for higher education in New Jersey to attain all three such designations. Following the acquisition, the University is pursuing the continued foregoing federal designations for the MSU-Bloomfield campus.

The University's main campus is its 252-acre campus located primarily in Montclair, New Jersey and extending into the neighboring communities of Little Falls and Clifton, New Jersey. The MSU-Bloomfield campus is a 12-acre campus located in Bloomfield, New Jersey. Each of the University's campuses is conveniently located to access several of New Jersey's major train and bus routes, New York City, Newark Liberty International Airport, and many entertainment, sporting and cultural attractions located in New Jersey and New York City.

AWARDS AND RECOGNITIONS

Some recent recognitions of the University include:

- Wall Street Journal/College Pulse "2024 Best Colleges in the U.S." MSU ranked 37th among national public universities, 4th in New Jersey and 104th overall in the country;

- U.S. News & World Report "2023-2024 Best Colleges" MSU ranked 1st in New Jersey and 7th nationally in "Top Performers on Social Mobility", 11th nationally in graduation rate performance, 88th nationally in "Top Public School" and 113th nationally in "Best College for Veterans";

- U.S. News & World Report "2023-2024 Best Graduate Schools" ranked MSU graduate education program 2nd in New Jersey and 83rd nationally and graduate public health program 2nd in New Jersey and 150th nationally;

- Princeton Review ranked MSU's Feliciano School of Business among the top business schools nationally; and

- Newsweek "2024 Top Online Colleges" ranked MSU's online degree program 1st in New Jersey and 24th nationally.

The University is designated as an R2 Research Doctoral University by the Carnegie Classification of Institutions of Higher Education, a national recognition of universities with a high level of research activity.

MERGER WITH BLOOMFIELD COLLEGE

Bloomfield College was founded in 1868, and as described above, was the only institution for higher education in the State federally designated as a Minority Serving Institution, a Hispanic Serving Institution and a Predominantly Black Institution. Bloomfield College serves some of the neediest students in New Jersey, many of which are the first in their families to pursue and attain a college education. In 2021, following a decade of enrollment declines and financial challenges that were exacerbated by the COVID-19 pandemic, Bloomfield College sought a strategic partnership that would allow the college to continue operating to fulfill its mission to provide higher education to underserved students in the State. In March 2022, MSU, with assistance from the State, entered into an agreement to provide financial assistance to Bloomfield College to enable the college to continue to operate, while implementing a longer-term affiliation agreement with MSU. In October 2022, the two institutions announced a plan to merge Bloomfield College into the University.

On June 30, 2023, Bloomfield College was merged into MSU-Bloomfield and ceased operating as a separate legal entity. MSU-Bloomfield is a nonprofit corporation organized under the laws of the State of New Jersey and is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The University is the sole member of MSU-Bloomfield. The University is in the process of seeking federal and State regulatory approvals to merge MSU-Bloomfield into the University, at which time MSU-Bloomfield will cease to be separately incorporated, will be dissolved and will become a fully integrated part of the University. While there can be no guarantee as to the timing of the dissolution of MSU-Bloomfield and the full integration of MSU-Bloomfield into the University, the University is seeking to have the federal and State approvals completed, and the merger consummated, by June 30, 2024.

The University expects that, upon satisfaction of all conditions precedent to the merger, all students of MSU-Bloomfield will become MSU students on and as of July 1, 2024. Under the terms of the merger agreement, MSU-Bloomfield will be operated as a constituent college of the University and the University will offer its students an educational experience consistent with the history and mission of Bloomfield College. Full-time equivalent enrollment at MSU-Bloomfield for the 2023-2024 academic year exceeds 900 students. As of Fall 2023, tuition and fees for the students of MSU-Bloomfield are the same as the tuition and fees of the University, providing students with significant savings as compared to the standard tuition and fees previously charged by Bloomfield College. Approximately 66% of the faculty from the former Bloomfield College have been retained by MSU to continue to teach at MSU-Bloomfield. Students of MSU-Bloomfield take their in-person classes at the MSU-Bloomfield campus.

The post-acquisition implementation phase of the full integration of Bloomfield College into MSU is ongoing and is expected to take place over the next three years. The integration of MSU-Bloomfield into the University is being overseen by an executive steering committee chaired by the University's Provost and Senior Vice President for Academic Affairs and its Chief Operating Officer and Senior Vice President.

ACADEMIC PROGRAMS AND FACILITIES

Colleges and Schools of the University

The instructional programs of the University are distributed among 13 colleges and schools, offering over 300 degree and certificate programs. The University is accredited by the Middle States Commission on Higher Education, and has earned additional accreditations for specific programs in an additional 15 academic disciplines. The undergraduate programs are all rooted firmly in the liberal arts foundation provided by the general education requirements, designed to complement the discipline-specific emphasis of individual degree programs to produce a graduate who can communicate effectively, is able to think critically, is prepared to become a productive and responsible member of the local, national and global community and is ready to be a life-long learner. The post-baccalaureate programs offered by the University are designed to provide the knowledge and skills that working professionals need to advance or refocus their careers. In addition to traditional, in-person learning, the University offers 33 fully-online bachelor's, master's and doctoral degrees and certificate programs. MSU-Bloomfield is described above, and the other colleges and schools of the University are described below.

College of Humanities and Social Sciences (CHSS)

The largest of the colleges and schools, CHSS bears primary responsibility for the general education requirement. While the college is the repository of the liberal arts tradition at the University, it is also active in applying that tradition to contemporary needs and programs. The college's curriculum emphasizes the development of analytic skills, communication skills and social understanding. Degrees in this college are recognized as excellent preparation for a multitude of careers, or for professional and graduate study and the BA/MA combined degree programs enable the student to earn both the bachelor's and master's degrees in Psychology. The college provides students with several applied study options: internships, apprenticeships, and field study programs. Many departments offer clinical training or professional certificate programs, including teacher certification. A growing number of the faculty offer service-learning courses, in which coursework is linked to community development projects. Foreign language programs offer opportunities for students to immerse themselves in another language and culture through study abroad programs and through the use of a state-of-the-art computerized facility.

College of Education and Engaged Learning (CEEL)

CEEL offers a wide variety of accredited undergraduate and graduate programs that provide access to professional knowledge and expertise for a range of professions across three academic departments and six specialized centers and institutes. The three academic departments within CEEL are: Teaching and Learning; Educational Foundations; and Educational Leadership. MSU's teacher education program has been continuously accredited by the National Council for the Accreditation of Teacher Education since 1954 and is currently accredited through 2027.

The Department of Teaching and Learning is committed to preparing educators to work toward equity and justice in a range of education settings by combining well-informed educational approaches and teaching strategies with critical examination of relevant sociopolitical contexts. The Department of Educational Foundations offers courses designed to prepare public and private school educators, administrators, community educators and policymakers to meet the educational demands of diverse social, political, linguistic and cultural contexts. The Department of Educational Leadership includes master of arts and certification programs for aspiring leaders and administrators in both PK-12 and higher education.

The six specialized centers and institutes within CEEL are described below:

CEEL was also the first education program in the nation to create a formal structure, the Center of Pedagogy (CP), in which faculty from arts and sciences, education and the public schools are equal partners in the ongoing work of teacher education. CP brings together faculty experts from the arts and sciences, education, and the public schools as equal partners in the important work of teacher education. CEEL's teacher candidates experience deep learning that bridges theory and practice, allows for close mentoring, and facilitates critical, authentic and professional opportunities in the schools. MSU also established the MSU Network for Educational Renewal (MSUNER), housed within the CP. MSUNER this is the vehicle for MSU's partnership with 30 New Jersey school districts and over 13,000 professional educators.

The ADP Center for Learning Technologies (ADP Center) strives to enhance teaching, learning, and research through the incorporation of technology. The ADP Center provides services, training, and support, as well as access to state-of-the-art equipment. The ADP Center offers a variety of programs including workshops, seminars, and conferences as well as providing services such as room/lab rentals, media services, equipment use and 1:1 technology help.

Since its opening in 2005, the Ben Samuels Children's Center (BSCC) has served as a model of inclusive care and education for children ranging in age from infant through five years. BSCC has 12 classrooms which currently serve 127 children. BSCC also hosts The Jeffrey Dworkin Early Intervention Program (the "Dworkin Program") which serves children under the age of 3 with special needs. The Dworkin Program currently serves 115 families. BSCC also serves as a site where future generations of professionals are educated through research, observation and hands-on experience in inclusive early education.

The Center for Autism and Early Childhood Mental Health (CAECMH) began in September 2011 as a thought-leading center focused on professional formation and development, academic education and research, and clinical and family support services around the issues of infant and early childhood mental health and developmental differences and disabilities. Serving the University and neighboring communities as a resource on the issues of autism, infant and childhood development and mental health, CAECMH's programs include professional development and consultation, a post-graduate certificate program and continuing education, clinical services, and research.

The Center for Research and Evaluation on Education and Human Services (CREEHS) is a research and evaluation center that provides independent and objective evaluation, applied research and program planning services to institutions of higher education, community-based organizations, state and municipal agencies, school districts and foundations to assist them in meeting their specific goals and objectives related to education, public health and other human services.

The Institute for the Advancement of Philosophy for Children provides education (offering curriculum, teaching resources and professional development workshops in philosophy for children), advocacy of children's philosophy, and research.

College of Science and Mathematics (CSAM) (including the School of Computing)

For over a century, MSU has built academic programs encompassing science, technology, engineering and mathematics (STEM) fields. CSAM students have access to state-of-the-art facilities, technology and the opportunity to participate in research. CSAM encompasses the following departments and schools: Biology, Chemistry and Biochemistry, Earth and Environmental Studies, Mathematics, Physics and Astronomy, and the School of Computing. CSAM is committed to serving the needs of the region, State, nation and world. The activities vary from the Statistical Consulting Service, which provides consultation for small businesses, to grant and contract funded studies of land and water use, to continuing education courses for environmental professionals, to the New Jersey School of Conservation which provides outdoor education programs for precollege students from around the State.

The School of Computing within CSAM offers undergraduate degrees in Computer Science, Information Technology, Data Science and Applied Mathematics and Statistics, and graduate degrees in Computer Science, Information Technology, Data Science, Cybersecurity, Applied Mathematics, and Statistics. A number of 5-year combined degrees are also offered that allow students to combine an undergraduate area of study with a graduate area of study in a different area of computing.

The University also supports the Passaic River Institute for Environmental Research and Education to advance research and provide solutions to and education on environmental problems within the Passaic River watershed. CSAM is home to the PSE&G Institute for Sustainability Studies (which has become a member of the United Nation's Sustainability Development Goals Network), the Bristol-Myers Squibb Center for Science Teaching and Learning, the Sokol Institute for Pharmaceutical Life Sciences, and the Center for Quantitative Obesity Research, complete with clinical support and studies on this national epidemic. Programs offered by CSAM strive to provide students with a sound foundation and relevant depth for ongoing education and for careers in industry, education, and government.

Feliciano School of Business (SBUS)

SBUS offers a diverse portfolio of undergraduate and graduate programs through six departments and 11 concentrations. SBUS is accredited by Association to Advance Collegiate Schools of Business International (AACSB), the global leader in business education accreditation standards. Less than 5% of business schools worldwide have earned AACSB accreditation. SBUS is committed to preparing students for success. Programs are designed to build the skills and confidence necessary to thrive in a dynamic global marketplace. SBUS's Campus to Career Transitions program provides students with opportunities to participate in professional development activities and to regularly engage and connect with the business community. Graduates go on to work in all types of corporations, non-profit institutions, and in the public sector.

SBUS's Center for Entrepreneurship and Innovation is a resource for the entire campus as well as the regional entrepreneurial ecosystem. SBUS's Center for Business Analytics and Innovative

Technologies brings together students, faculty, alumni, and industry partners to foster discovery, development, and collaboration in business analytics and the application of innovative technologies. The Center for Business Analytics and Innovative Technologies is committed to creating and sharing knowledge rooted in the applications of business analytics and innovative technologies to help organizations, as well as communities and people, involved in business activities.

Part of the SBUS program is a student-managed investment fund, also known as Red Hawk Fund, launched in Fall 2018 through a collaboration of alumnus and industry experts. The Red Hawk Fund is a limited liability corporation, the sole member of which is the Montclair State University Foundation, Inc., a nonprofit corporation charged with soliciting and managing funds and property for the University (the "Foundation"). The Foundation has provided $600,000 to the Red Hawk Fund since its inception. The operations and performance of the Red Hawk Fund are supervised by one member of the Foundation's Board of Trustees and by one member of the Foundation's management. The Red Hawk Fund has a multi-asset mandate where students invest within and across broad asset classes such as global equities, equity sectors, fixed income and alternative assets. Students learn about various types of alternative strategies in the classroom and then research which funds they believe will be additive for inclusion in the Red Hawk portfolio. The Red Hawk Fund provides students with a real-world experience in institutional investing and portfolio management.

College of the Arts (CART) (including The J. Cali School of Music and the School of Communication and Media)

CART is a State-designated "Center of Excellence in the Arts," with national accreditation in all arts disciplines. The College of the Arts is comprised of the John J. Cali School of Music (the "School of Music"), The School of Communication and Media (the "School of Communication"), the Department of Art and Design and the Department of Theater and Dance.

CART students design for and perform in six well-equipped theatres, including the state-of-the-art Alexander Kasser Theater; four dance studios; a 100-seat auditorium; a 2000-seat amphitheater; and the intimate L. Howard Fox Theatre. Through its schools and departments, CART offers a range of opportunities for students to work with musicians, artists, dancers, actors and broadcasters in programs that combine professional training with career entry. CART recently announced a 3-year pilot program with the Royal Shakespeare Company, a renowned UK-based theater and educational company dedicated to promoting theater arts globally through the works of Shakespeare and other historical and contemporary playwrights. In addition to instructional programs, CART presents cultural events for the enrichment of the campus and the larger community as it seeks to stimulate public interest in the arts.

The CART School of Music is a comprehensive, professional school of music offering conservatory-level training in best-in-class facilities. Students choose from majors in performance, jazz studies, composition, music education, recording arts and production, and music therapy.

The CART School of Communication and Media offers degrees and programs in all disciplines of communication and media, such as film and television, communication, journalism and digital media, advertising, social media and public relations.

The CART Department of Art and Design offers a choice of majors and concentrations in animation/illustration, visual communication design, product design, fashion studies, art education and visual arts. All Art and Design students work and learn in fully equipped studios, then have the opportunity to exhibit work in on-campus galleries dedicated to student exhibitions.

The CART Department of Theater and Dance programs meet the rigorous standards required for accreditation by the National Association of Schools of Theatre (NAST) and Dance (NASD), distinctions that rank MSU's programs among the top theater and dance programs in the country. The Bachelor of Fine Arts (BFA) programs with concentrations in Acting, Dance, Musical Theatre, and Theatre Design, Technology, and Management prepares students for careers as performers, director/choreographers and backstage specialists. The Bachelor of Arts (BA) in Theatre Studies is designed for students wishing to pursue broad-based theatre-related careers. The BA in Dance prepares students to teach, train and inspire the next generation of dancers, dance-lovers and creative thinkers. MSU also offers a Master of Arts (MA) in Theatre Studies and a Master of Fine Arts (MFA) in Dance.

College for Community Health (CCHL)

CCHL is committed to teaching, research and service that promotes equitable healthcare and wellbeing for individuals, families, and communities in New Jersey and beyond. CCHL takes a multifaceted approach to: 1) educate and prepare students with the skills and knowledge necessary to meet growing workforce needs; 2) actively engage with communities and the public; and 3) develop meaningful inquiry and scholarship in and for the health and wellbeing of individuals, families, and communities. CCHL offers undergraduate and graduate programs in six academic departments: Communication Sciences and Disorders, Counseling, Exercise Science and Physical Education, Family Science and Human Development, Nutrition and Food Studies, and Public Health.

School of Nursing

The School of Nursing (the "School of Nursing") educates undergraduate and graduate students to engage in full scope practice as registered nurses to develop, implement, and evaluate compassionate, coordinated health care services through innovative collaboration with diverse communities. The School of Nursing's bachelor and master programs are accredited by the Commission on Collegiate Nursing Education. The School of Nursing's Simulation Center is a state-of-the-art facility for experiential learning. The Simulation Center's main purpose is to promote safe, evidence-based, quality care across the lifespan and healthcare continuum. Through simulation, nursing students learn to: communicate with persons, families and members of the inter-professional healthcare team; think critically in complex and demanding situations; and use emerging technologies to improve care outcomes. The Simulation Center facilities include a skills training laboratory, a home health care / tele-health suite, two fully-mediated lecture-style classrooms, five high-fidelity control and simulation rooms, and six health assessment rooms.

University College

University College prepares students who have not yet selected a major with the opportunity to explore their interests and abilities, to learn about the wide range of educational possibilities available to them at the University, to prepare academically to enter the major of their choice, and to make a smooth transition to that major. University College includes entering freshmen and transfer students, as well as continuing students who have not yet selected a major or who may be transitioning from one major to another. University College also houses the Bachelor of Arts in Liberal Studies program, designed for working adults over the age of 25 who are looking to continue their college education but need the support and flexibility of a non-traditional undergraduate degree program. Classes in this program are fully online and are scheduled in 8-week terms to provide maximum flexibility while allowing for an accelerated degree completion timeline.

The Graduate School

The University offers graduate programs in over 100 fields of study, and offers 8 doctoral programs in the following disciplines: audiology; clinical psychology; counseling; environmental science and management; family science and human development; industrial/organizational psychology; mathematics education; and teacher education and development. The Graduate School provides leadership and direction for the University graduate programs and strives to create a learning environment aligned with the University's overall teaching, research, and public service mission. By combining theoretical and applied studies, the Graduate School aims to prepare its students for achievement in the workplace, future educational opportunities, informed participation in today's increasingly complex world, and other leadership roles.

Online Degree Programs

MSU offers 33 fully-online undergraduate and graduate degree programs ("Montclair Online"). Montclair Online programs offer multiple paths for students to achieve personal and professional goals with undergraduate degree completion programs, bachelor's degree programs, and graduate certificate, certification, and master's degree programs. A collaborative, virtual learning community, online faculty, instructional designers, and student success staff provide an inclusive, online student experience designed to support the diverse needs and abilities of all learners. Montclair Online builds connections to campus resources and professional networks within and beyond the boundaries of the University to advance access to educational opportunities, upward mobility, and global competitiveness.

ATHLETIC PROGRAMS AND FACILITIES

The University is an NCAA school with teams competing in 17 different sports. MSU teams have won five NCAA national championships and over 280 MSU athletes have been named All-American in their respective sports. MSU's baseball teams and wrestling teams have won multiple national team and individual championships. MSU's athletic facilities include the MSU Soccer Park, MSU Softball Stadium, Panzer Athletic Center and Pool, Sprague Field and Yogi Berra Stadium. Yogi Berra Stadium, named after New York Yankees Hall of Famer and longtime Montclair resident, Yogi Berra, has been home to the MSU baseball team since 1999. The stadium has a permanent seating capacity of nearly 3,800 that expands to nearly 5,000 with lawn seating along the right field line. Adjacent to the stadium is the Yogi Berra Museum and Learning Center, which features various baseball memorabilia from Yogi Berra's playing days and a reconstruction of the original scoreboard from Yankee Stadium. MSU Softball Stadium holds approximately 265 seats and contains a press box, locker rooms, restrooms, storage and concession area. MSU Soccer Park at Pittser Field ("MSU Soccer Park") opened in 1998, holds 5,000 seats and is the home field for MSU's men's and women's soccer teams. MSU Soccer Park has been host for many conference and NCAA Tournaments, and from 2007-2013, it was the training site for the New York Red Bulls of Major League Soccer. In 2017, the Red Bulls' United Soccer League affiliate club, New York Red Bulls II, began using MSU Soccer Park.

GOVERNANCE OF THE UNIVERSITY

The governing body of the University, the Board of Trustees (the “Board”), currently consists of 12 voting and two non-voting members as follows:

- 11 citizens of the State of New Jersey, appointed for six-year terms by the Governor with the consent of the Senate, who are voting members (“Public Members”);
- 2 undergraduate students: 1 voting, 1 non-voting; and
- the President, non-voting.

The term of student trustees is two years, the first as a non-voting member, and the second as a voting member.

Pursuant to New Jersey Statutes Annotated 18A:6N-6, the Board is responsible for general supervision over the University. The Board has the power and duty to: determine the educational curriculum and program of the University; determine the policies for the organization, administration and development of the University; establish tuition and fees; disburse all monies appropriated to the University and all monies received from tuition, fees, auxiliary services and other sources; manage the University’s property; appoint and fix compensation for the President and other professional members of the academic, administrative, and teaching staffs; and confer degrees.

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The current trustees are listed below. Public Members of the Board whose terms have expired continue to serve on the Board until their successors are appointed and qualified.

Name/N.J. Residence	Occupation	Expiration of Term (June 30)
VOTING:		
Mr. Anthony Abrantes (East Hanover)	Assistant Secretary-Treasurer, Eastern Atlantic State Regional Council of Carpenters	2026
Ms. Rose C. Cali (Cedar Grove)	Education Advocate and Founder, Yogi Berra Museum and Learning Center	2021
Ms. Mary Comito (Secretary) (Roseland)	Insurance and Financial Advisor State Farm	2017
Dr. Francis M. Cuss (Bernardsville)	Retired Executive Vice President and Chief Scientific Officer Bristol-Myers Squibb Company	2017
Mr. Jean Marc de Grandpre (Old Tappan)	General Manager of the New York Red Bulls and Red Bull Arena	2018
Mr. Sreeni Kutam (Vice-Chair) (Ramsey)	President, Global Product & Innovation ADP Corp.	2026
Ms. Tracy Higgins (Montclair)	Professor, Fordham University School of Law	2023
Mr. Ralph A. LaRossa, (Allendale)	President and Chief Executive Officer, PSEG Power	2022
Mr. William T. Mullen (Succasunna)	President, N.J. State Building & Construction Trades Council, AFL-CIO	2022
Mr. Preston D. Pinkett III (Gladstone)	Banking Executive/Consultant	2019
Mr. Kent Sluyter (Chair) (Lebanon)	Retired Financial Services Executive	2018
Ms. Mariana Luna Martinez	Student	2024
NON-VOTING:		
Dr. Jonathan G.S. Koppell (Montclair)	President, Montclair State University	(N/A)
Mr. Artem Beliavski	Student	2024

Senior Administrative and Academic Officers

Key members of the University's senior management and academic officers include the President, the Provost and Senior Vice President for Academic Affairs, the Chief Operating Officer and Senior Vice President, Finance & Administration, the Vice President for Finance and Treasurer, the Vice President for Student Development and Campus Life, the Vice President for University Facilities, the Vice President for Development and Alumni Engagement, and the Vice President, Enrollment Management. The position of Vice President for Finance and Treasurer is currently held on an interim basis by Michael Galvin. He has submitted a resignation notice which resignation will take effect on April 2, 2024. The University is currently undertaking a search for a permanent appointment to this position.

Jonathan G.S. Koppell
President

Jonathan G.S. Koppell became the University's ninth president on August 2, 2021. Before beginning his tenure as President of the University, President Koppell served as dean and vice provost for public service and social impact of Arizona State University's (ASU) Watts College of Public Service and Community Solutions ("Watts College"), the nation's largest comprehensive public affairs college. During his tenure at ASU, he guided Watts College to add approximately 20 new degree programs, expand its online offerings and global programs, launch a unique joint college in Hainan, China, and create the nation's first Public Service Academy. While at Watts College, President Koppell built partnerships with community organizations and launched programs to serve the public interest, increasing student access and success, advancing diversity among the faculty and college leadership, and enhancing research expenditures and philanthropic support. Prior to joining Watts College, President Koppell began his academic career at Yale University, where he held faculty appointments in the School of Management and led the Milstein Center for Corporate Governance Performance.

President Koppell has researched and written books and other academic works examining the design and administration of complex organizations in the public, private and nonprofit sectors, and global and corporate governance. He serves on the boards of several nonprofit organizations and has been a visiting scholar at the Brookings Institution, a Markle Fellow at the New America Foundation and a Fulbright Lecturer in Shanghai, China.

President Koppell earned doctoral and master's degrees in political science from the University of California – Berkeley and a baccalaureate degree in government from Harvard University. At Watts College, he held the endowed Lattie and Elva Coor Presidential Chair as Professor of Public Administration and Policy and is a Fellow of the National Academy of Public Administration. At MSU, he is a tenured faculty member in political science.

Dr. Junius Gonzales
Provost and Senior Vice President for Academic Affairs

Dr. Gonzales joined the University in March 2022 as Provost and Senior Vice President for Academic Affairs. Dr. Gonzales is designated as the second highest ranking University official and leads the University's academic programs for teaching, research, scholarship and creative inquiry and service in ten of MSU's schools and colleges, and is responsible for academic planning, new initiatives in teaching and learning, faculty and academic staff development, and the libraries. He also oversees institutional assessment and accreditation, office of research, and student success efforts through University College, academic student services (e.g., tutoring), and special MSU student programs such as Upward Bound and Educational Opportunity Fund.

Dr. Gonzales has held high-level leadership roles in academia, the federal government, and the private sector. Prior to joining the University, Dr. Gonzales served as New York Institute of Technology's provost and vice president for Academic Affairs from 2018-2022. He served as chief academic officer and senior vice president for Academic Affairs at the 17-campus University of North Carolina System from January 2015 through May 2018 and was interim president of the system from January to March 2016. Dr. Gonzales previously has served as provost and vice president of academic affairs at the University of Texas at El Paso. He has also previously served as the founding dean of the College of Behavioral & Community Sciences and executive director of the Louis de la Parte Florida Mental Health Institute at the University of South Florida.

Dr. Gonzales is the recipient of numerous awards and recognitions. Most recent examples include the New York City Hispanic Chamber of Commerce 2021 Educational Excellence Award, One of the New York State's Responsible 100, Diversity in Business Award, Nassau County's Hispanic Education Advocate of the Year, and the Long Island Hispanic Chamber of Commerce Award for Academic Excellence. He is also currently on the board of directors for the national Association of Chief Academic Officers as well as the American Association of University Administrators. Dr. Gonzales has performed national service with recent appointments on the Executive Committee of the Council on Academic Affairs for the Association of Public & Land-Grant Universities (APLU), Harvard's Collaborative on Academic Careers in Higher Education (COACHE) National Advisory Committee, a National Academies STEM Work Group, and on several federal agency advisory councils. He has performed research and published in the areas of health disparities, mental health, research infrastructure, community partnered participatory research, and non-cognitive factors in undergraduate students.

Dr. Gonzales holds an A.B. from Brown University, an M.D. with honors from the University of Pennsylvania and an M.B.A. with honors from the University of Maryland. A psychiatrist by training, he completed his residency at Massachusetts General Hospital and a post-doctoral fellowship at the National Institute of Mental Health.

Benjamin C. Durant III
Chief Operating Officer and Senior Vice President, Finance & Administration

Benjamin C. Durant III, a financial management executive with extensive experience in higher education and local government, joined the University in June 2023 and serves as Chief Operating Officer and Senior Vice President, Finance & Administration. In this newly created role, Mr. Durant provides executive leadership and oversight of the University's financial and administrative operations and oversight over the University's operating budget and core operational areas including human resources, information technology, finance, business services and facilities.

Prior to joining the University, in April 2022 Mr. Durant was appointed to serve as Interim Chief Financial Officer for New Jersey City University to assist the university in addressing financial challenges. From 2010 to 2021, Mr. Durant held vice presidential roles for Guilford College, North Carolina Central University and Elizabeth City State University. His career in academia followed 13 years in municipal government with the City of Asheville, North Carolina, including several years as its Chief Financial Officer. Mr. Durant earned his bachelor's degree in political science from Elizabeth City State University and a Master of Public Administration in local government finance from University of North Carolina at Chapel Hill.

Michael Galvin
Interim Vice President for Finance and Treasurer

In March 2022, Mr. Galvin was appointed as Interim Vice President for Finance and Treasurer of the University. Mr. Galvin joined MSU in 2014 as its Controller and in 2017 was promoted to Associate Vice President for Finance. Prior to joining the higher education industry, Mr. Galvin had a 26-year career in the not for profit industry where he held the position of Vice President for Finance & Treasurer for several not for profit organizations, including the Muscular Dystrophy Association and the American Lung Association. Mr. Galvin earned his bachelor's degree in Accounting from Rutgers University and is licensed as a Certified Public Accountant and Certified Global Management Accountant in the State.

Dr. Dawn Meza Soufleris
Vice President for Student Development and Campus Life

Dr. Dawn Meza Soufleris joined the University in April 2021 as the Vice President for Student Development and Campus Life at MSU. In this position, Dr. Soufleris oversees the Student Development and Campus Life (SDCL) division of the University, which includes: The Dean of Students Office, Campus Business Services, Athletics & Recreation, Office of Student Belonging, Center for Student Involvement, Counseling and Psychological Services, Emergency Management Services, Greek Life, Health Promotions, Office of Social Justice and Diversity, Residence Life, Student Conduct, Student Health Center, and the University Police Department.

Prior to joining the University, Dr. Soufleris served as the Vice President for Student Affairs and Enrollment Management at La Salle University in Philadelphia for five years. Prior to La Salle, she was in a variety of positions at the Rochester Institute of Technology over a 25-year period, and served as the Associate Vice President for Student Affairs before she left for La Salle. She also worked in the field of Student Affairs at Le Moyne College and Binghamton University.

Dr. Soufleris' areas of interest and research include Title IX, student development theory and the transition to college life, first generation students and the impact of student engagement on retention. Dr. Soufleris holds a bachelor's degree in history and pre-law and a master's degree in secondary education and teaching from the State University of New York at Binghamton, a PhD in Sociology from the University of Buffalo and a certificate in higher education law from Drexel University.

Shawn Connolly
Vice President for University Facilities

Mr. Connolly was appointed Vice President for University Facilities in 2016 with the responsibility for all units within University Facilities, after having served as the Associate Vice President for Facilities Maintenance & Engineering since joining the University in 2012. Prior to joining the University, he was the Head of Facilities at the Princeton University Plasma Physics Laboratory in Princeton, New Jersey. Mr. Connolly holds a BS in Nuclear Engineering Technology from Thomas Edison State College and MS in Engineering Management from New Jersey Institute of Technology.

Rita L. Walters
Vice President for Development and Alumni Engagement

Rita L. Walters joined the University as Vice President for Development and Alumni Engagement in July 2023. She oversees all aspects of the University's development operation, which includes major gifts, planned giving, corporate and foundation relations, alumni engagement, annual giving and donor relations, and the Montclair State University Foundation. Ms. Walters has more than 20 years of experience raising funds for higher education institutions and nonprofit organizations. Prior to joining the University, she served as Vice President of Development and Alum Relations at Union Theological Seminary in New York City. She has also served as the chief development officer for Catholic Charities of Maryland, Maryland Institute College of Art and the Washington National Cathedral, and worked as Senior Associate Director of Development for Johns Hopkins University and Director of Development for the Baltimore Presbytery. Ms. Walters holds a master's degree and graduate certificate from Johns Hopkins University and a bachelor's degree in Accounting from Fairleigh Dickinson University.

Wendy Lin-Cook
Vice President, Enrollment Management

Wendy Lin-Cook has served as the Vice President, Enrollment Management at the University since June 2020, where she provides oversight to the full range of the University's enrollment activities, including Undergraduate Admissions, Graduate Admissions, Office of Global Engagement, Student Financial Aid, the Office of the Registrar, Red Hawk Central, enrollment management data and the Enrollment Management division at MSU-Bloomfield. Prior to joining the University, Ms. Lin-Cook served as Associate Provost for Enrollment Management and Academic Services at NJIT and previously served as Associate Vice President for Admissions at NJIT. She has also previously held positions at Felician College and Seton Hall University. Ms. Lin-Cook earned a B.B.A. in Banking and Finance, an M.A. in Humanities from Hofstra University, and a Ph.D. in Higher Education Leadership, Management and Policy from Seton Hall University.

FACULTY, ENROLLMENT AND STUDENT DATA

The information presented in this section relating to faculty, enrollment and other student date is for MSU only and does not include any data relating to MSU-Bloomfield.

Faculty Data

For the 2023-2024 academic year, the University faculty totals 1,131 full-time equivalents, with 85% of the full-time teaching faculty holding doctoral (or the appropriate terminal) degrees. The overall student to teacher ratio in academic year 2023-2024, including part-time instructors, is 17 to 1. The number of tenured versus non-tenured full-time faculty for the past five academic years is as follows:

Academic Year*	Tenured	Non-Tenured	Total
2019-20	407	236	643
2020-21	420	199	619
2021-22	425	189	614
2022-23	437	203	640
2023-24	442	233	675

*Fall term only

Enrollment Data

The University experienced record-setting enrollment for the third consecutive year for the Fall 2023, with its largest ever incoming class, largest overall enrollment, and largest returning student rate of enrollment. To continue this trend, the University is focused on three key strategies to continue to grow enrollment: (i) strategic investment in recruitment of out-of-state and international students; (ii) strategic use of scholarships and financial aid as a recruitment tool, and (iii) strategic investment and initiatives to retain students and to re-engage and recruit students, including adult students, who paused their education prior to completion of their degree. The University has partnered with INTO University Partnerships to help attract and recruit international students to the University. Full-time equivalent and actual enrollment for the University for the past 5 academic years is set forth below.

Undergraduate Enrollment
Fall Term

Academic	Full-Time		Part-Time		Total	
Year*	FTE (1)	Actual (2)	FTE (1)	Actual (2)	FTE (1)	Actual (2)
2019-20	14,726	14,859	857	1,828	15,583	16,687
2020-21	14,425	14,543	876	1,831	15,301	16,374
2021-22	14,052	14,361	832	1,732	14,884	16,093
2022-23	15,209	15,428	831	1,862	16,040	17,290
2023-24	16,097	16,268	824	1,794	16,921	18,062

Graduate Enrollment
Fall Term

Academic	Full-Time		Part-Time		Total	
Year*	FTE (3)	Actual (2)	FTE (3)	Actual (2)	FTE (3)	Actual (2)
2019-20	1,362	1,545	1,132	2,775	2,494	4,320
2020-21	1,487	1,690	1,189	2,941	2,675	4,631
2021-22	1,464	1,659	1,173	2,992	2,637	4,651
2022-23	1,500	1,693	1,081	2,801	2,581	4,494
2023-24	1,648	1,888	1,031	2,620	2,679	4,508

*Fall term only
(1) Undergraduate FTE is calculated by dividing total semester credits by 15.
(2) Head count for fall semester.
(3) Graduate FTE is calculated by dividing total semester credits by 12.

Degrees Conferred

Academic Year	Bachelor's Degrees Awarded	Master's Degrees Awarded	Doctoral Degrees Awarded
2018-19	4,013	1,263	37
2019-20	3,760	1,269	43
2020-21	3,771	1,405	39
2021-22	3,712	1,479	39
2022-23	3,788	1,524	48

Admissions Data for First-Time Freshmen

Fall Term	Applicants	Accepts	% Accepts	Enrollments	% Enrolled
2019	12,729	9,713	76	3,101	32
2020	11,888	9,827	83	3,136	32
2021	18,691	16,936	91	3,491	21
2022	21,393	19,535	91	3,946	20
2023	23,599	20,629	87	4,039	20

Mean SAT Scores and Class Rank of Full-Time Freshmen

In Fall 2015, the University began a test-optional policy for undergraduate admissions. Below are the average SAT scores of students who elected to submit test scores and the average class ranking of incoming, full-time freshman for the last five completed academic years.

Fall Term	2019	2020	2021	2022	2023
Verbal Mean Score	547	538	552	548	548
Math Mean Score	538	528	551	530	530
Combined Score	1085	1066	1104	1078	1078
Mean Class Rank (percentile)	64	63	60	58	61

TUITION, FEES AND CHARGES

The Board has the authority to set tuition, room and board and university fees. Charges for fiscal years 2023 and 2024 are shown below:

Montclair State University Tuition, Fees and Charges

Tuition	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Undergraduate, Flat Rate		
State resident	$6,377.40 per semester [1]	$6,825.00 per semester [1]
Non-resident	10,732.35 per semester [1]	11,480.00 per semester [1]
Undergraduate, Per Credit Rate		
State resident	$425.16 per credit hour	$455.00 per credit hour
Non-resident	715.49 per credit hour	765.00 per credit hour
Graduate Students		
State resident	$763.37 per credit hour	$809.00 per credit hour
Non-resident	763.37 per credit hour	809.00 per credit hour
International	831.60 per credit hour	905.00 per credit hour
MBA Students		
Main Campus Program	$38,300 (total program cost)	$38,300 (total program cost)
Hybrid/Saturday Program	38,300 (total program cost)	38,300 (total program cost)
MBA Online Program	32,100 (total program cost)	32,100 (total program cost)
State-resident	Assessed at specific program per credit rate	Assessed at specific program per credit rate
Non-resident	Assessed at specific program per credit rate	Assessed at specific program per credit rate
MFA Students		
MFA Dance Program	$32,890 (total program cost)	$34,000 (total program cost)
Room and Board		
Village Double	$5,500.00 per semester	$5,665.00 per semester
Board rate- Your Choice (Unlimited + 48 Blocks w/$250 Flex)	2,615.00 per semester	2,800.00 per semester
Mandatory Fees-Undergraduate	$30.30 per credit hour	$31.93 per credit hour
Mandatory Fees- Graduate	30.30 per credit hour	31.93 per credit hour

[1] Flat Rate tuition assessed to full-time students registering for 12-18 credits per semester.

The tables below show MSU's undergraduate and graduate in-state tuition and fees for the current academic year as compared to other New Jersey public institutions of higher education. The comparison below demonstrates the economic value and relative affordability of the University as compared to other New Jersey public institutions.

New Jersey's Senior Public Colleges and Universities Annual
Undergraduate Tuition and Fees *(N.J. Residents)*
Academic Year 2023-2024

New Jersey Institute of Technology	$19,022
The College of New Jersey	$18,705
Rutgers University	$17,697
Ramapo College	$15,978
Rowan University	$15,700
Stockton University	$15,532
William Paterson University	$15,150
Montclair State University	**$14,766**
New Jersey City University	$13,971
Kean University	$13,426

Notes:
1. Excludes Thomas Edison State University
2. Source: Institutional websites
3. Rutgers rates are based on the New Brunswick campus and the median of the following schools - Arts & Sciences, Mason Gross, Environmental and Biological Sciences, Business School, Management & Labor Relations, and Nursing.

New Jersey's Senior Public Colleges and Universities Annual
Graduate Tuition and Fees *(N.J. Residents)*
Academic Year 2023-2024

New Jersey Institute of Technology	$25,650
Rutgers University	$25,864
The College of New Jersey	$23,544
Rowan University	$23,527
Stockton University	$22,008
Ramapo College	$20,444
Montclair State University	**$20,182**
New Jersey City University	$19,793
William Paterson University	$19,732
Kean University	$18,630

Notes:
1. Excludes Thomas Edison University
2. Source: Institutional websites
3. Rutgers rates are based on the New Brunswick campus and is in average of all graduate schools, except: Pharmacy, Engineering, Nursing (PhD)

STUDENT FINANCIAL AID

The University's students are the direct recipients of various governmental financial assistance programs or grants based upon need or academic excellence. Grant and scholarship funding for the University's students has increased in recent years. The University has steadily increased funds allocated from the operating budget, but the biggest increases have come from state and federal programs. Funding for the University's students from the New Jersey Tuition Aid Grant Program has increased 65% from fiscal year 2021 to fiscal year 2024 ($34.5 million in fiscal year 2021 to $57 million in fiscal year 2024 (excluding summer 2024 grants)). There has also been a steady increase in funding from the Federal Pell Grant Program, a 10% increase from fiscal year 2021 to fiscal year 2024 ($37.3 million in fiscal year 2021 and $48.2 million in fiscal year 2024 (excluding summer grants)).

Over 40% of undergraduate students qualify for Pell Grants and TAG Grants. In Fiscal year 2024, 27% of undergraduates are receiving the maximum Pell Grant of $7,395 and 17% are receiving the maximum TAG Grant of $10,964. The tuition and fee charges for fiscal year 2024 are $14,766 so students receiving maximum grants in both the Pell and TAG programs have their tuition and fees covered in full by the grants and if they are commuting receive refunds each semester of close to $1,800.

The table below summarizes student financial assistance awards for the five most recently completed academic years.

Financial Aid
($ in 000's)

Programs	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Federal Financial Aid					
Pell Grant	$37,257	$37,456	$37,670	$38,713	$43,656
FSEOG - Federal Supplement Educational Opportunity Grants	1,110	1,066	1,336	1,581	1,434
Federal Work-Study	775	754	462	553	656
Perkins Loan Program	-	-	-	-	-
Total Federal Aid	$39,142	$39,276	$39,468	$40,847	$45,746
State Financial Aid					
State Scholarships and Grants	$4,100	$3,948	$2,523	$3,109	$3,341
Educational Opportunity Fund	871	983	1,061	1,071	1,286
Tuition Aid Grants	34,769	34,032	34,592	45,594	54,443
Total State Aid	$39,740	$38,963	$38,176	$49,774	$59,070
University Financial Aid	$16,808	$23,569[1]	$28,812[2]	$62,951[3]	$26,534[4]
Total Student Financial Aid	$95,690	$101,808	$106,456	$153,572	$131,350
Percentage of Student Tuition & Fees	39%	41%	42%	60%	47%
Percentage of Net Student Revenues	44%	47%	53%	72%	61%

(1) Includes Cares Act of $5.60M
(2) Includes Cares Act and HEERF Grants of $11.9M
(3) Includes Cares Act and HEERF Grants of $41.3M
(4) Includes Cares Act of $1.90M

BUDGETING PROCEDURES OF MONTCLAIR STATE UNIVERSITY AND STATE APPROPRIATIONS

The University is an instrumentality of the State and as such, it receives annual appropriations from the State that, together with tuition and other revenues of the University, support the finances and operations of the University. For fiscal year 2024, Governor Murphy requested funding for operations of the State senior public institutions of higher education in the amount of $805 million and an additional Outcomes Based Appropriation in the amount of $80 million. Based on the adjusted fiscal year 2024 appropriations as reported by New Jersey Office of Management and Budget, the State has appropriated $883 million for operating support of the senior public institutions of higher education and an additional $150.5 million in Outcomes Based Appropriations in fiscal year 2024. In his fiscal year 2025 proposed budget, Governor Murphy has requested funding for operations of the State senior public institutions of higher education in the amount of $813 million, plus an additional Outcomes Based Appropriation in the amount of $151 million. The Outcomes Based Appropriation allocation is an additional funding mechanism for the State public institutions of higher education aimed at advancing the State's goals of equity and improving student outcomes in higher education. Starting in fiscal year 2023, the State made a supplemental appropriation to the State public research institutions to provide an offset for fringe benefit costs charged to federally funded research activities. The supplemental appropriation for State public research institutions for supplemental fringe support was $35.0 million for fiscal year 2023 and is expected to be $70 million for fiscal year 2024.

Each year, the University submits an anticipated operating budget to the New Jersey Office of the Secretary of Higher Education and the New Jersey state treasury department. Included in this budget are state appropriations and support for educational and general operating expenditures of the University. For fiscal year 2025, the University submitted an appropriation request to the State for University general operations (exclusive of the State standard fringe benefits appropriation) of $79,696,000, as compared to $75,131,000 requested for fiscal year 2024. During the year, the State remits regular appropriations funding to the University to support these activities. Auxiliary enterprise units are operated on a self-supporting basis.

On June 29, 2021 Governor Phil Murphy signed legislation funding the Garden State Guarantee (GSG) program effective beginning the Fall 2022 semester as a means to making college more affordable and providing direct support to students and families. Funding for the GSG program is based on State annual appropriations. The GSG program is a financial aid program that may provide up to four semesters of free tuition and fees for New Jersey junior or senior students enrolled at New Jersey's four-year public institutions of higher education based on the family's federal Adjusted Gross Income (AGI), as follows:

- A student with a family AGI between $0 and $65,000 will be eligible for free tuition and general fees.
- If a student's/parent(s)' adjusted gross income is between $65,001 to $80,000, students will be able to receive assistance so their net cost for tuition and fees (out of pocket cost) is no more than $7,500 total for the fall and spring semesters combined ($3,750 per term).
- If a student's/parent(s)' adjusted gross income is between $80,001 to $100,000, students will be able to receive assistance so their net cost for tuition and fees (out of pocket cost) is no more than $10,000 total for the fall and spring semesters combined ($5,000 per term).

The Office of Budget and Planning develops an annual operating budget for the University in consultation with the University's Deans, Vice Presidents, the Provost Office, and the President's Office, with final decisions made by the University President. After the State budget is approved by the legislature and enacted into law, the University's Board approves the annual operating budget. Thereafter, the responsibility for budgetary control rests with the University's President, with delegation of day-to-day oversight to the Budget team and the individual unit managers.

Legislative Appropriations

For fiscal year 2023, the State made a one-time appropriation relating to Bloomfield College in the amount of $12.992 million, which is reflected in the fiscal year 2023 appropriation amount shown in the table below. In addition, for fiscal year 2023, the State made a supplemental appropriation to the State public research institutions to provide an offset for fringe benefit costs charged to federally funded research activities. This supplemental appropriation is not included in the State's standard fringe benefit appropriation. For fiscal year 2023, the University received a supplemental appropriation in the amount of $2.20 million relating to this additional state funding, which is reflected in the fiscal year 2023 appropriation amount shown below. The fiscal year 2024 supplemental appropriation for additional fringe support has not yet been disbursed by the State to the public research universities, but is expected to be disbursed prior to the end of the fiscal year. Based on information provided to the University by the New Jersey Office of the Secretary of Higher Education, the University anticipates receiving a supplemental appropriation for research-related fringe support in the amount of $4.70 million. The University anticipates that State appropriations for fiscal year 2024 for operations, including the estimated $4.70 million supplemental appropriation for research-related fringe support, will total $79.896 million as shown in the table below, which will be $7.40 million higher than fiscal year 2023 appropriations of $72.429 million (exclusive of the $12.992 million one-time appropriation relating to Bloomfield College in fiscal year 2023).

New Jersey State legislative appropriations made to the University for general operations (including Outcomes Based Allocation and, starting with fiscal year 2023, supplemental fringe support for research institutions) and the University's related operating budget amounts for the current fiscal year and the previous four fiscal years are set forth in the table below.

Fiscal Year Ended June 30	Legislative Appropriations	Operating Budget
2020	$34,813	$411,503
2021	47,155	433,331
2022	63,301	447,825
2023	85,421*	485,558
2024	79,896**	559,984

*Fiscal year 2023 appropriation included a one-time appropriation relating to Bloomfield College in the amount of $12.992 million and reflects the $2.20 million supplemental appropriation for research-related fringe support.
**Fiscal year 2024 appropriation includes $1.80 million related to MSU-Bloomfield Outcomes Based Appropriation and includes the estimated $4.70 million supplemental appropriation for research-related fringe support expected to be received from the State prior to the end of the fiscal year.

CERTAIN FINANCIAL INFORMATION

The summary financial information relating to the University included herein should be read in conjunction with the audited financial statements of the University which are included in Appendix B to this Official Statement. As an instrumentality of the State, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, the University is a component unit of the State for financial reporting purposes. The accounting policies of the University conform to accounting principles generally accepted in the United States (U.S. GAAP) as applicable to public colleges and universities. The following tables present the University's financial position during the last five fiscal years and have been compiled from the audited financial statements of the University.

Statements of Revenues, Expenses and Changes in Net Position as of June 30 ($ in 000's)

Fiscal Year	2019	2020	2021	2022	2023
Operating revenues					
Net student revenues	$219,305	$216,519	$200,886	$214,523	$234,784
Federal grant and contracts	10,251	10,800	11,867	16,240	21,581
State of New Jersey grants and contracts	39,133	37,416	38,249	49,240	59,853
Nongovernmental grants and contracts	8,773	5,561	2,893	3,714	5,363
Sales and services of educational departments	7,178	5,591	4,579	6,296	6,353
Auxiliary enterprises	21,672	19,406	14,758	20,237	19,736
Other operating revenues	14,240	12,565	12,960	15,026	16,391
Total operating revenues	$320,552	$307,858	$286,192	$325,276	$364,061
Operating expenses					
Instruction	$149,779	$141,278	$135,000	$140,219	$145,147
Research	17,513	18,459	18,612	19,667	28,870
Public service	15,554	13,263	12,535	17,567	19,187
Academic support	33,517	33,594	31,636	35,582	42,707
Student services	18,102	17,112	17,041	20,159	28,824
Institutional support	54,477	51,788	53,444	52,209	75,628
Operations and maintenance of plant	42,732	36,460	34,655	33,666	37,728
Depreciation and amortization	52,151	48,878	56,237	59,058	61,242
Student aid	16,808	23,569	28,812	62,950	26,785
Residence life and auxiliary enterprises	58,305	56,773	43,092	53,066	59,469
Total operating expenses	$458,938	$441,174	$431,064	$494,143	$525,587
Operating (loss) income	($138,386)	($133,316)	($144,872)	($168,867)	($161,526)
Nonoperating revenues (expenses)					
State of New Jersey appropriations	$35,859	$34,813	$47,155	$63,301	$85,421
State of New Jersey paid fringe benefits	40,018	40,767	40,985	41,483	43,290
Pell grants	37,257	37,456	37,670	38,713	48,095
Pandemic related financial assistance	-	11,293	48,396	62,653	18,198
State paid other postemployment health benefits	16,782	1,665	7,584	4,271	(8,934)
Gifts and non-exchange grants	1,837	5,185	6,301	3,886	6,748
Gain on government combination	-	-	-	-	58,196
Unrealized and realized losses on investment securities	1,853	2,330	(468)	(3,561)	(2,692)
Investment income, net of investment expenses	3,107	2,366	753	803	6,334
Interest on indebtedness	(14,928)	(14,273)	(14,030)	(17,231)	(18,131)
Administrative costs	(196)	(187)	(178)	(166)	(161)
Gain (loss) on disposal of capital assets	-	-	10	9	-
Other nonoperating revenues	589	447	1,058	1,160	4,690
Net nonoperating revenues	$122,178	$121,862	$175,236	$195,321	$241,054
Income before other revenues	($16,208)	($11,454)	$30,364	$26,454	$79,528
Other revenues					
Capital gifts and grants	$412	$1,197	$308	$253	$514
Loss from discontinued operations	-	(1,260)	(19)	-	-
Increase in net position	($15,796)	($11,517)	$30,653	$26,707	$80,042
Net position					
Beginning of year	$281,356	$265,560	$254,043	$284,696	$311,403
End of year	$265,560	$254,043	$284,696	$311,403	$391,445

FY23 includes MSU-Bloomfield.

Statement of Net Position as of June 30
($ in 000's)

Fiscal Year	2019	2020	2021	2022	2023
Assets					
Cash & cash equivalents (including restricted)	$28,975	$33,584	$66,899	$69,149	$52,516
Investments	113,892	84,095	78,817	96,828	154,948
Assets held under bond indenture agreements	31,104	24,477	23,232	21,563	21,417
Accounts & loans receivable, net	34,380	38,873	34,301	33,071	41,736
Rent receivables	-	25,069	25,706	26,001	28,442
Capital assets, net	914,203	949,784	926,234	890,175	932,142
Other assets	1,515	2,151	2,646	3,529	5,626
Total assets	$1,124,069	$1,158,033	$1,157,835	$1,140,316	$1,236,827
Deferred outflows of resources	$45,408	$30,371	$27,287	$28,375	$31,312
Liabilities					
Bonds payable & other debt	$413,622	$398,423	$383,547	$367,709	$383,969
Lease payable	-	31,639	27,593	23,700	21,971
Subscription payable	-	-	9,237	7,172	23,707
Accounts payable & accrued expenses	41,083	39,829	38,008	45,705	48,586
Net pension liability	195,357	192,948	187,893	170,948	174,695
Unearned tuition and grant revenues	10,007	11,514	11,506	11,530	10,918
Other liabilities	10,060	9,115	7,134	5,081	6,849
Total liabilities	$670,129	$683,468	$664,918	$631,845	$670,695
Deferred inflows of resources	$233,788	$250,893	$235,508	$225,443	$205,999
Net position					
Net investment in capital assets	$279,572	$308,902	$306,334	$301,414	$322,233
Restricted nonexpendable	-	-	-	-	13,578
Restricted expendable	31,105	25,127	24,598	23,186	29,201
Unrestricted net position (deficit)	(45,117)	(79,986)	(46,236)	(13,197)	26,433
Total net position	$265,560	$254,043	$284,696	$311,403	$391,445

FY23 includes MSU-Bloomfield.

Plant Values

The University's investment in plant at June 30, 2023 is shown below ($ in millions).

Land	$41.2
Infrastructure, Buildings and improvements (1)	770.1
Equipment and Other Assets (1)	109.1
Construction in Progress	11.7
Total	$932.1

(1) Net of accumulated depreciation

Foundation

The Foundation is a New Jersey nonstock, not-for-profit corporation governed by a board of trustees that is separate from the University and its Board. The Foundation was established for the benefit of the University to aid in obtaining additional resources to meet the needs of the University. The Foundation strives to raise funds from subscriptions, gifts, bequests and other devises and uses such funds as appropriately determined by its board of trustees for the benefit of the University. The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Because the Foundation's resources can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University.

Total fundraising by the Foundation for the fiscal year ended June 30, 2023 was $11.73 million, of which alumni participation accounted for 53.7% of gifts. Fiscal year 2023 fundraising efforts highlighted support for key initiatives in the School of Communication, service learning and sustainability. The table below summarizes the Foundation's fundraising results for the past five fiscal years.

Foundation Fundraising Summary
($ in millions)

	2019	2020	2021	2022	2023
Contributions - cash and pledges	$8.10	$6.10	$9.00	$8.90	$11.17
Annual Fund	0.50	0.40	0.50	0.60	0.50
Non-Cash contributions	0.20	0.10	0.10	0.04	0.05
Total	8.80	6.60	9.60	9.54	11.73
Alumni Giving	$1.00	$1.90	$1.20	$1.80	$6.30
% of total Fundraising	11.40%	28.80%	12.50%	18.90%	53.70%

The market value of the Foundation's investment portfolio for the last five fiscal years is set forth in the table below.

Foundation Investment Portfolio
Market Value as of June 30
($ in millions)

2019	$83.00
2020	84.03
2021	102.46
2022	97.39
2023	106.46

The Foundation provides annual support to the University in accordance with a spending policy that is based on the following three guiding principles: maintenance of the endowment portfolio in perpetuity; balancing short-term needs of the University with the goal of preservation of the endowment in perpetuity; and avoidance of volatility in spending in favor of a smooth and sustainable annual spending target based on a rolling, 12-quarter market value average. Gifts and grants to the University from the Foundation for the last five fiscal years are shown the table below.

Foundation Annual Support to MSU
for fiscal years ending June 30,
($ in millions)

2019	$6.5
2020	6.4
2021	6.4
2022	5.1
2023	8.8

Outstanding Indebtedness

As of June 30, 2023, the University and MSU-Bloomfield collectively had long-term indebtedness outstanding in an aggregate principal amount of $371,121,000, including the indebtedness to be refunded with the proceeds of the Series 2024 Bonds. Such outstanding indebtedness consists of revenue bonds issued by the New Jersey Educational Facilities Authority for the benefit of the University and MSU-Bloomfield, New Jersey Higher Educational Capital Improvement Fund loans, and the 2016 Bank Loans described in this Official Statement. As described in this Official Statement, the proceeds of the Series 2024 Bonds will be used to refund $177,324,741 of the outstanding indebtedness of the University and MSU-Bloomfield. On September 29, 2023, the University entered into a $20 million, variable interest rate revolving line of credit agreement with a commercial bank. There is currently nothing drawn down under the revolving line of credit. See Note 7 to the University's audited financial statements included in this Official Statement as Appendix B for a description of the long-term indebtedness of the University and MSU-Bloomfield for the fiscal year ended June 30, 2023. See also Note 9 to the University's audited financial statements included in this Official Statement as Appendix B for a description of long-term lease liabilities of the University as of June 30, 2023.

The University anticipates financing a portion of the costs of its new science center project and a portion of the costs of the campus WiFi project with an issuance of additional debt in fiscal year 2025 in an anticipated amount of up to $70 million, as described below under the heading entitled "STRATEGIC AND CAPITAL PLANNING".

State Appropriations for Employee Fringe Benefits, Pensions and Retirement Plans and other Post-Employment Benefits

Under State law, and as a component unit of the State, the State appropriates funds for the payment of University employee fringe benefits (such as health insurance, retirement contributions and payroll taxes), net pension liability, and post-employment health benefits for University employees. In accordance with GASB 68, beginning in 2015, the University has recorded net pension liability on its audited financial statements; however, under State law, the State appropriates funds to cover the net pension liability of the University. See the University's audited financial statements included in this Official Statement as Appendix B for a description of fringe benefits, pension liabilities and other postemployment benefits funded by the State for or on behalf of the University.

STRATEGIC AND CAPITAL PLANNING

In 2019, the University approved a 5-year strategic plan, "Project Soar 2025", with a goal to grow the student population to 25,000 by 2025 and to continue to provide students with a welcoming, supportive and responsive student experience that enables post-graduate success. The vision of Project Soar is to maintain MSU as an affordable and accessible university, acclaimed for its research contributions, locally valued for its community and business partnerships, fiscally sound and nimble in its business practices, and diverse in its students and employees. The plan is based on MSU's core values: success; access; innovation; social justice; sustainability and community. The plan is centered around three pillars to support and carry-out these core values:

- Pillar One: Fostering Student Success by creating and sustaining high quality, rigorous, and competitive academic programs that serve student needs and continue to enhance the University's reputation.
- Pillar Two: Growth Through Diversity and Access by capitalizing on the historic strength of diversity at the University and continuing to grow that strength as the State becomes more diverse.
- Pillar Three: Discovery and Application of Knowledge through improvement of business processes, facilities and technological resources in support of the University's research activities.

Some of the University's current on-going capital projects include:

- $19 million campus WiFi upgrade project. In July 2023, the University was awarded a $9.2 million grant from the Higher Education Technology Infrastructure Fund Act for this project.

The remainder of the costs of the project are anticipated to be funded with the proceeds of additional indebtedness of the University to be issued in fiscal year 2025.

- $120 million new interdisciplinary science center. The University was awarded a $59.9 million grant from the Capital Improvement Fund Act for this project, and intends to fund the balance of the project with the proceeds of additional indebtedness of the University to be issued in fiscal year 2025.
- $15 million implementation of a student information management system to be funded with University funds.
- $10 million renovation of The Village student housing complex. The project is underway and will be funded with University funds.

ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

Sustainability

In 2009, MSU became the first educational institution in the nation to sign a Memorandum of Understanding with the U.S. Environmental Protection Agency, committing to utilize green technologies and practices on its campus. In April 2022, the University launched its Facilities Sustainability Plan. The plan is structured around five areas of impact within University facilities:

- Green Buildings Infrastructure: develop and maintain high-quality, resource efficient campus buildings. The University has constructed 5 LEED certified projects on its campus since 2008.
- Green Buildings Operations: operate high performance campus buildings.
- Engagement: unified approach to campus sustainability outreach and education.
- Transportation and Parking: low-carbon campus mobility.
- Grounds and Landscaping: develop and maintain high-quality, resource efficient campus landscapes.

In 2013, construction was completed on the University's co-generation plant, which was developed and constructed in partnership with UMM Energy Partners, LLC. The co-generation plant provides approximately 75% of the energy needs of the University's main campus facilities. The plant provides natural gas-fired electric generation, chilled water for cooling, and steam for heat. In January 2023, MSU entered a retail renewable energy agreement with ENGIE Resources LLC, a subsidiary of ENGIE North America Inc. under which the University will purchase Green-e™ certified Renewable Energy Credits (RECs) from wind, solar and hydro projects across the United States. Over the course of the agreement, the RECs purchased will contribute to support CO2 emissions avoidance by more than 7,600 metric tons, while matching 100% of the University's forecasted retail electricity consumption not generated by the co-generation plant.

Equity, Diversity and Inclusion and Social Initiatives

The University is committed to the goals of equity, diversity and inclusion as part of its central educational mission, and to making higher education accessible and affordable. More than half of the Fall 2023 incoming class identify as minorities, and nearly 45% of the students are first-generation college students. The University is designated as a Hispanic Serving Institution, and is the largest Hispanic Serving Institution in the State of New Jersey. The University's commitment to diversity, equity and inclusion is evidenced by, and was one of the driving factors behind, its merger with Bloomfield College, the only Predominantly Black Institution in New Jersey, and also a Hispanic Serving Institution and a Minority

Serving Institution. The University has prioritized support for maintaining and attracting a diverse student population, maintaining affordability, investing in community partnerships and services and increasing access to higher education for students of all backgrounds. Among its recent recognitions, U.S. News & World Report "2023-2024 Best Colleges" ranked MSU 1st in New Jersey and 7th nationally in "Top Performers on Social Mobility" and 113th nationally in "Best College for Veterans".

Educational Opportunity Fund Program

MSU's Educational Opportunity Fund (EOF) Program provides access for State residents from underrepresented populations/areas that meet the income criteria and exhibit the potential for high achievement. The EOF Program provides quality academic support, leadership development, financial literacy, career enrichment, intentional counseling/advisement, and need-based financial assistance to maximize the intellectual and social growth of all participants. The EOF community fully engages scholars in curricular and co-curricular experiences to help develop active alumni dedicated to lifelong learning and global citizenship.

Center for Community Engagement

Through students, community partners, faculty, and staff, the Office of Community Engagement and Partnerships (OCEP) serves as a central hub connecting the campus to the local communities and the region. Today, the OCEP houses a wide array of programs and projects that foster community engagement and democratic practice. Through these initiatives educators, students, and community partners forge new ways to teach and learn together, through experiential education modes such as community-engaged learning and participatory action research; through curricular communities and programs such as the Leadership Development through Civic Engagement minor; and through service initiatives such as the AmeriCorps, Bonner Leader, and Next Generation Service Corps programs. Each year the OCEP engages over 1,000 students in partnership with 200 community partners and 30 faculty members to seek solutions to real issues of public concern.

uCAN Initiative

The Montclair State University Community Action Nexus (uCAN) brings together the resources and assets of both the University and its neighboring communities to advance the aspirations of community partners and improve equitable outcomes in housing, health, education, economic opportunity, and public safety in those communities. uCAN develops and helps implement collaborative, mutually transformative, local partnerships between MSU and its neighboring cities and towns (Montclair, Paterson, Orange, Clifton, and Bloomfield) that advance research, teaching, learning, and service. The goal of these partnerships is to help improve the quality of life on campus and in the community. The uCAN initiative has been funded with a donor gift of $5 million.

One Square Mile Project

One of the key initiatives of MSU's community engagement agenda is the creation of the Paterson, New Jersey One Square Mile project, a local partnership where the University seeks to serve as a systems-integrator that invests in human capital and coordinates existing community activity within a concentrated geography. One Square Mile is MSU's first deliberate and focused attempt to deepen its engagement in Paterson. Paterson is home to a large immigrant community from more than 72 different ethnic groups, including the second largest population of Muslims (by percentage) in the United States, and significant Dominican, Turkish, Bangladeshi, Peruvian, and Arabic-speaking populations. Through the One Square Mile project, the University aims to establish a lasting bond between the University's public service mission and its undergraduate curriculum and with the broader Paterson community and its students, with each component reinforcing the other in order to connect and anchor civic education in the local community, cultivate habits of citizenship, and prepare students for public service.

The Museum at Historic Hinchliffe Stadium

As another component of the University's commitment to the City of Paterson, the University is working with a developer to revitalize Paterson's Hinchliffe Stadium, a historic Negro League stadium, and the surrounding area. This revitalization project is a multi-faceted project that includes the preservation of one of only two surviving Negro League baseball stadiums, as well as a comprehensive economic and cultural development project that includes affordable housing for older adults, a restaurant, parking deck, and museum space that highlight the diverse cultural history of the area.

Throughout its decades of history, Hinchliffe Stadium has been the site of community-building events, such as Thanksgiving Day football classics between Eastside and Kennedy High Schools, motorcar races, boxing tournaments and concerts. The Hinchliffe Stadium project will renovate and revitalize the Stadium and its surroundings, with the goal of transforming this longtime community hub and generating economic development in the community.

Integral to the revitalization plans is the development of a dedicated museum and exhibition space. In 2020, the developers of the Hinchliffe Stadium Project reached out to ask MSU to take a leadership role in developing, executing and overseeing the planned Hinchliffe Stadium Museum and Learning Center, including the curation and presentation of a wide range of exhibits and programs for diverse audiences as well as fiscal and operational management. The University will bring its experience and expertise with the Yogi Berra Museum and Learning Center to the construction and development of the Hinchliffe Stadium Museum and Learning Center. Exhibitions and activities will be designed to tell the stories of Paterson as a community and of the individuals, from Alexander Hamilton to Larry Doby, who made an impact on local history and on the national and international stage. The programming will also highlight the history of the stadium as one of the most significant Negro League sites. Activities will be designed to especially engage children and youth through school visits and other programming, and to engage the University's students and faculty as leaders, docents, and resources.

CYBERSECURITY

The University has a dedicated information/cyber security team in its Information Technology Division that establishes and maintains information security policies and procedures based on industry best practice standards and security frameworks, such as the CIS Critical Security Controls. The information security team manages a number of core security initiatives, including vulnerability management; security assessment; an employee information/cyber security awareness program, which includes training and phishing simulations; endpoint protection tool implementations and managed detection and response; and oversight of the security and operation of cloud platforms. The information security team also provides guidance to all other internal technology units in regards to security best practices and security incident handling, including response coordination and reporting. The information security team currently consists of a director, four security engineers and one security operations lead who assists the director in coordinating the team's efforts and also performs engineering related work. All members of the campus community are required to agree to the University's security policies in order to obtain a University computer account. The University maintains third-party insurance coverage that includes cybersecurity coverage for actual loss in excess of $150,000, with a per loss limit of $5,000,000.

LITIGATION

The University is party to various legal actions arising in the ordinary course of its operations. While it is not possible at this time to predict the ultimate outcome of any such actions, it is the opinion of management of the University that any such matters, if determined adversely to the University, will not have a material adverse effect on the University's financial position or operations or its ability to pay its obligations, including the Series 2024 Bonds. See Note 13 to the University's audited financial statements for the fiscal years ended June 30, 2023 and June 30, 2022 attached to this Official Statement as Appendix B.

RISK MANAGEMENT

The University participates in a consortium with eight other New Jersey colleges and universities to purchase property insurance. Buildings and equipment are fully insured on an all risk replacement basis to the extent that losses exceed $100,000 per occurrence, with a per occurrence limit of $2,000,000,000. The University also purchases coverage for certain types of theft of financial assets, which provides for the actual loss in excess of $150,000 with a per loss limit of $5,000,000, and for certain types of exposures related to cyber threats, which provides for the actual loss in excess of $150,000 with a per loss limit of $5,000,000. All liability risk and employee benefit exposure, including tort, auto and trustees and officers' liability, workers' compensation, unemployment, disability, life insurance and employee retirement plans, are self-funded programs maintained and administered by the State. As an agency of the State, the University's liability is subject to all provisions of the New Jersey Tort Claims Act (the "Tort Claims Act"), the New Jersey Contractual Liability Act and the availability of appropriations. The Tort Claims Act provides for payment of claims against the State or its employees for which the State is obligated to indemnify against tort claims, which arise out of the performance of their duties. All insurance policies are renewed annually. All State self-funded programs are statutory with an annual appropriation provided by the State legislature. See Note 18 to the University's audited financial statements for the fiscal years ended June 30, 2023 and June 30, 2022 attached to this Official Statement as Appendix B. From time to time in the normal course of operation, the University may become subject to employment related lawsuits not covered by the Tort Claims Act or other insurance coverage of the University. In the opinion of Management of the University, in the event that any such pending actions were to be decided adversely to the University, any liability of the University would not have a material adverse effect on the University's financial position or operations or its ability to pay its obligations, including the Series 2024 Bonds.

COLLECTIVE BARGAINING

Approximately 92% of the University's employees are covered by collective bargaining agreements. In accordance with State law, collectively negotiated agreements are entered into by the State and implemented by the University. All collective bargaining contracts, except the police union contract, have recently been finalized and ratified, with an effective term of July 1, 2023 through June 30, 2027. The police union negotiations are currently underway. Once all police union contract negotiations are complete and ratified, they are expected to cover the same four-year term from July 1, 2023 through June 30, 2027.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF MONTCLAIR STATE UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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Basic Financial Statements and Management's Discussion and Analysis and Report of Independent Certified Public Accountants

Montclair State University
(A Component Unit of the State of New Jersey)

June 30, 2023 and 2022

Contents

GRANT THORNTON LLP
186 Wood Ave. S., 4th Floor
Iselin, NJ 08830

D +1 732 516 5500
F +1 732 516 5502

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Montclair State University

Report on the financial statements

Opinions

We have audited the financial statements of the business-type activities of Montclair State University (the "University"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, Montclair State University Foundation, which represents 100% of the assets and revenues of the discretely presented component unit as of June 30, 2023 and for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that entity, is based solely on the report of the other auditor.

Basis for opinions

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other matter

The financial statements of the University as of and for the year ended June 30, 2022 were audited by other auditors, who expressed unmodified opinions on those financial statements in their report dated February 17, 2023.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton

Required supplementary information
Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedules of university contributions, and the schedules of the proportionate share of the total other postemployment benefits (OPEB) liability on pages 94 and 95, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required 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 US GAAS. These limited procedures 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.

Supplementary information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The consolidating statement of net position, consolidating statement of revenues, expenses, and changes in net position, and consolidating statement of cash flows on pages 89, 90 and 91, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Grant Thornton LLP

Iselin, New Jersey
February 8, 2024

The objective of Management's Discussion and Analysis (MD&A) is to help readers of the Montclair State University financial statements better understand the financial position and operating activities of the University, as of and for the year ended June 30, 2023, with selected comparative information for the years ended June 30, 2022 and 2021. Management prepared this discussion, and it should be read in conjunction with the financial statements and the notes to the financial statements. Unless otherwise indicated, years (2023, 2022, and 2021) in this discussion refer to the fiscal years (FY) ended June 30.

Montclair State University's financial report communicates financial information for Montclair State University, Bloomfield College of Montclair State University, and its foundation, Montclair State University Foundation, through three primary financial statements and notes to the financial statements - the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows. The Montclair State University Foundation financial statements are presented discretely from Montclair State University and Bloomfield College of Montclair State University. The MD&A discusses the business-type activities of Montclair State University and Bloomfield College of Montclair State University and does not include the Foundation. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

Montclair State University and Bloomfield College of Montclair State University

Montclair State University (Montclair), established in 1908, has been a leading institution of higher education in New Jersey and is committed to serving the educational needs of the State. Its programs are characterized by academic rigor and advancement in the development of knowledge and its applications. As a result of this commitment, Montclair established a sole member not-for-profit entity named Bloomfield College of Montclair State University (Bloomfield) on March 2, 2023. The purpose of this entity was to be the surviving entity in a merger with Bloomfield College, a private not-for-profit 501(c)(3) organization. The merger between Bloomfield and Bloomfield College was made possible by legislation codified at L.2023, c.65, and was successfully completed on June 30, 2023, marking a significant milestone in their collaborative journey. Bloomfield is recognized as a public entity by the NJ Office of the Secretary of Higher Education and is governed by a Board of four directors. In accordance with governmental accounting standards, the University's financial data for 2023 includes Bloomfield.

Bloomfield College, founded in 1868, was New Jersey's only institution of higher education designated by the United States Department of Education as a Predominantly Black, Hispanic-serving, and minority serving institution. Bloomfield College served a diverse population and prepared students for success in a multicultural and global society. While the entity referred to as Bloomfield College is no longer in existence following the merger, Bloomfield College of Montclair State University will continue to operate and serve these same communities.

Situated on a 264-acre suburban campus, Montclair and Bloomfield (collectively, the University) delivers the instructional and research resources of a large public university in a supportive, sophisticated and diverse academic environment. Montclair is designated as a Research Doctoral University by the Carnegie Classification of Institutions of Higher Education and classified by the New Jersey Secretary of Higher Education as a doctoral degree-granting institution. The University has ten degree-granting colleges and schools that serve more than 22,000 undergraduate and graduate students. The University has more than 300 doctoral, master's, and baccalaureate level programs.

The U.S. News & World Report 2023-2024 ranked the University No.7 in the nation and No.1 in New Jersey in social mobility out of 435 national universities. The University ranked No.11 for graduation rate performance. The University moved up 19 places, coming in at No.163 out of 435 universities nationwide, the highest ranking ever and reached No.88 among the nation's top public universities on this closely watched list of the best colleges in America.

The Wall Street Journal/College Pulse Best Colleges in the U.S. ranked the University No.4 in New Jersey, No.104 overall out of 400 institutions and No.37 out of 204 public institutions.

Financial Highlights

<u>New Accounting Standard</u>

The University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the University's fiscal year beginning July 1, 2022. This statement establishes a single approach to accounting for and reporting subscription-based information technology arrangements (SBITAs) based on the principle that SBITAs are contracts that convey control of the right to use underlying information technology software and accompanying assets. Under this statement, a government is required to recognize a subscription liability and a right-to-use subscription asset. Limited exceptions to the single-approach guidance are provided for short-term SBITAs, defined as lasting a maximum of twelve months at inception, including any options to extend, regardless of their probability of being exercised. Except for fiscal 2021 results of operations, the prior periods presented in the MD&A as well as the basic financial statements and notes have been restated for comparison purposes. The University recognized right-of-use subscription assets, net in the amount of $23.5 million and $7.2 million as of June 30, 2023 and 2022, respectively, included within capital assets, net. The University recognized a subscription liability of $23.7 million and $7.2 million as of June 30, 2023 and 2022, respectively. Certain prior year amounts related to the GASB 96 adoption have been reclassified to conform with the current year comparative presentation. As a result, there was a $20 thousand decrease in the overall net position as restated for fiscal 2022.

<u>Pandemic related Financial Assistance</u>

Starting with fiscal year 2020 through fiscal year 2023, the University was awarded a total of $114.1 million in funding pursuant to CARES, the *Coronavirus Response and Relief Supplemental Appropriations Act* ("CRRSAA"), and the *American Rescue Plan Act of 2021* ("ARP") as part of the Higher Education Emergency Relief Funds ("HEERF") portion of the legislations; $47.7 million of this amount was designated for student emergency aid, $59.5 million for institutional support, and $6.9 million was funding provided as a Minority Serving Institutions ("MSI"). The MSI funds were also used for emergency aid to students.

During fiscal 2023, the University expended $17.7 million of HEERF funds; $1.9 million was disbursed to students as emergency grants, $15.8 million was expended as institutional support. Amounts expended as institutional support included $6.2 million to partially reimburse the University for certain pandemic response related expenditures and lost revenues, to fund student programs designed to support success in transitioning from online to in-person learning and upgrading campus wi-fi and network access. The remaining HEERF funds of $1.2 million were expensed by October 31, 2023.

Starting with fiscal 2021 the University was also awarded additional CARES funds through various programs administered by the State of New Jersey. The University was awarded $8.0 million from the Governor's Emergency Education Relief fund ("GEERF") portion of CARES. The University expended $6.6 million in fiscal 2021, $319 thousand in fiscal 2022 and $673 thousand in fiscal 2023. The GEERF funds were used to partially reimburse the University for pandemic response expenditures and to combat food insecurity among students. The remaining amount of GEERF funds of $419 thousand were expensed by September 30, 2023.

In fiscal 2021, the University was awarded a total $19.8 million from the Coronavirus Relief Fund for Higher Education (CRF). The CRF funds were utilized in fiscal 2021 and were used to partially reimburse the University for pandemic response expenditures.

In summary, the University was awarded $141.9 million of Pandemic related financial assistance funds over the last four fiscal years ending June 30, 2023, approximately $1.6 million remain available for future use and to be expended by June 30, 2024.

<u>New Partnerships</u>

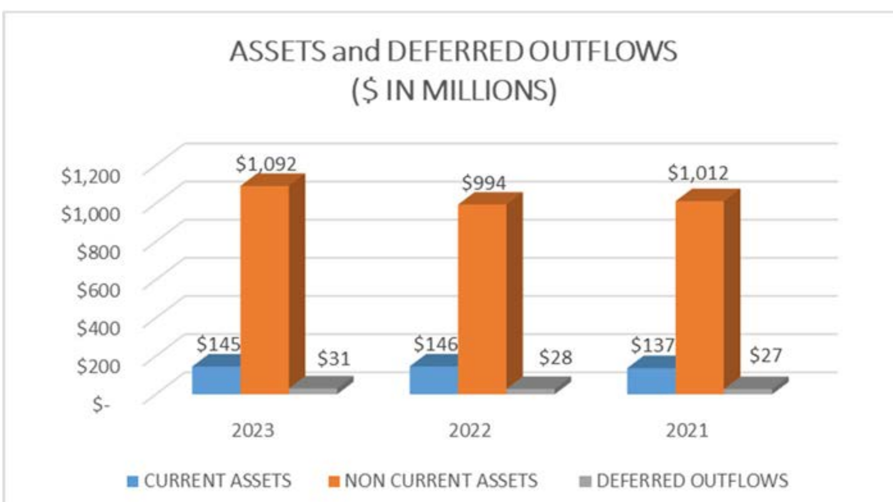
As a result of the merger, Montclair offered employment opportunities to 87% of Bloomfield's faculty and staff, most of whom will be continuing as members of the College community. President Marcheta P. Evans will continue to provide leadership as Chancellor of Bloomfield, and a key member of the University leadership team under Montclair president, Jonathan Koppell. Bloomfield's important mission will continue, and its students will be able to complete their education without interruption while benefiting from Montclair's lower tuition and fees and the support of the second largest public research university in New Jersey.

The merger now enters the integration phase, during which a distinctive educational experience will be designed for the students of Bloomfield. Over the next academic year, the future of all academic programs will be considered. During that time, the University will continue to offer courses required for Bloomfield College students to complete their existing majors and programs and will honor the majors of all currently enrolled students.

Montclair has partnered with INTO University Partnerships in an effort to expand its offerings of life-changing educational opportunities to students around the world, a global education partnering organization. The international student recruitment collaboration aims to enhance the University's global reach and provide opportunities for international students. Beginning in January 2024, the partnership will create new opportunities for aspiring students around the world. INTO will commence recruitment immediately through its extensive network of education agents worldwide.

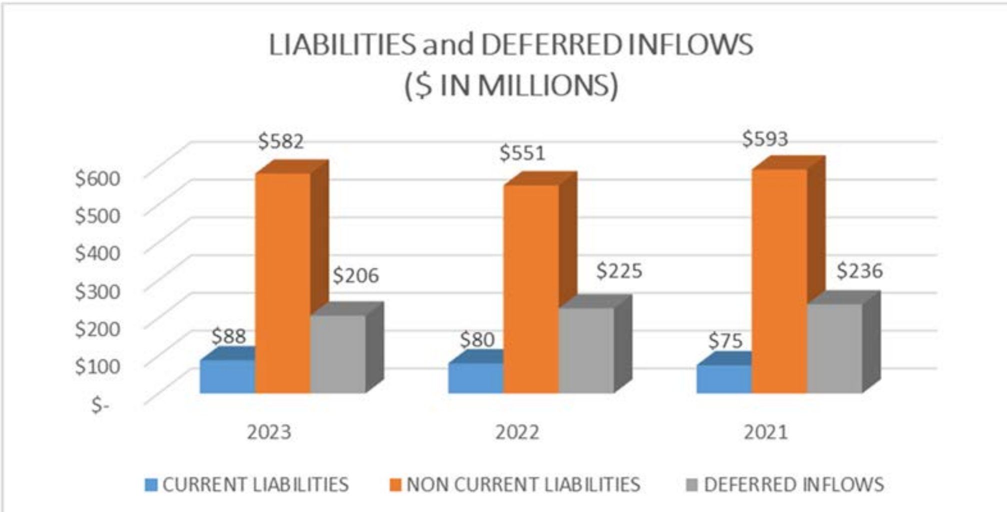
THE UNIVERSITY'S FINANCIAL POSITION

The University's composition of assets and deferred outflows as of June 30, 2023, 2022, 2021 is as follows:



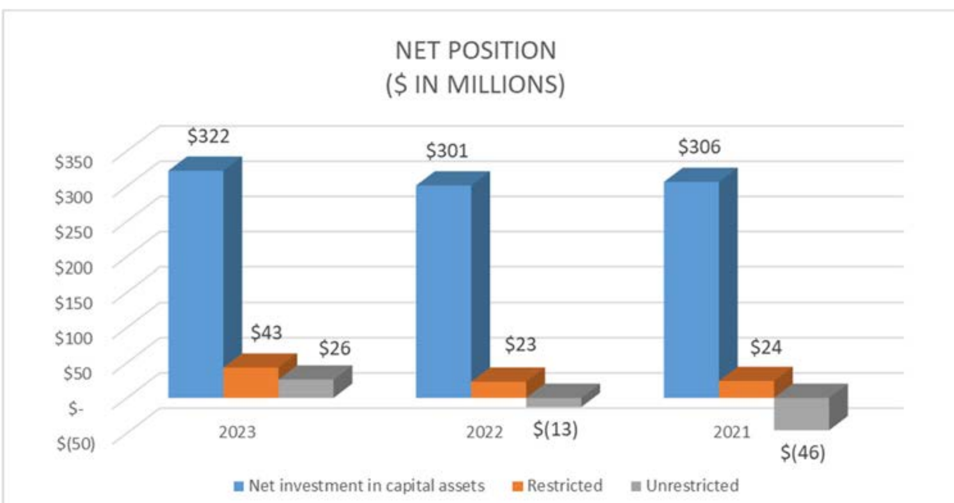
Deferred outflows represent the consumption of net assets applicable to future reporting periods.

The University's composition of liabilities and deferred inflows as of June 30, 2023, 2022, 2021 is as follows:



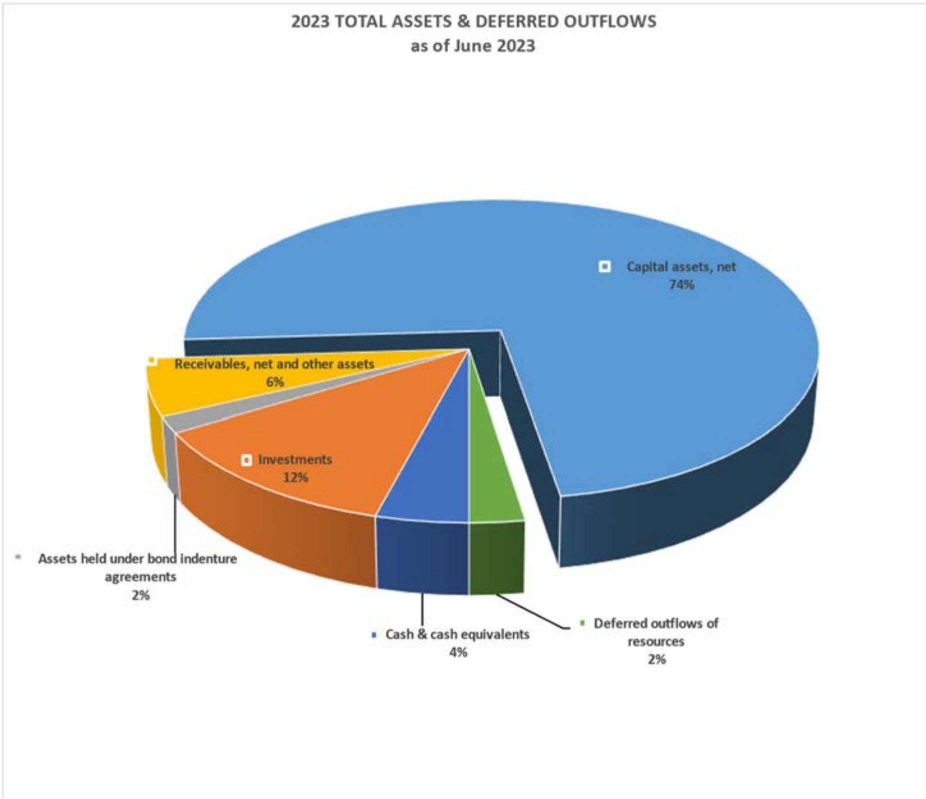
Deferred inflows represent the acquisition of net assets that are applicable to a future reporting period, for example pension, unearned revenue and advance collections.

The statement of net position presents the financial position of the University at the end of each year. The sum of assets and deferred outflows, less the sum of liabilities and deferred inflows, is the organization's net position.



The major components of the assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2023, 2022 and 2021 are as follows (dollars in thousands):

	2023	2022 (Restated)	2021
Assets			
Cash & cash equivalents (including restricted)	$ 52,516	$ 69,149	$ 66,899
Investments	154,948	96,828	78,817
Assets held under bond indenture agreements	21,417	21,563	23,232
Accounts & loans receivable, net	41,736	33,071	34,301
Rent receivables	28,442	26,001	25,706
Capital assets, net	932,142	890,175	926,234
Other assets	5,626	3,529	2,646
Total assets	1,236,827	1,140,316	1,157,835
Deferred outflows of resources	31,312	28,375	27,287
Liabilities			
Bonds payable & other debt	383,969	367,709	383,547
Lease payable	21,971	23,700	27,593
Subscription payable	23,707	7,172	9,237
Accounts payable & accrued expenses	48,586	45,705	38,008
Net pension liability	174,695	170,948	187,893
Unearned tuition and grant revenues	10,918	11,530	11,506
Other liabilities	6,849	5,081	7,134
Total liabilities	670,695	631,845	664,918
Deferred inflows of resources	205,999	225,443	235,508
Net position			
Net investment in capital assets	322,233	301,414	306,334
Restricted nonexpendable	13,578	-	-
Restricted expendable	29,201	23,186	24,598
Unrestricted net position (deficit)	26,433	(13,197)	(46,236)
Total net position	$ 391,445	$ 311,403	$ 284,696



University's assets and deferred outflows

The University's total assets and deferred outflows of resources increased to $1.268 billion in 2023, from $1.169 billion in 2022 and $1.185 billion in 2021.

Total assets increased $96.5 million in 2023 of which $92.9 million was attributed to the merger with Bloomfield. Deferred outflows increased $2.9 million in 2023 due to changes in the University's net pension liability.

Cash & cash equivalents

The University maintains cash balances sufficient to meet operating liquidity, fund capital investments, and support the financial profile of the University. In managing cash and cash equivalents, the University aims to generate earnings on those funds while managing risk and maintaining compliance with board approved investment guidelines. University cash and cash equivalents are held primarily in its operating bank account and in the State of New Jersey Cash Management Fund. The balance held in the State of New Jersey Cash Management Fund as of June 30, 2023 and 2022 was $4.0 million and $32.6 million, respectively. The average monthly balance held in Montclair's operating bank account decreased to $79.8 million in 2023 from $100.4 million in 2022.

Cash and cash equivalents also include a portion of the University's investment funds which are held in custody by PNC Institutional Asset Management (PNC) and managed by Pacific Investment Management Company, LLC (PIMCO). The cash and cash equivalents balance held in this account was $5.7 million and $1.0 million as of June 30, 2023 and 2022, respectively. Total cash and cash equivalents as of June 30, 2023 was $16.6 million lower than as of June 30, 2022.

During fiscal 2021, Montclair signed an agreement with JP Morgan Chase Bank, N.A. (JPM) to move its banking services from Bank of America to JPM. After the fiscal 2021-year end, Montclair began the integration and transition to JPM for banking transactions and completed a significant portion of this process during fiscal 2022 with the completion in August 2022. Montclair entered into a collateral pledge and security agreement with JPM for funds held at the Federal Reserve Bank to reduce the risk of loss in the event of a bank failure as required by NJ State law. Under this arrangement, deposits exceeding federally insured amounts are collateralized.

Investments

Additions to University investments primarily reflect additions to reserve funds or temporary investment of excess operating cash, which are invested in a fixed income portfolio managed by PIMCO in accordance with the investment policy statement established by the Board of Trustees. The overall objective of the investment portfolio is to provide current income while preserving capital and liquidity. The investment policy permits purchases of fixed income instruments including US obligations, money market instruments, repurchase agreements, commercial paper, certificates of deposit, corporate bonds, and floating rate securities without interest rate caps that meet the approved criteria for quality, diversification, liquidity, and maturity. Investments as of June 30, 2023 were $58 million higher than as of June 30, 2022 of which $16.1 million is attributable to merger with Bloomfield and remaining as transfers of excess operating cash.

Assets Held Under Bond Indenture Agreements

The University has historically funded a significant portion of major capital improvements with public bonds issued through the New Jersey Educational Facilities Authority (the "Authority"), whose mission is to help college and university clients obtain low-cost financing for the development of their facilities. Generally, the change in assets held is attributable to reimbursement drawdowns, new refundings (if any), and the effect of changes in the market value of unspent invested proceeds. Assets held under bond indenture agreements decreased $146 thousand in 2023 reflecting drawdowns of previously issued bond proceeds.

Accounts, Loans and Rent Receivables, net

Receivables primarily include amounts due from students, state and federal government contracts and grants, private grants and contracts, and a variety of billings ranging from clinical services, fee for service arrangements, auxiliary enterprise contracts and lease agreements. Receivables fluctuate based on the timing of collections. Student accounts which are past due twelve months, are reserved for at 50% and those past due twenty-four months are reserved at 100%. All other receivables are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. Accounts, loan and rent receivables, net as of June 30, 2023, were $11.2 million higher than as of June 30, 2022 due to timing of collections and financial aid drawdowns.

The Perkins loans receivable balance was $1.1 million as of June 30, 2023 and $1.5 million as of June 20, 2022. Per federal regulations, Perkins loans are no longer being awarded and disbursed. The Federal Perkins Loan Program expired on September 30, 2017 and no new disbursements were permitted after June 30, 2018. The Perkins loan program provided subsidized loans to both graduate and undergraduate students with exceptional financial needs. It is a Title IV, campus-based loan program, funded with University and federal dollars, with the University acting as lender. Heartland Campus Solutions ECSI services this loan on behalf of the University and determines the reserves against the loan receivable.

Capital Assets, net

Montclair's capital spending during 2023 decreased due to completion of Campus wide improvements for Montclair's infrastructure and technology equipment. Capital spending includes subscription-based information technology agreements, construction and renovation of academic buildings, research laboratories, libraries, student services, housing facilities, clinical facilities, parking structures and other improvements to the campus infrastructure. Capital assets, net as of June 30, 2023, were $42 million higher than as of June 30, 2022 of which $60.4 million is attributable to merger with Bloomfield offset by $18.5 million net decrease in Montclair's assets.

Renovations completed during fiscal 2023 included:

- Campus wide improvements were made to improve Montclair's network infrastructure and technology equipment as hybrid work and learning models have strained existing infrastructure. Various projects included Campus Wi-Fi upgrades, IT computer equipment replacements, leased hardware, and Aspire network line card upgrades to update infrastructure equipment.

- Dining Services POS hardware and software were replaced to strengthen PCI compliance and maintain support for incoming new software.

- Various repairs were completed in Life Hall which houses Dance Theatre, Fashion Studies, L. Howard Fox Studio Theater, and Memorial Auditorium.

- A new physics laboratory was constructed in Richardson Hall for an incoming faculty member.

Construction in progress during fiscal 2023 included:

- The Village consists of four residential buildings that provides housing for approximately 850 upper class students and graduate residents. Water damage is being repaired and mitigated to prevent future occurrences.

- Center for Environmental Life Sciences (CELS) houses many of the Earth and Environmental sciences as well as research institutes addressing such issues. HVAC improvements are being made to achieve AAALAC accreditation for research expansion involving new species of animals.

- The Student Center provides a community of services. It provides a common area where students, faculty, staff and visitors can come together for social interaction and begin to develop a spirit of cooperation and learning through common understanding. Elevators are being renovated to maintain functionality in this crucial space.

Renovations completed during fiscal 2022 included:

- University Hall Exterior Patch & Paint – University Hall is Montclair's largest academic building on campus, constructed in 2006. Various renovations completed included exterior repairs, stucco façade restoration, and overall enhancements to improve the building's visual appearance and thermal envelope. The project addressed significant staining, discoloration, failed control joints, water infiltration, and biological growth to maintain the building's longevity.

- Calcia Hall - Calcia Hall houses Montclair's various studios related to the Arts. Various enhancements were made to the Hall including building improvements in shared studio spaces, new office furniture and lab equipment, and upgrades to audiovisual equipment.

Other Assets

Other assets include prepaid expenses of $3.8 million related to software licenses, $1.4 million in long-term receivables and $419 thousand in deposits.

The University's Liabilities and Deferred Inflows

The University's total liabilities and deferred inflows of resources increased to $876.7 million in 2023, from $857.3 million in 2022 and $900.4 million in 2021.

Total liabilities increased $38.9 million in 2023 of which $33.4 million was attributed to merger with Bloomfield. Deferred inflows of resources decreased $19.4 million in 2023 due to changes in University's deferred inflow of pension resources.

Bonds Payable and Other Debt

University debt is used to partially finance the addition of new capital assets. Amounts outstanding at the end of 2023, 2022 and 2021 were $384 million, $367.7 million, and $383.5 million, respectively.

The table below shows the components of the $16.3 million increase in 2023, $15.8 million decrease in 2022 and $14.9 million decrease in 2021. The University's debt increased $16.3 million in 2023 due to $32.5 million additional debt attributed to merger with Bloomfield offset by $16.2 million in reductions (dollars in thousands):

	2023	2022	2021
Beginning Balance	$ 367,709	$ 383,547	$ 398,423
Additions to outstanding debt	32,512	-	-
Scheduled principal payments	(15,600)	(15,204)	(14,116)
Amortization of bond premium/discount - net	(652)	(634)	(760)
Net increase (decrease) in outstanding debt	16,260	(15,838)	(14,876)
Ending Balance	$ 383,969	$ 367,709	$ 383,547

As of June 30, 2023, the University had outstanding indebtedness in the form of annual rentals it assumed under certain leases and agreements with the NJEFA of $338 million.

The University is obligated to service debt with principal totaling $2.2 million of which $392 thousand relates to Bloomfield, under several state programs that support capital improvements, environmental infrastructure, and education-related technologies.

The University is obligated to Bloomfield's $26.2 million in private placement tax except bond agreement with the NJEFA and Bloomfield's bank that funded a conversion of one of Bloomfield's buildings into a student's dormitory building.

The University is obligated to Bloomfield's $4.8 million in commercial mortgage loans of which $2.5 million relates to refinance of previous loan, and $2.3 million relates to refinance of construction loan used to convert Bloomfield's building into resident housing facility.

The University is obligated to $18.4 million in lease principal payments primarily consisting of office and space, dining space, and IT equipment.

The University is obligated to $18.5 million in software subscription principal payments related to numerous cloud-based ERP systems, data management tools, and educational software that assist the campus community.

The composition of the University's long-term debt as of June 30, 2023, 2022, and 2021 follows (dollars in thousands):

	2023	2022 (Restated)	2021
NJEFA Revenue Bonds	$ 337,855	$ 350,665	$ 364,580
Private Placement Bond	26,234	-	-
Higher Education Capital Improvement Fund	2,218	2,933	4,002
NJ Environmental Infrastructure Trust	-	176	356
Higher Education Equipment Leasing Fund	-	42	80
Program Commercial Mortgage Loan	4,814	-	-
	$ 371,121	$ 353,816	$ 369,018
Leases	$ 18,368	$ 20,171	$ 23,700
Subscriptions	$ 18,475	$ 3,572	$ 5,093

Fitch Ratings remained unchanged in 2023 as 'A+' rating on the University's outstanding revenue bonds with a stable rating outlook.

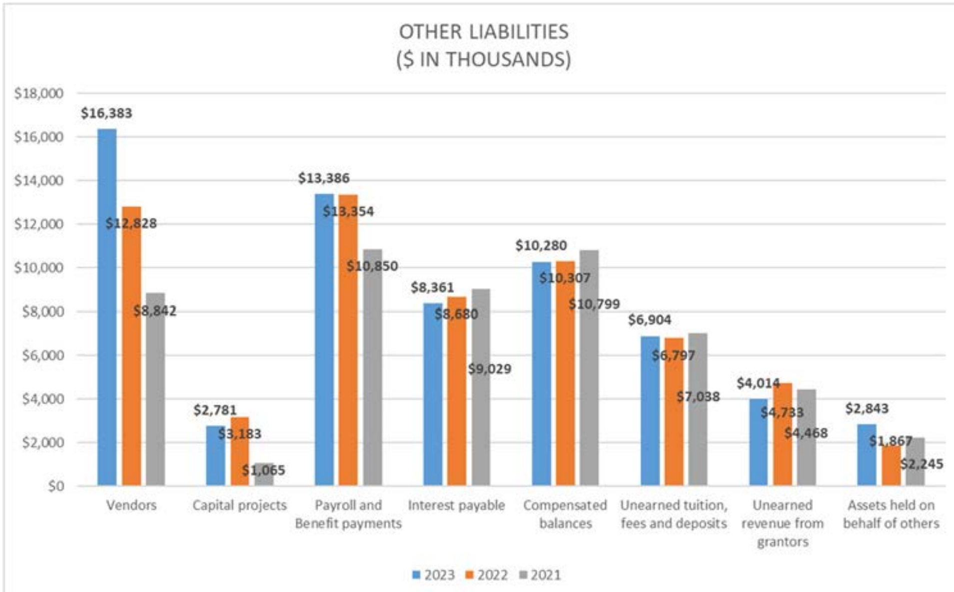
Net Pension Liability

In accordance with *Government Accounting Standards Board* (GASB) 68, beginning in 2015 the University recorded on its financial statements its proportionate share of the net pension liability and related pension amounts as determined by the State of New Jersey, Division of Pensions and Benefits. The State of New Jersey contributes to the Public Employees' Retirement System (PERS), and the Police and Firemen's Retirement System (PFRS). Historically, the State of New Jersey has directly covered pension contributions on behalf of the University and there are no current changes to this legislation. The University's share of the net pension liability was $174.7 million, $170.9 million and $187.9 million in 2023, 2022 and 2021, respectively. The liability as of June 30, 2023, which reflects the present value of projected future payments to those already retired and those who will retire with benefits due. The increase in the accumulated net pension liability for 2023 was driven primarily by changes in assumptions and changes in proportionate share. The actuarial valuation for 2023 is based on a measurement date as of June 30, 2022.

For the measurement date years 2022, 2021 and 2020, the portfolio's total investment rate of return was 7% respectively.

Other Liabilities

Liabilities, other than those related to pensions and debt, consist of accounts payable and accrued expenses (due to vendors, capital projects, payroll and benefit payments and interest), compensated balances, unearned income, and assets held on behalf of others.



Deferred Inflows of Resources

Deferred inflows of resources are acquisitions of net assets that are applicable to a future reporting period. The deferred component is the recognition of inflows as revenues in relevant future periods. Deferred inflows of resources are related to the University's service concession arrangements, gains on debt refundings and certain changes in net pension liability.

Deferred inflows of resources decreased by $19.4 million in 2023, $10.1 million in 2022 and $15.4 million in 2021. The $19.4 million decrease in 2023 is due primarily to a $7.3 million decline in deferred service concession revenue and $14.6 million decrease in deferred inflow from pension resources associated with changes in actuarial assumptions and the University's proportion of the state-wide payroll. The University's share decreased from .694% in 2022 to .672% (PERS) in 2023 and increased from .512% in 2022 to .562% (PFRS) in 2023. These reductions are offset by a $2.9 million increase in deferred inflow from leases.

Net Position

Net position represents the residual interest in the University's assets and deferred outflows after all liabilities and deferred inflows are deducted. The University's net position was $391.4 million, $311.4 million, and $284.7 million in 2023, 2022, and 2021, respectively.

Net position is reported in the following categories: net investment in capital assets; restricted - nonexpendable; restricted - expendable; and unrestricted.

Net Investment in Capital Assets

The portion of net position invested in capital assets, net of accumulated depreciation and the related outstanding debt used to finance acquisitions, construction or improvement of these capital assets. The amounts as of June 30 were $322.2 million, $301.4 million and $306.3 million for 2023, 2022 and 2021, respectively. The University continues to invest in physical facilities to maintain campus infrastructure and to meet new and evolving programmatic needs.

Restricted - nonexpendable

Restricted – nonexpendable net position is subject to externally imposed stipulations that must be maintained permanently by the University. The amount as of June 30, 2023 was $13.6 million and is comprised of endowments and restricted cash equivalents related to Bloomfield.

Restricted - expendable

Restricted - expendable net position is subject to externally imposed restrictions governing the use of certain assets. A portion of the net position may be spent only in accordance with the restrictions placed upon them and may include endowment income and gains, subject to the University's spending policy; support received from gifts, appropriations or capital grants, trustee-held investments; or other third-party receipts. The amounts as of June 30 were $29.2 million, $23.2 million and $24.6 million for 2023, 2022 and 2021, respectively. The $6 million increase in 2023 in restricted expendable funds is due principally to an increase in assets held for donor designated purposes of which $5 million is due to the merger with Bloomfield. The $1.4 million decrease in 2022 in restricted expendable funds is due principally to the change in assets held under bond indenture, which reflects reimbursements for capital expenditures.

Unrestricted

Under generally accepted accounting principles, net position components not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Unrestricted net position was positive in 2023 and negative in 2022 and 2021. Positive results in 2023 are due primarily to increases in grant and contract revenues and state appropriations which resulted in positive unrestricted net position of $26.4 million of which $11.1 million related to merger with Bloomfield. Negative results in 2022 of $13.2 million were due primarily to the recording of the non-cash obligations for pension benefits that were in excess of University's reserves. However, as shown in the adjusted statement excluding the effect of the non-cash pension obligation, the unrestricted net position was $202.7 million in 2023, $177 million in 2022 and $159 million in 2021.

THE UNIVERSITY'S RESULTS OF OPERATIONS

The statement of revenues, expenses and changes in net position is a presentation of the University's operating results and indicates whether the financial condition has improved or deteriorated. In accordance with the GASB requirements, certain significant revenues relied upon and budgeted for operational support of the core instructional mission of the University are required to be recorded as non-operating revenues, including state appropriations, financial assistance, private gifts and investment income. A summarized comparison of the operating results for 2023, 2022 and 2021, arranged in a format that matches the revenue and expense supporting the core activities of the University follows (dollars in thousands):

	2023	2022 (Restated)	2021
Revenues			
Student revenues, net	$ 234,784	$ 214,523	$ 200,885
State appropriations (general & fringe)*	128,711	104,784	88,140
Federal Pell Grants*	48,095	38,713	37,670
Pandemic related Financial Assistance*	18,198	62,653	48,396
State paid other post employment health benefits*	(8,934)	4,271	7,584
Grants and contracts	86,797	69,193	53,009
Educational activities	6,353	6,296	4,579
Auxiliary enterprises	19,736	20,237	14,758
Private gifts*	6,748	3,886	6,301
Investment income*	6,335	803	753
Recognition of deferred service concession revenue	7,343	7,343	7,346
Other revenues**	13,735	8,851	6,681
Revenues supporting core activities	567,901	541,553	476,102
Expenses			
Salaries and benefits	325,569	275,038	250,273
Services and Fees	67,114	48,627	41,597
Financial Aid excluding Pandemic related Assistance	30,835	27,573	21,262
Pandemic related Financial Assistance - Student Aid	2,268	41,330	12,163
Pension benefits	270	(204)	9,238
Postemployment health benefits	(8,934)	4,271	7,584
Utilities	20,691	19,072	18,876
Supplies and materials	11,946	9,781	7,315
Depreciation and amortization	61,242	59,057	56,237
Interest expense*	18,131	17,230	14,030
Other expenses**	14,745	9,763	6,694
Expenses associated with core activities	543,877	511,538	445,269
Income from core activities	24,024	30,015	30,833
Other nonoperating activities			
Net depreciation in fair value	(2,692)	(3,561)	(468)
Income before other changes in net position	21,332	26,454	30,365
Other changes in net position			
Capital gifts and grants, net	514	253	308
Increase in net position	21,846	26,707	30,673
Gain on governmental combination	58,196	-	-
Loss on disposal of discontinued operations	-	-	(19)
Net position			
Beginning of year, as previously reported	311,403	284,696	254,043
End of year	$ 391,445	$ 311,403	$ 284,696

* Represents nonoperating revenues or expenses.
** Other revenues consist of less than 36% of nonoperating revenues and other expenses consist of less than 2% of nonoperating expenses.

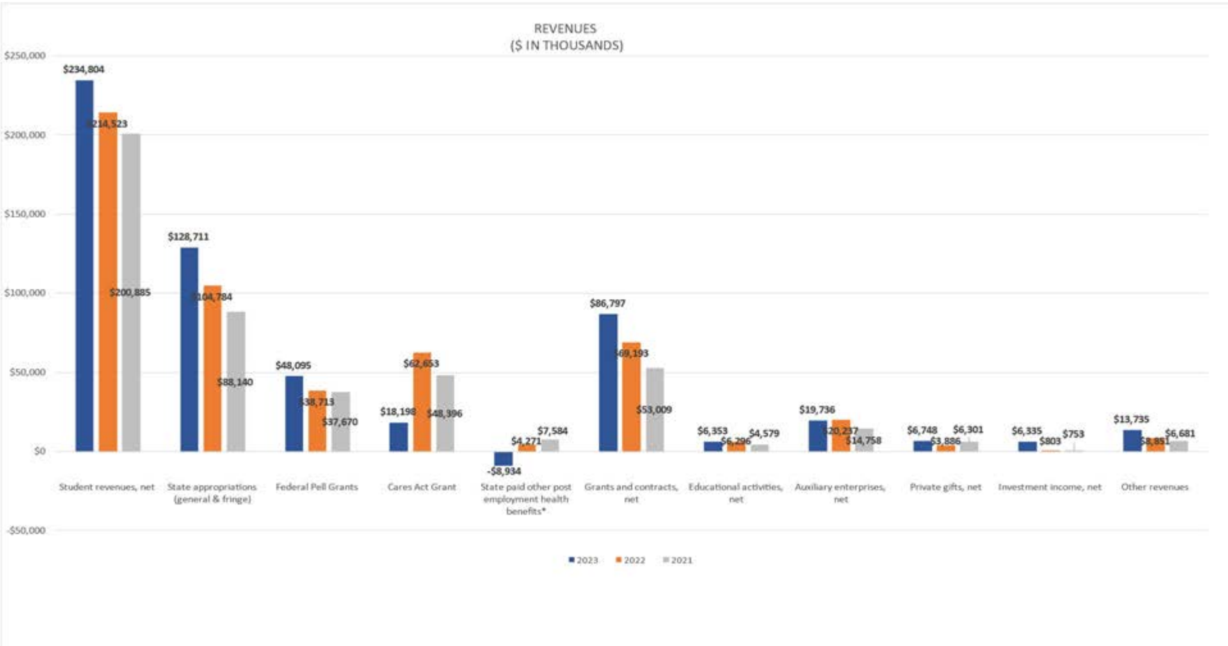
The following represents an illustration of net position and unrestricted net position adjusted for the effects of the GASB 68 pension pronouncement* (dollars in thousands):

	2023	2022 (Restated)	2021
Net position from the financial statements			
Net investment in capital assets	$ 322,233	$ 301,414	$ 306,334
Restricted	42,779	23,186	24,598
Unrestricted (deficit)	26,433	(13,197)	(46,236)
Total net position - financial statements	$ 391,445	$ 311,403	$ 284,696
Adjustment of unrestricted deficit above			
Unrestricted surplus (deficit) as restated	26,433	(13,197)	(46,236)
GASB 68 pension adjustment:			
Net pension liability	174,695	170,948	187,893
Deferred outflow of resources	(25,449)	(22,222)	(25,599)
Deferred inflow of resources	27,005	41,616	43,172
Total unrestricted net position (as adjusted)	$ 202,684	$ 177,145	$ 159,230
Total net position (as adjusted)	$ 567,696	$ 501,745	$ 490,162

* Since GASB 75 has no effect on Net Position, it is excluded from the restatement.

Revenues Supporting Core Activities

Revenues supporting the University's core activities, including those classified on the financial statements as non-operating revenues, were $568 million, $542 million, and $476 million in 2023, 2022 and 2021, respectively. These diversified sources of revenue increased by $26.4 million in 2023 and increased by $65.5 million in 2022. The increase in 2023 is primarily attributable to $41.3 million in revenues from Bloomfield offset by $15 million decrease in Montclair's revenues primarily due to significant decrease in pandemic related financial assistance offset by increases in grant and contract revenue, and state appropriations. The increase in 2022 relates to student revenues, pandemic related financial assistance and increase in state appropriations and grant and contract revenue.



The State of New Jersey's appropriations in conjunction with student tuition and fees are core components that support the instructional mission of the University. Grants and contracts provide opportunities for undergraduate and graduate students to participate in basic research alongside some of the most prominent researchers in the country.

Gifts to the University is one source of funding which can be unrestricted (to provide administrators with the flexibility to address immediate needs) or designated to support a specific college, program or other University initiative. Other significant revenues derive from educational activities and auxiliary enterprises such as student housing, food service operations and parking.

CATEGORIES OF BOTH OPERATING AND NON-OPERATING REVENUE THAT SUPPORTED THE UNIVERSITY'S CORE ACTIVITIES IN 2023 ARE AS FOLLOWS:

Student Revenues, net

Student revenues are the largest component of operating revenues and are comprised of three main sources: tuition, fees, and room and board. Student revenues, net of scholarship allowances and bad debt expense, were $234.8 million, $214.5 million, and $200.9 million in 2023, 2022 and 2021, respectively. Student tuition and fees were $309.2 million, $256.8 million, and $250.8 million in 2023, 2022 and 2021, respectively. In fiscal 2023, $32 million in additional student tuition and fees resulted from merger with Bloomfield and $20.4 million attributed to Montclair's enrollment increase of 4.8% for academic year 2022-2023 and an average 4.6% increase in tuition and fee rates. In fiscal 2022, there was an average 2.7% increase in tuition and fee rates and relatively flat enrollment for academic year 2021-22.

Room and board revenue were $54.4 million, $43.7 million, and $26.2 million in 2023, 2022 and 2021, respectively, reflecting an increase in occupancy and meal counts and rate increases of 2% for room fees and 1.1% - 3.2% rate increase for board fees and $5 million increase relating to Bloomfield. Bad debt expense/(recovery) totaled $1.1 million, $(446) thousand, and $2.3 million in 2023, 2022 and 2021, respectively.

The University places a high priority on scholarship assistance as part of its commitment to student access and affordability. Scholarship allowances, or financial aid, is the difference between the stated charge for tuition and fees and the amounts paid by students and third parties on behalf of the student, which are reported as offsets to revenue. These amounts totaled $128.9 million in 2023 of which $19.4 million relates to Bloomfield, $85.9 million in 2022, and $76.1 million in 2021. Scholarships and fellowships are awarded to students and reported as an offset to their tuition and fees and room and board charges, and financial aid is based on the availability of funds.

State Appropriations

Appropriations from the State of New Jersey totaled $128.7 million of which $13 million related to Bloomfield in 2023, $104.8 million in 2022 and $88.1 million in 2021. The total includes both the general operating appropriation and fringe benefit reimbursements. Approximately $72.4 million in Montclair general operating was received in 2023 exceeding the $63.3 received in 2022. Montclair's $72.4 million includes $14.8 million in Outcomes Based Appropriation (OBA) and $2.2 million as additional fringe support. In fiscal 2022, the $63.3 million included $10.1 million in OBA. The OBA is an additional funding source provided from the State starting in fiscal 2020 for each senior public institution of higher education aimed at advancing equity and improving student outcomes. An increase in fringe benefit costs and changes in the State's fringe reimbursement rate increased reimbursements to $43.3 million in 2023 from $41.5 million in 2022.

State Paid Other Postemployment Health Benefits

In 2023, the University recognized ($8.9) million of revenue and expense from the State of New Jersey attributable to post employment health benefits, in accordance with GASB 75. This was a decrease of $13.2 million compared to 2022 due to changes in census, claims, and premiums experience. The State is legally obligated to provide the funds required for such benefits and as such, these transactions have no effect on the University's net position.

Grants and Contracts

Revenues from grants and contracts were $86.8 million of which $4.4 million related to Bloomfield in 2023, $69.2 million, and $53.0 million in 2022 and 2021, respectively. The State's Tuition Aid Grant (TAG) increased by $8.8 million in 2023 compared to the previous year, due to the increase in the average award amount of approximately $1 thousand per recipient as a result of the University being a public research university. In fiscal 2023, the University had a total of 351 awards of which 298 are sponsored external research grants, including 80 awards received by faculty, 16 financial aid grants and 37 contracts.

Faculty awards totaled $20 million in external sponsored projects funding, with awards coming from the National Science Foundation, the National Oceanic & Atmospheric Administration, the US Department of Housing and Urban Development, the U.S. Department of Education, and the State of New Jersey. Several private sponsors also provided the University with funding which includes but is not limited to John Templeton Foundation, Spencer Foundation and the Grant Foundation. External fund spending increased by approximately 25% over last year's total of $4.9 million. Among the larger grants received in fiscal 2023 was a $1 million, two-year grant from the Dodge Foundation to help launch a community school and to coordinate the identification of other community priorities for the One Square Mile in Paterson, NJ. A $1 million, 3-year grant received from Arizona State University via John Templeton Foundation to develop and conduct an evaluation of the Principled Innovation Framework.

In October 2021, the Department of Health and Human Services approved the University's request for new rates for its facilities & administrative (F&A) and fringe benefit costs. The accepted rates allow the University to use an on-campus rate of 46% and an off-campus rate of 14.7% of modified total direct cost for the period between July 1, 2021 through June 30, 2025. These rates are applied in proposals and awards funded by externally sponsored grants and contracts. The F&A revenue was $2.3 million, $1.5 million, and $1.4 million in 2023, 2022 and 2021 respectively. The fringe benefit rate charged to grants is based on position type and is 28.10% for full time employees and 14.80% adjuncts and post docs. Fringe benefits recovered in 2023, 2022 and 2021 were $2.0 million, $1.7 million and $1 million respectively.

Educational Activities and Auxiliary Enterprises

Revenue from educational activities and programs is generated primarily by the Benjamin Samuels Children's Center, the Benjamin Samuels Early Intervention program, and the Center for Research and Evaluation on Education and Human Services (CREEHS). These revenues increased slightly by $57 thousand in 2023 after increasing $1.7 million in 2022 due to the pandemic restrictions easing following a $1.0 million loss related to pandemic in 2021.

Auxiliary enterprises include housing, food service, parking, the bookstore, student center activities, and certain athletic programs. Revenue from auxiliary enterprises, net of allowances, decreased $501 thousand due to decrease in food service revenues changes in dining providers compared to an increase of $5.5 million in 2022 due to the pandemic easing following a $4.6 million loss related to pandemic in 2021.

Expenses Associated With Core Activities

Expenses associated with the University's core activities, including those classified as non-operating expenses, were $544 million, $512 million, and $445 million, in 2023, 2022 and 2021, respectively.

Overall, expenses excluding depreciation and interest, totaled $464 million in 2023, representing an increase of $29 million of which $35 million is attributed to Bloomfield offset by $6 million decrease or less than 1.4% attributed to Montclair. Montclair's decrease was comprised of significant decrease in pandemic related financial assistance of $36 million and decrease in post-employment benefits of $13.2 million. This was offset by a $27.5 million increase in salaries and benefits, a $9.9 million increase in services and fees primarily due to an increase in professional consulting & legal fees of $3 million and food & dining services of $3 million, a $1.6 million increase in utilities, a $1.3 million increase in supplies & materials and other expenses increased $2 million primarily due to an increase in travel related expenses.

During 2022, expenses excluding depreciation and interest, totaled $435 million, representing an increase of $60 million or 16%. The increase in expenses was the result of the restoration of extensive cost mitigation measures made during the pandemic: a $25 million increase in salaries and benefits, a $7 million increase in services and fees primarily due to an increase in food & dining services of $5 million, a $2 million increase in suppliers and materials and other expenses increased $3 million primarily due to an increase in travel related expenses. This was offset by a decrease in pension benefits of $9 million and decrease in post-employment benefits of $3.3 million.

CATEGORIES OF BOTH OPERATING AND NON-OPERATING EXPENSES RELATED TO THE UNIVERSITY'S CORE ACTIVITIES IN 2023 ARE AS FOLLOWS:

Salaries and Benefits

Approximately 60% of the University's 2023 expenses are related to payroll costs and employee benefits (including pension expense). There was an average of 5,854 employees in Montclair in fiscal 2023, as compared to 5,275 in fiscal 2022, an increase of 11%.

In 2023, salary and benefits increased by $50.5 million of which $23 million related to Bloomfield salaries and benefits and $27.5 million or 10% related to Montclair. The increases were attributed to support academic and student-centered programs. Montclair's total payroll increased from $226.4 million in 2022 to $245.8 million or 9% in 2023, while fringe benefits costs increased from $48.7 million to $56.7 million or 16% in 2023 due to increases in health insurance costs.

In 2022, salary and benefits increased by $24.7 million or 10%, due to the restoration of extensive cost mitigation measures made during the start of the pandemic in March 2020 which included hiring freezes and employee furloughs; the total payroll increased from $200.8 million in 2021 to $226.4 or 13% in 2022, while fringe benefits costs decreased from $49.4 million to $48.7 million or 1.4% during the same period due to decreases in compensated absences expense as the pandemic restrictions lessened.

In 2023, pension expenses increased by $484 thousand or 241% mainly from changes in actuarial assumptions.

In 2022, pension expenses decreased by $9.4 million or 102%, mainly from changes in mortality assumptions and change in plan provision. The mortality assumption changed to the Society of Actuaries (SOA) Scale MP-2021 mortality improvement scale upon direction from the Division of Pensions and Benefits. The change in plan provision related to Chapter 140, P.L. 2021 reopening the Worker's Compensation Judges (WCJ) Part of PERS and transferred over WCJs from the Defined Contribution Retirement Plan (DCRP) and regular part of PERS into the WCJ Part of PERS.

The University's pension expenses are summarized below (dollars in thousands):

	2023	2022	2021
PERS	$ (1,617)	$ (1,561)	$ 7,132
PFRS	1,900	1,360	2,041
	283	(201)	9,173
TPAF	58	48	199
Alternate Benefit Program (ABP)	13,712	12,291	11,313
Defined Contribution Retirement Program (DCRP)	20	37	23
Total	$ 14,073	$ 12,175	$ 20,708

State-sponsored other postemployment benefits expenses totaled ($8.9) million and $4.3 million in 2023 and 2022, respectively, which was offset by an equivalent amount of revenue from the state.

Other Expenses

Other expenses include travel, rent, lease and grant subrecipients expenses totaled $14.8 million in fiscal 2023 and $9.8 million fiscal 2022. The $5 million increase is attributed to $3 million in Bloomfield other expenses and $2 million increase in Montclair expenses related to travel.

Operating Results

Operating losses were $161.5 million of which $16.5 million related to Bloomfield in 2023, $168.9 million in 2022, and $144.8 million in 2021. Operating losses were offset by non-operating revenue that support core operating activities of the University. These include state appropriations, Pell grants, pandemic related financial assistance, gifts and non-exchange grants, state paid other postemployment health benefits, investment income including unrealized and realized gains(loss) and other non-operating revenue, which totaled $241 million of which $76 million related to Bloomfield in 2023, $195.3 million in 2022, and $175.2 million in 2021. Total revenues supporting core activities exceeded total expenses associated with core activities by $24.0 million, $30.0 million, and $30.8 million for the period ending June 30, 2023, 2022 and 2021, respectively. The decrease in income from core activities in 2023 is primarily attributable to decrease in revenue received from pandemic related financial assistance. The increase in income from core activities in 2022 and 2021 was primarily attributable to revenue received from pandemic related financial assistance and state appropriations. The 2023 expenses associated with core activities increased from the 2022 expenses by $32.3 million of which $40.8 million related to Bloomfield offset by $8.5 million decrease related to Montclair. Montclair's net decrease consisted of a $35.8 million reduction in pandemic related financial assistance, $13.2 million decrease in postemployment health benefits expense, and a $1.9 million decrease in the depreciation expense. These decreases in expenses were offset by $27.5 million increase in salaries and benefits, a $9.9 million increase in services and fees, a $1.6 million increase utilities, a $1.3 million increase in supplies and materials and $2 million increase in other expenses.

OUTLOOK FOR FISCAL 2024

With the start of his Presidency at Montclair State University in August 2021, Dr. Jonathan Koppell made clear his belief that public universities play a fundamental role in advancing society. His goal since taking office has been to begin building upon Montclair State's deep commitment to serving the public interest in "bold", imaginative ways that contribute to the prosperity, health and well-being of New Jersey and the nation." In one such effort, Montclair State University, serving as an anchor institution, is partnering with Paterson, New Jersey's numerous backbone organizations, nonprofits, and residents to shape a modern vision for the city, built on equitable outcomes in health, education, and economic opportunity. The commencement of this cross-sector collaboration, which the University is calling the One Square Mile Initiative, is being generously supported through a $1 million grant from the Geraldine R. Dodge Foundation.

Through the implementation of One Square Mile, a place-based, hyper-local partnership initiative, the University will serve as a systems-integrator that invests in human capital and coordinates existing community activity within a concentrated geography. One Square Mile will be Montclair State's first deliberate and focused attempt to deepen its engagement in Paterson, New Jersey, one of the most important historic communities in the state and one that boasts a vibrant cultural and industrial history.

Adjacent to and in concert with the One Square Mile Project, the University's Office of Community Engagement and Partnerships is working closely with BAW Development, one of the lead developers of the Hinchliffe Stadium Neighborhood Restoration Project. A longtime community hub, the stadium project aims to create a synergistic focal point that drives economic development in the region and Montclair State University is taking a leading role in development of a museum and educational component.

In 2023, the Office of Community Engagement and Partnerships officially launched uCAN, which will serve as an incubator for collaborative initiatives that intentionally apply institutional capital and other resources to improve community well-being and confront complex challenges, through sustained, mutually beneficial partnerships with neighboring communities. Since January, uCAN has taken the lead on the One Square Mile Project. In addition to establishing a university-assisted community school at Eastside High School in Paterson, uCAN has recently awarded $139,415 to four community- and faith-based organizations in Paterson and is assisting with various community partnerships including Friends of the Howe House in Montclair, Newark and Montclair YMCAs, Montclair Fund for Educational Excellence, and multiple community-based organizations supporting the University's Harm Reduction initiative in Paterson.

The University is strongly committed to making the University educational opportunity as accessible as possible while maintaining the financial security of the institution in the new expense environment. In fiscal year 2024, the University increased tuition and fees at a higher rate after a modest increase in 2023 and

2022. Despite the increase in tuition and fees for academic year 2023-2024, Montclair undergraduate tuition and fees remain below the average amount of New Jersey's senior public colleges and universities. Increases in tuition and fees are expected to be offset for students with financial need by increases in state TAG, federal Pell aid programs, and institutional financial aid. Institutional financial aid will increase by 16.2% over fiscal year 2023 in fulfilling the University's commitment to affordability.

In Fall 2023, the University launched several new undergraduate and graduate programs, including: Master of Science programs in Digital Marketing Analytics and Human Resource Analytics, new Bachelor degrees in Business Analytics (BS), Recording Arts and Production (BA), and Animation and Visual Effects (BFA); combined Bachelor of Arts programs in Medical Humanities or Psychology with a Master of Public Health (MPH), and undergraduate certificate programs in Spanish Language Journalism, and Harm Reduction Approaches for Substance Abuse. A minor in Neuroscience is also scheduled to launch beginning Spring 2024. Several new academic degrees are in development and planned for Fall 2024.

General state appropriations for the fiscal year 2024 are expected to remain consistent with the prior year at a total of $55.5 million. Outcome Based Allocation funding for fiscal year 2024 is expected to increase to $17.9 million from $6.6 million in the prior fiscal year.

Operating expenses for fiscal year 2024 are expected to increase from fiscal year 2023 to reflect the University's priorities which include supporting academic and professional success for a diverse student body, maintaining affordability, expanding research and innovation, increasing community partnerships and public services, expanding Montclair Unbound, which will offer programs that give students the ability to learn how, when and where it works best for them; and funding employee salary and inflationary cost increases.

For the Fall 2023 semester, the University welcomed 4,100 students to campus as part of the Class of 2027. It is the largest incoming class in the University's 115-year history, a feat accomplished for the third consecutive year under President Jonathan Koppell. Total University enrollment is closing in on approximately 22,000 students, which is the largest student body in school history.

Members of the Class of 2027 represent 33 states and 35 countries up from 39 states and 21 countries in 2022 – and more than 44% are the first in their families to attend college. Some 44% of the incoming class identifies as Hispanic, further bolstering Montclair's status as New Jersey's largest Hispanic-Serving Institution and more than 24% of the incoming class identified as Black. The class also boasts a 3.4 cumulative high school GPA for the third consecutive year.

On July 10, 2023 the Office of Secretary of Higher Education offered the University a New Jersey Higher Education Capital Facilities Grant. The University was awarded $9.2 million grant from the Higher Education Technology Infrastructure (HETI) Program for the campus Wi-Fi and firewall upgrade, and $59.9 million grant from CIF program for the expansion of STEM facilities and the renovation of the Teaching and Learning Commons. The award will be funded from four revolving State-backed bond programs that support institutions of higher education and more specifically, students. The Programs are: the Higher Education Capital Improvement Fund (CIF), the Higher Education Facilities Trust Fund (HEFT), the Higher Education Technology Infrastructure (HETI) Fund, and the Higher Education Equipment Leasing Fund (ELF). The purpose of the Programs is for institutions of higher education to re-imagine spaces to better serve the 21st century students.

The University remains committed to providing the facilities and resources required to meet its educational, research and public service goals, while maintaining long-term financial sustainability. Support for the University's future capital plans is expected to continue to be provided from a combination of sources including the state of New Jersey, external financing, gifts and other sources.

As mentioned earlier within the Management Discussion and Analysis, on June 30, 2023, Bloomfield College merged with the sub-entity of Montclair named Bloomfield College of Montclair State University. The fiscal year 2024 priorities for Bloomfield are operational integration into the broader University, determining the longer-term strategy and market position of Bloomfield distinct from the Montclair campus, and stabilizing the financial performance. Work is underway on integrating the parallel administrative, academic, and student service functions across the two campuses. This will create positive financial opportunities in economies of scale and in better deploying under-used assets such as vacant student housing on the Bloomfield campus. Academic Affairs will determine the strategy for the market position of Bloomfield relative to both Montclair and other institutions with the goal of defining a unique Bloomfield educational experience and program mix. This distinct Bloomfield value proposition will be the key to the enrollment growth necessary for longer term financial stability. Fall enrollment is expected to be steady from this past spring and provide a baseline for future growth as enrollment management begins recruiting for both campuses.

Additional information concerning the University's financial reports may be found on the website of Montclair State University at www.montclair.edu.

Additional information concerning state budget matters and the state's financial condition may be found on the website of the New Jersey Department of Treasury at www.state.nj.us/treasury.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF NET POSITION
June 30, 2023
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University	Component Unit Montclair State University Foundation	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 49,236	$ 2,123	$ 51,359
Investments	22,741	-	22,741
Assets held under bond indenture agreements	21,417	-	21,417
Restricted cash equivalents	3,280	-	3,280
Receivables:			
Students, less allowance for doubtful accounts of $3,387	13,616	-	13,616
Loans, less allowance for doubtful loans of $111	480	-	480
Rent	2,757	-	2,757
Gifts, grants and contracts	12,474	-	12,474
State of New Jersey	3,731	-	3,731
Other receivables	11,041	3,745	14,786
Other current assets	4,226	69	4,295
Total current assets	144,999	5,937	150,936
Noncurrent assets			
Investments	132,207	106,460	238,667
Loans receivable, less allowance for doubtful loans of $125	394	-	394
Rent receivable	25,685	-	25,685
Capital assets, net	932,142	-	932,142
Other noncurrent assets	1,400	6,605	8,005
Total noncurrent assets	1,091,828	113,065	1,204,893
Total assets	1,236,827	119,002	1,355,829
Deferred outflows of resources			
Deferred amount from debt refundings	1,196	-	1,196
Deferred outflow of capital purchase	4,667	-	4,667
Deferred outflow of pension resources	25,449	-	25,449
Total deferred outflows of resources	31,312	-	31,312
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	48,586	3,719	52,305
Bonds payable and other long-term debt	17,016	-	17,016
Lease liability	3,603	-	3,603
Subscription liability	5,232	-	5,232
Unearned tuition, fees, and deposits	6,904	-	6,904
Unearned revenue from grantors	4,014	-	4,014
Assets held on behalf of others	2,843	-	2,843
Total current liabilities	88,198	3,719	91,917
Noncurrent liabilities			
Bonds payable and other long-term debt	366,953	-	366,953
Lease liability	18,368	-	18,368
Subscription liability	18,475	-	18,475
Compensated absences	2,605	-	2,605
Net pension liability	174,695	-	174,695
Other long term liability	1,401	-	1,401
Total noncurrent liabilities	582,497	-	582,497
Total liabilities	670,695	3,719	674,414
Deferred inflows of resources			
Deferred service concession arrangement	146,869	-	146,869
Deferred inflow of pension resources	27,005	-	27,005
Deferred amount from debt refundings	5,572	-	5,572
Deferred inflow amount from leases	26,553	-	26,553
Total deferred inflows of resources	205,999	-	205,999
Net position			
Net investment in capital assets	322,233	-	322,233
Restricted nonexpendable	13,578	54,950	68,528
Restricted expendable for:			
Scholarships	3,551	2,139	5,690
Loans	911	-	911
Donor designated purpose	1,796	-	1,796
Renewal and replacement	36	-	36
Debt service and debt service reserve	21,381	-	21,381
Other	1,526	44,437	45,963
Unrestricted	26,433	13,758	40,191
Total net position	$ 391,445	$ 115,284	$ 506,729

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF NET POSITION
June 30, 2022
(dollars in thousands)

	Business-Type Activities Montclair State University (Restated)	Component Unit Montclair State University Foundation	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 69,149	$ 4,109	$ 73,258
Investments	16,253	-	16,253
Assets held under bond indenture agreements	21,563	-	21,563
Receivables:			
Students, less allowance for doubtful accounts of $2,246	9,619	-	9,619
Loans, less allowance for doubtful loans of $114	704	-	704
Lease	3,180	-	3,180
Gifts, grants and contracts	7,806	-	7,806
State of New Jersey	5,009	-	5,009
Other receivables	9,351	7,581	16,932
Other current assets	3,529	117	3,646
Total current assets	146,163	11,807	157,970
Noncurrent assets			
Investments	80,575	97,393	177,968
Loans receivable, less allowance for doubtful loans of $179	582	-	582
Lease receivable	22,821	-	22,821
Capital assets, net	890,175	-	890,175
Other noncurrent assets	-	361	361
Total noncurrent assets	994,153	97,754	1,091,907
Total assets	1,140,316	109,561	1,249,877
Deferred outflows of resources			
Deferred amount from debt refundings	1,398	-	1,398
Deferred outflow of capital purchase	4,755	-	4,755
Deferred outflow of pension resources	22,222	-	22,222
Total deferred outflows of resources	28,375	-	28,375
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	45,705	4,798	50,503
Bonds payable and other long-term debt	14,133	-	14,133
Lease liability	3,529	-	3,529
Subscription liability	3,600	-	3,600
Unearned tuition, fees, and deposits	6,797	-	6,797
Unearned revenue from grantors	4,733	-	4,733
Assets held on behalf of others	1,867	-	1,867
Total current liabilities	80,364	4,798	85,162
Noncurrent liabilities			
Bonds payable and other long-term debt	353,576	-	353,576
Lease liability	20,171	-	20,171
Subscription liability	3,572	-	3,572
Compensated absences	2,647	-	2,647
Assets held on behalf of Federal government for loan programs	481	-	481
Net pension liability	170,948	-	170,948
Other long term liability	86	-	86
Total noncurrent liabilities	551,481	-	551,481
Total liabilities	631,845	4,798	636,643
Deferred inflows of resources			
Deferred service concession arrangement	154,212	-	154,212
Deferred inflow of pension resources	41,616	-	41,616
Deferred amount from debt refundings	6,004	-	6,004
Deferred inflow from pandemic related financial assistance	4	-	4
Deferred inflow amount from leases	23,607	-	23,607
Total deferred inflows of resources	225,443	-	225,443
Net position			
Net investment in capital assets	301,414	-	301,414
Restricted nonexpendable	-	53,810	53,810
Restricted expendable for:			
Scholarships	-	2,347	2,347
Loans	869	-	869
Donor designated purpose	755	-	755
Renewal and replacement	72	-	72
Debt service and debt service reserve	21,490	-	21,490
Other	-	39,048	39,048
Unrestricted	(13,197)	9,558	(3,639)
Total net position	$ 311,403	$ 104,763	$ 416,166

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

June 30, 2023
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University	Component Unit Montclair State University Foundation	Total
Operating revenues			
Student revenues			
Student tuition and fees	$ 309,186	$ -	$ 309,186
Residence life - room and board	54,449	-	54,449
Less: scholarship allowance	128,851	-	128,851
Net student revenues	234,784	-	234,784
Federal grant and contracts	21,581	-	21,581
State of New Jersey grants and contracts	59,853	-	59,853
Nongovernmental grants and contracts	5,363	-	5,363
Sales and services of educational departments	6,353	-	6,353
Auxiliary enterprises	19,736	-	19,736
Other operating revenues	16,391	14,005	30,396
Total operating revenues	364,061	14,005	378,066
Operating expenses			
Instruction	145,147	-	145,147
Research	28,870	-	28,870
Public service	19,187	-	19,187
Academic support	42,707	-	42,707
Student services	28,824	-	28,824
Institutional support	75,628	12,570	88,198
Operations and maintenance of plant	37,728	-	37,728
Depreciation and amortization	61,242	-	61,242
Student aid	26,785	-	26,785
Residence life and auxiliary enterprises	59,469	-	59,469
Total operating expenses	525,587	12,570	538,157
Operating (loss) income	(161,526)	1,435	(160,091)
Nonoperating revenues (expenses)			
State of New Jersey appropriations	85,421	-	85,421
State of New Jersey paid fringe benefits	43,290	-	43,290
Pell grants	48,095	-	48,095
Pandemic related financial assistance	18,198	-	18,198
State paid other postemployment health benefits	(8,934)	-	(8,934)
Gifts and non-exchange grants	6,748	-	6,748
Gain on government combination	58,196	-	58,196
Unrealized and realized losses on investment securities	(2,692)	-	(2,692)
Investment income, net of investment expenses of $316	6,334	9,086	15,420
Interest on indebtedness	(18,131)	-	(18,131)
Administrative costs	(161)	-	(161)
Other nonoperating revenues	4,690	-	4,690
Net nonoperating revenues	241,054	9,086	250,140
Income before other revenues	79,528	10,521	90,049
Capital gifts and grants	514	-	514
INCREASE IN NET POSITION	80,042	10,521	90,563
Net position			
Beginning of year	311,403	104,763	416,166
End of year	$ 391,445	$ 115,284	$ 506,729

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

June 30, 2022
(dollars in thousands)

	Business-Type Activities Montclair State University (Restated)	Component Unit Montclair State University Foundation	Total
Operating revenues			
Student revenues			
Student tuition and fees	$ 256,768	$ -	$ 256,768
Residence life - room and board	43,725	-	43,725
Less scholarship allowance	85,970	-	85,970
Net student revenues	214,523	-	214,523
Federal grant and contracts	16,240	-	16,240
State of New Jersey grants and contracts	49,240	-	49,240
Nongovernmental grants and contracts	3,714	-	3,714
Sales and services of educational departments	6,296	-	6,296
Auxiliary enterprises	20,237	-	20,237
Other operating revenues	15,026	11,994	27,020
Total operating revenues	325,276	11,994	337,270
Operating expenses			
Instruction	140,219	-	140,219
Research	19,667	-	19,667
Public service	17,567	-	17,567
Academic support	35,582	-	35,582
Student services	20,159	-	20,159
Institutional support	52,209	10,459	62,668
Operations and maintenance of plant	33,666	-	33,666
Depreciation and amortization	59,058	-	59,058
Student aid	62,950	-	62,950
Residence life and auxiliary enterprises	53,066	-	53,066
Total operating expense	494,143	10,459	504,602
Operating (loss) income	(168,867)	1,535	(167,332)
Nonoperating revenues (expenses)			
State of New Jersey appropriations	63,301	-	63,301
State of New Jersey paid fringe benefits	41,483	-	41,483
Pell grants	38,713	-	38,713
Pandemic related financial assistance	62,653	-	62,653
State paid other postemployment health benefits	4,271	-	4,271
Gifts and non-exchange grants	3,886	-	3,886
Unrealized and realized losses on investment securities	(3,561)	-	(3,561)
Investment income, net of investment expenses of $184	803	(5,623)	(4,820)
Interest on indebtedness	(17,231)	-	(17,231)
Administrative costs	(166)	-	(166)
Gain on disposal of capital assets	9	-	9
Other nonoperating revenues	1,160	-	1,160
Net nonoperating revenues	195,321	(5,623)	189,698
Income before other revenues	26,454	(4,088)	22,366
Capital gifts and grants	253	-	253
INCREASE (DECREASE) IN NET POSITION	26,707	(4,088)	22,619
Net position			
Beginning of year	284,696	108,851	393,547
End of year	$ 311,403	$ 104,763	$ 416,166

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF CASH FLOWS

June 30, 2023
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University
Cash flows from operating activities:	
Student tuition and fees	$ 170,880
Grants and contracts	88,270
Payments for salaries	(263,697)
Payments for fringe benefits	(35,794)
Payments to suppliers	(97,168)
Payments for utilities	(23,209)
Payments for student aid	(28,114)
Loans issued to students	69
Collection of loans from students	346
Auxiliary enterprises charges:	
Residence life	52,929
Other	19,714
Sales and services of educational departments	6,353
Other receipts	13,999
Net cash used in operating activities	(95,422)
Cash flows from noncapital financing activities:	
State of New Jersey appropriations	90,443
Pell grants	48,202
Pandemic related Financial Assistance	18,194
Gifts and non-exchange grants	8,008
Student organization agency transactions	977
Other receipts	4,690
Net cash from noncapital financing activities	170,514
Cash flows from capital financing activities:	
Capital gifts and grants	514
Principal paid on capital debt	(15,675)
Interest paid on capital debt	(19,498)
Purchases of capital assets	(31,435)
Administrative costs	41
Change in deposits held by bond trustees	145
Net cash used in capital financing activities	(65,908)
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	6,662,607
Proceeds from government combination	14,162
Purchases of investments	(6,711,246)
Interest on investments	8,660
Net cash used in investing activities	(25,817)
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(16,633)
Cash and cash equivalents and restricted cash:	
Beginning of year	69,149
End of year	$ 52,516

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF CASH FLOWS - CONTINUED

June 30, 2023
(dollars in thousands)

	Business-Type Activities Montclair State University and Bloomfield College of Montclair State University
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	$ (161,526)
Adjustments to reconcile operating loss to net cash used in operating activities:	
State of New Jersey paid fringe benefits	39,546
State paid other postemployment health benefits	(8,934)
Depreciation and amortization expense	61,242
Provision for bad debts	457
Net unrealized and unrealized losses (gains) on investments	(1,704)
Changes in assets and liabilities:	
Student receivables	(4,192)
Loans receivables	416
Lease receivables	505
Grants receivables	(3,623)
Other receivables	(2,225)
Other current assets	(194)
Accounts payable and accrued expenses	1,077
Unearned tuition, fees and deposits	(490)
Unearned revenue from grantors	(719)
Compensated absences - noncurrent portion	(42)
Accrued retirement benefit obligation	(444)
Assets held on behalf of Federal government for loan programs	(481)
Net pension liability	(14,091)
Net cash used in operating activities	$ (95,422)

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF CASH FLOWS

June 30, 2022
(dollars in thousands)

	Business-Type Activities Montclair State University (Restated)
Cash flows from operating activities:	
Student tuition and fees	$ 174,818
Grants and contracts	69,745
Payments for salaries	(223,880)
Payments for fringe benefits	(30,343)
Payments to suppliers	(70,687)
Payments for utilities	(19,072)
Payments for student aid	(62,951)
Loans issued to students	64
Collection of loans from students	476
Auxiliary enterprises charges:	
Residence life	43,316
Other	20,237
Sales and services of educational departments	6,296
Other receipts	10,819
Net cash used in operating activities	(81,162)
Cash flows from noncapital financing activities:	
State of New Jersey appropriations	70,039
Pell grants	38,713
Pandemic related Financial Assistance	62,655
Gifts and non-exchange grants	3,886
Student organization agency transactions	(378)
Other receipts	1,160
Net cash from noncapital financing activities	176,075
Cash flows from capital financing activities:	
Capital gifts and grants	253
Principal paid on capital debt	(19,731)
Interest paid on capital debt	(18,012)
Purchases of capital assets	(36,151)
Gain on disposal of capital assets	9
Administrative costs	124
Change in deposits held by bond trustees	1,669
Net cash used in capital financing activities	(71,839)
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	3,144,030
Purchases of investments	(3,169,163)
Interest on investments	4,309
Net cash used in investing activities	(20,824)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,250
Cash and cash equivalents:	
Beginning of year	66,899
End of year	$ 69,149

The accompanying notes are an integral part of this financial statement.

Montclair State University
(A Component Unit of the State of New Jersey)

STATEMENT OF CASH FLOWS - CONTINUED

June 30, 2022
(dollars in thousands)

	Business-Type Activities Montclair State University (Restated)
Reconciliation of operating loss to net cash from operating activities	
Operating loss	$ (168,867)
Adjustments to reconcile operating loss to net cash used by operating activities	
State of New Jersey paid fringe benefits	33,723
State paid other postemployment health benefits	4,271
Depreciation and amortization expense	59,057
Provision for bad debts	(2,800)
Changes in assets and liabilities:	
Student receivables	6,652
Loans receivables	540
Lease receivables	(1,030)
Grants receivables	924
Other receivables	(3,009)
Other current assets	(883)
Accounts payable and accrued expenses	5,928
Unearned tuition, fees and deposits	(241)
Unearned revenue from grantors	265
Compensated absences - noncurrent portion	70
Assets held on behalf of Federal government for loan programs	(638)
Net pension liability	(15,124)
Net cash used in operating activities	$ (81,162)

The accompanying notes are an integral part of this financial statement.

NOTE 1 - ORGANIZATION

Montclair State University (Montclair), established in 1908, has been a leading institution of higher education in New Jersey and is committed to serving the educational needs of the State of New Jersey (the State). Its programs are characterized by academic rigor and advancement in the development of knowledge and its applications. As a result of this commitment, Montclair established a sole member not-for-profit entity named Bloomfield College of Montclair State University (Bloomfield) on March 2, 2023. The purpose of this entity was to be the surviving entity in a merger with Bloomfield College, a private not-for-profit 501(c)(3) organization. The merger between Bloomfield and Bloomfield College was made possible by legislation codified at L.2023, c.65, and was successfully completed on June 30, 2023, marking a significant milestone in their collaborative journey. Bloomfield is recognized as a public entity by the NJ Office of the Secretary of Higher Education and is governed by a Board of four directors.

Bloomfield College, founded in 1868, was New Jersey's only institution of higher education designated by the United States Department of Education as a Predominantly Black, Hispanic-serving, and minority serving institution. Bloomfield College served a diverse population and prepared students for success in a multicultural and global society. While the entity referred to as Bloomfield College is no longer in existence following the merger, Bloomfield College of Montclair State University will continue to operate and serve these same communities.

Situated on a 264-acre suburban campus, Montclair and Bloomfield (collectively, the University) delivers the instructional and research resources of a large public university in a supportive, sophisticated and diverse academic environment. Montclair is designated as a Research Doctoral University by the Carnegie Classification of Institutions of Higher Education and classified by the New Jersey Secretary of Higher Education as a doctoral degree-granting institution. The University has ten degree-granting colleges and schools that serve more than 22,000 undergraduate and graduate students. The University has more than 300 doctoral, master's, and baccalaureate level programs.

Montclair State University Foundation, Inc. (the Foundation) is a nonstock corporation organized as a not-for-profit entity under the provisions of Title 15 of the New Jersey statutes. The Foundation was established for the benefit of the University to aid in obtaining additional resources to meet the needs of the University. The Foundation strives to raise funds from subscriptions, gifts, bequests and other devices and uses such funds as appropriately determined by its board of trustees. The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation operates under an independent board of trustees. As the Foundation's resources can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University. Accordingly, the Foundation's statement of net position and statement of revenues, expenses and changes in net position are included in the University's financial statements using a discrete presentation. Complete financial statements for the Foundation can be obtained from the Foundation's office at 1 Normal Avenue, Montclair, New Jersey 07043.

The University is an instrumentality of the State with a high degree of autonomy. However, under Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the University, which is financially dependent on the State, is a component unit of the State for financial reporting purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting policies of the University conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to public colleges and universities. The University's reports are based on all applicable GASB authoritative literature in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GASB Statement No. 35 *Basic Financial Statements – and Management's Discussion and Analysis – Public Colleges and Universities* and GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* establish standards for external financial reporting for public colleges and universities and require 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 not subject to externally-imposed stipulations that may be designated for specific purposes by action of management or the Board of Trustees, or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic programs and initiatives and capital programs.

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.

Measurement Focus and Basis of Accounting

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

Use of Estimates

The presentation of the financial statement in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with banking institutions and highly liquid short-term investment securities held in the State of New Jersey Cash Management Fund (CMF) and other investment accounts, with an original maturity of three months or less.

Investments

Investments are recorded in the financial statements at fair value, which is based on quoted market prices. Purchase and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis.

Assets Held Under Bond Indenture Agreements

Assets held under bond indenture agreements are recorded in the financial statements at fair value, which is based on quoted market price and consist of money market funds.

Restricted Cash Equivalents

In March 2023, the Department of Education (DOE) determined that Bloomfield College failed to meet the financial responsibility standards set by the DOE. Bloomfield College was allowed to continue to participate in the Title IV, HEA programs by choosing to supply the DOE a Provisional Certification Alternative in the amount of $3.1 million. This amount represents 25% of the Title IV, HEA program funds received by Bloomfield College during its most recently completed fiscal year. Bloomfield College obtained a secured letter of credit from Provident Bank in the amount of $3.1 million, which is secured by a money market account totaling $3.3 million as of June 30, 2023, and is included as restricted cash equivalents in the accompanying statement of net position. As a result of the merger, restricted cash and secured letter of credit is disclosed by Bloomfield.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the statements of financial position that sum to the same such totals shown in the statements of cash flows:

	2023	2022
Cash and cash equivalents	$ 49,236	$ 69,149
Restricted cash equivalents	3,280	-
Total cash, cash equivalents and restricted cash equivalents	$ 52,516	$ 69,149

Receivables

Student receivables consist of tuition and fees charged to current and former students. State of New Jersey receivables, grants and contracts receivables are amounts due from federal and state governments in connection with reimbursement of allowable expenditures made pursuant to grants and contracts and other miscellaneous sources. Loans receivables consist of funds loaned to students under federal loan programs. Leases receivables consist of the present value of leases receipts expected during the lease term. Other receivables consist of employee receivables and a variety of billings ranging from clinical services, fee for service arrangements, and auxiliary enterprise contracts.

Receivables are reported at net realizable value. Student Receivables which are past due twelve months are reserved for at 50% and those past due twenty-four months are reserved at 100%. Grants and Contracts

Receivables, Leases Receivables and Other Receivables are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful grants and contracts leases and other receivables is estimated based upon management's evaluation and periodic review of individual accounts.

Capital Assets

Capital assets with acquisition costs of at least $5,000 and useful lives of at least three years are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Assets acquired under lease agreements are classified as right of use assets and are recorded as capital assets.

Capital assets of the University are depreciated/amortized using the straight-line method over the following useful lives:

	Useful Lives
Buildings	50 years
Building improvements	20 years
Right of use buildings	4 - 22 years
Infrastructure	25 years
Land improvements	10 - 25 years
Equipment and vehicles	3 -10 years
Right of use equipment	2 - 4 years
Furniture and fixtures	10 years
Leasehold improvements	5 years
Software and licenses	3 years
Subscription agreements	2 - 10 years

The University owns works of art and other collectibles valued at approximately $3.9 million as of June 30, 2023 and June 30, 2022. Management has elected not to capitalize these items in accordance with GASB Statement No. 34.

Assets Held on Behalf of Others

The University holds cash and cash equivalents as custodian for the benefit of students or student organizations. A majority of the assets held on behalf of others relate to Red Hawk dollars. The Red Hawk dollars program is a prepaid debit account allowing the University community to purchase goods or services on campus or off campus where red hawk dollars are accepted. Funds carry over semester to semester, year to year, up until withdrawal or graduation, and remaining funds over $5 are refunded. Amounts related to the Red Hawk dollars program amounted to $1.3 million and $1.2 million as of June 30, 2023 and 2022, respectively.

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets that is applicable to a future reporting period.

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources. The changes in assumptions, net differences between projected and actual earnings on pension plan investments and changes in proportionate share may be either deferred outflows of resources or deferred inflows of resources. See Note 11 for the University's breakdown of these items.

Deferred outflows and inflows of resources include gains and losses resulting from the refinancing of debt, which represents the difference between the reacquisition price and the net carrying amount of the old debt and is amortized over the life of the related debt.

Deferred outflows of resources also include capital investment fund repayments funded by contractor.

Deferred inflows relate to service concession agreements and rent receivables. Deferred inflows from rent relate to the rent receivable and amounts are deferred and amortized to lease revenue in a systematic and rational manner over the term of the lease.

Leases

The University is a lessor for noncancelable leases of buildings, sites, and land. The University recognizes a rent receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the University initially measures the rent receivable at the present value of payments expected to be received during the lease term. Subsequently, the rent receivable is reduced by the principal portion of payments received. The deferred inflow of resources is initially measured as the initial amount of the rent receivable, adjusted for payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments to lessor accounting:

Discount Rate	The University uses the lessee's estimated borrowing rate as the discount rate to discount the expected lease receipts to present value. The estimated borrowing rate is determined by assessing the credit worthiness of the lessee based on their Moody's rating on public debt. A credit spread is determined based on such rating along with comparables, market factors and other factors starting with the U.S. Treasury rate. For lessees without a Moody's rating, a non-investment grade (Ba1/Ba2) is used to develop the credit spread.
Lease Term	The lease term includes the non-cancellable period of the lease.
Lease Payments	Cash receipts included in the measurement of the rent receivable are composed of fixed payments from the lessee and any payment renewal option that the University is reasonably certain to exercise.

The University is a lessee for noncancelable leases of buildings and equipment. The University recognizes a lease liability and an intangible right-to-use lease asset, included within capital assets, net, in the accompanying statements of net position. At commencement of a lease, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements to lessee accounting include:

Discount Rate	The University uses the lessor's implicit interest rate as the discount rate to discount the expected lease payments to the present value. When the interest rate is not provided, the University uses its estimated incremental borrowing rate as the discount rate for leases.
Lease Term	The lease term includes the non-cancellable period of the lease.
Lease Payments	Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the University is reasonably certain to exercise.

Operating leases with a term of 12 months or less are not recorded on the statement of net position and are expensed. Right-of-use-assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the right-of-use asset and is included in depreciation and amortization expense in the statement of revenues, expenses, and changes in net position. The interest expense related to leases is recognized using the effective interest method based on the discount rate determined at lease commencement and is included within interest on indebtedness in the statement of revenues, expenses and changes in net position.

The University monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the rent receivable and deferred inflows of resources where the University is a lessor and lease assets and liability where the University is a lessee if certain changes occur that are expected to significantly affect the amount of the rent receivable or lease liability.

Subscription Based Information Technology Arrangements (SBITAs)

The University is a party to noncancelable subscription-based information technology agreements that convey the right to use a vendor's IT software. The University recognizes a subscription liability and an intangible right-to-use subscription asset, included within capital assets, net, in the accompanying statements of net position. At commencement of the agreement, the University initially measures the agreement liability at the present value of payments expected to be made during the agreement term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for the payments made at or before the commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life which corresponds to the agreement term.

Key estimates and judgements to subscription accounting include:

Discount Rate	The University uses its estimated incremental borrowing rate as the discount rate to discount expected subscription payments to the present value.
Subscription Term	The subscription term is the period during which the University has a noncancelable right to use the vendor's IT software alone or in combination with the underlying IT assets.
Subscription Payments	Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

Subscription agreements with a term of 12 months or less are not recorded on the statement of net position and are expensed. Subscription assets are amortized on a straight-line basis over the subscription term and is included in depreciation and amortization expense in the statement of revenues, expenses, and changes in net position. The interest expense related to subscriptions is recognized using the effective interest method based on the discount rate determined at subscription commencement and is included within interest on indebtedness in the statement of revenues, expenses and changes in net position.

The University monitors changes in circumstances that would require a remeasurement of its agreements and will remeasure subscription assets and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Revenue Recognition

Student tuition and fees are presented net of scholarships applied to student accounts, and bad debt expense (recovery) of $1.1 million and $(446) thousand for the years ended June 30, 2023 and 2022, respectively. Other payments made directly to students are presented as student aid and are recognized in the period earned. Student tuition, fees, and deposits collected in advance of the academic year are recorded as unearned tuition, fees, and deposits in the accompanying financial statements, and totaled $6.9 million and $6.8 million as of June 30, 2023 and June 30, 2022, respectively. Unearned revenue includes summer session activity for July and August which will be recognized as revenue in the following fiscal year. Unearned summer revenue totaled $1.4 million as of June 30, 2023 and $3.2 million as of June 30, 2022, respectively.

Grants and contracts revenue consists mainly of funding received from Federal and State governments, and other nongovernmental sources and are recognized as the related expenses are incurred. Amounts received from grants which have not yet been earned under the terms of the agreement are recorded as unearned revenue from grantors in the accompanying financial statements and totaled $4.0 million and $4.7 million as of June 30, 2023 and June 30, 2022, respectively.

The University recognizes a deferred inflow of resources related to the acquisition of the Heights residence hall as part of its service concession agreement. The deferred inflow is amortized into income over the term of the agreement and is included in other operating income in the statement of revenues, expenses and changes in net position. See Note 16 - Service Concession Arrangement for Student Residence Hall Facility for more details.

Revenue from State appropriations is recognized in the fiscal year during which the State appropriates the funds to the University. The University is fiscally dependent upon these appropriations.

Scholarship Allowance

Scholarship allowances are the difference between the stated charge for tuition and services provided by the University and the amount that is paid by students and/or third parties making payments on students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees and other student services, the University has recorded a scholarship allowance.

Classification of Revenue and Expense

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 student tuition and fees, and residence life, net of scholarship allowances; sales and services of auxiliary enterprises; and most Federal, State, local and other grants and contracts. Non-operating revenues include activities that have the characteristics of non-exchange transactions and financial assistance, such as operating and capital appropriations from the State, Pell grants, Pandemic related financial assistance, and net investment income and gifts and non-exchange grants.

Interest expense is reported as a non-operating activity.

Tax Status

Montclair is exempt from Federal income taxes under Section 115 of the Internal Revenue Code. Its unrelated activities are subject to taxation under Section 512. Any required provision for UBIT is recorded in the financial statement and reported on Montclair's Federal Form 990-T. Bloomfield is exempt from Federal income taxes under the Internal Revenue Code Section 501(c)(3) and, therefore, has made no provision for Federal income taxes. Bloomfield is subject to the accounting standard for uncertain tax positions and has determined that no liabilities are required to be recorded for uncertain tax positions. Bloomfield is subject to file Federal Form 990. The Foundation is subject to the accounting standard for uncertain tax positions and has determined that no liabilities are required to be recorded for uncertain tax positions. The Foundation is no longer subject to Federal tax examinations for its Federal Form 990 and for the State of New Jersey Form CRI-300R for years prior to June 30, 2019.

Accounting Pronouncements

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, in March 2020, effective for the University's fiscal year beginning July 1, 2022. The primary objective of this statement is to improve financial reporting regarding public- private and public-public partnerships (PPPs). A PPP is an arrangement in which a government entity contracts with an operator to provide public services by conveying control of the right to use a non-financial asset, such as infrastructure or land. PPPs are accounted for using the same basic principles established in GASB No. 87, *Leases*, where the underlying PPP asset is reported, a receivable is recorded at present value, and deferred inflow of resources are recognized. Management has determined no impact of the Statement on the financial statements.

The GASB issued Statement No. 99, *Omnibus 2022,* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has determined no impact of the Statement on the financial statements.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 101, *Compensated Absences,* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

Reclassification

Certain prior year amounts related to GASB 96 adoption and other amounts were reclassified to conform with the current year presentation.

Restatement

In fiscal year 2023, the University adopted GASB 96 *Subscription based information technology arrangements* with retrospective application. As a result, the following restatements were made to the University's financial statements (dollars in thousands):

	As Previously Reported	Adjustment	Restated
For the year ended June 20, 2022			
Total operating expenses	$ 494,176	$ (33)	$ 494,143
Operating loss	(168,900)	33	(168,867)
Interest expense	17,178	53	17,231
Nonoperating income	195,374	(53)	195,321
Increase in net position	26,727	(20)	26,707
As of June 30, 2022			
Capital assets, net	$ 883,023	$ 7,152	$ 890,175
Subscription liability	-	7,172	7,172
Net investments in capital assets	301,434	(20)	301,414
Total net position	311,423	(20)	311,403

Subsequent Events

The University has reviewed and evaluated all events and transactions from June 30, 2023 through February 8, 2024, the date that the financial statements are available to be issued. Except as disclosed in Note 24, the University is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements. The effects of those events and transactions that provide information about conditions that existed at the statements of net position dates, have been disclosed in the accompanying financial statements.

NOTE 3 - CASH AND CASH EQUIVALENTS, INVESTMENTS, AND ASSETS HELD UNDER BOND INDENTURE AGREEMENTS

The University has assessed the custodial credit risk, interest rate risk, credit risk, and concentration of credit risk of its cash and cash equivalents, assets held under bond indenture agreements and investments.

Statutes of the State and regulations of the State Investment Council authorize the University to invest in obligations of the U.S. Treasury; agencies, and other municipal or political subdivisions of the State;

commercial paper; bankers' acceptances; revenue obligations of public authorities; debt instruments of banks; collateralized notes and mortgages; certificates of deposit; repurchase agreement; equity and convertible equity securities; and other common types of investment securities. Investee institutions and organizations are prescribed by statutes and regulations based on such things as minimum capital, dividend paying history, credit history, and other evaluation factors.

Custodial Credit Risk

The University is exposed to custodial credit risk, which is the risk that in the event of a bank or counterparty failure, the University may not be able to recover deposits or the value of its investments held by such parties. To protect bank deposits that are in excess of Federal Deposit Insurance Corporation coverage limits, the University entered into collateral management agreements with JP Morgan and Bank of America. The agreements secure the uninsured portion of deposits held at JP Morgan and Bank of America. As of June 30, 2023 and 2022, cash and cash equivalents were held by depositories and amounted to $29.8 million and $40.1 million, respectively.

As of June 30, 2023 and 2022, $250,000 was FDIC insured at each bank and $29.5 million and $39.6 million, respectively, was collateralized with securities according to the agreements.

The University participates in the CMF wherein amounts contributed by the University are combined with funds from other state institutions into a large-scale investment program. The carrying amount and fair value of cash and cash equivalents at June 30, 2023 and 2022 was $4.0 million and $32.6 million, respectively. These amounts are collateralized in accordance with Chapter 64 of Title 18A of New Jersey statutes. The Fund is unrated.

For funds held in the University’s investment account, the investment policy requires that any repurchase agreements held in the portfolio be collateralized at least 102% with U.S. Government securities or mortgage-backed securities. The maximum term of these agreements will be 90 days, and the collateral must be marked-to-market daily.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the University’s investment policy stipulates that the portfolio shall be managed to have a targeted duration within a band +/- 20% of the Bank of America Merrill Lynch AAA rated U.S. Treasuries/Agencies 1-3 Year Index. The final maturity of each security within the portfolio shall not exceed seven years, with the exception that for U.S. Treasury securities where the final maturity shall not exceed 7.1 years.

As of June 30, 2023, the University had the following investments and maturities (dollars in thousands):

	2023 Maturities (in years)			
Investment Type	Fair Value	Less than 1	1-5	Greater than 5
U.S. Treasury Bonds	$ 93,286	$ -	$ 92,644	$ 642
Agency Bonds	11,044	3	10,958	83
Municipal Bonds	95	-	5	90
Corporate Bonds	26,841	5,170	20,072	1,599
Mortgage Securities	690	20	111	559
Asset Based Securities	10,960	-	10,960	-
Mutual Funds:				
US equities	5,371	5,371	-	-
International equities	3,449	3,449	-	-
Money market funds	1,722	1,722	-	-
Other fixed income securities	1,490	1,490	-	-
Total	$ 154,948	$ 17,225	$ 134,750	$ 2,973

As of June 30, 2022, the University had the following investments and maturities (dollars in thousands):

	2022 Maturities (in years)			
Investment Type	Fair Value	Less than 1	1-5	Greater than 5
U.S. Treasury Bonds	$ 64,574	$ -	$ 64,574	$ -
Municipal Bonds	500	-	-	500
Corporate Bonds	28,220	9,595	18,625	-
Asset Based Securities	536	-	536	-
Other fixed income securities	2,998	-	2,998	-
Total	$ 96,828	$ 9,595	$ 86,733	$ 500

Assets held under bond indenture agreements are not governed by the University's investment policies, but rather by the investment policies of New Jersey Educational Facilities Authority (NJEFA or the Authority). As of June 30, 2023 and June 30, 2022, investments were in money market funds of $21.4 million and $21.6 million, respectively, all maturing within one year.

Credit Risk

Securities must be rated A- or better by a nationally recognized credit rating agency at the time of purchase. Split rated credits will be considered to have the lower credit rating. Money market instruments must be rated A-1 or P-1 or better at the time of purchase.

In the event that a security is downgraded below these credit quality guidelines, the investment manager(s) shall notify the University and provide an evaluation and plan of action. If bonds in the portfolio are downgraded below the A- threshold and remain investment grade, the investment manager(s) may continue to hold up to 5% of the portfolio in these securities.

Temporary cash balances may be invested in a money market instruments (A-1/P-1 or better).

The following table summarizes Moody's and related Standard & Poor's agency ratings and of the University's investments at fair value as of June 30, 2023 and 2022 (in thousands):

Investment Type	Moody's Rating	S&P Rating	2023	2022
U.S. Treasury Bonds	AAA	AAA	$ 89,387	$ 41,548
U.S. Treasury Bonds	AA1	AA+	4,678	23,026
Agency Bonds	AAA	AAA	10,850	-
Municipal Bonds	A3	A-	-	500
Corporate Bonds	AAA	AAA	-	1,499
Corporate Bonds	AA2	AA	1,352	2,084
Corporate Bonds	AA3	AA-	448	460
Corporate Bonds	A1	A+	9,126	7,364
Corporate Bonds	A2	A	9,722	9,364
Corporate Bonds	A3	A-	4,887	7,449
Corporate Bonds	BAA2	BBB	1,504	-
Asset Backed Securities	AAA	AAA	10,960	535
Other fixed income securities	AA2	AA	1,490	-
Other fixed income securities	AA3	AA-	-	1,506
Other fixed income securities	A1	A+	-	1,493
Not rated			10,544	-
			$ 154,948	$ 96,828

Concentration of Credit Risk

This is the risk associated with the amount of investments the University has with any one issuer. Except for treasuries, agency debentures, agency pass-throughs, agency real estate mortgage investment conduits, and asset-backed securities, no more than 2% of the portfolio shall be invested in securities of a single issuer. Asset-backed securities are limited to 5% per issuer.

Assets held under bond indenture agreements represent assets held by bond trustees under the terms of various bond and other long-term debt agreements. Assets held under bond indenture agreements are carried in the financial statements at fair value, and consist of cash and cash equivalents and money market funds.

Assets held under bond indenture agreements are maintained for the following (dollars in thousands:

	2023	2022
Project and construction fund	$ 35	$ 70
Debt service fund for principal and interest	21,381	21,490
Rental pledge	1	3
Assets held under bond indenture agreements	$ 21,417	$ 21,563

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 - Unadjusted quoted 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 - Unobservable inputs for an asset or liability.

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.

While the University 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.

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

- U.S. treasuries and agencies are valued at quoted price reported on the active market.
- Municipal bonds, corporate bonds, mortgage securities, asset backed securities and other fixed income securities are valued using prices based on bid evaluations or quoted prices in an inactive market.
- Money market funds are recorded at the quoted price which approximates fair value.

As of June 30, 2023 and 2022 the University's investments and assets held under bond indenture are summarized in the following table by their fair value hierarchy (dollars in thousands):

Type	Total	2023 Level 1	Level 2	Level 3
Investments				
U.S. Treasuries	$ 93,301	$ 93,301	$ -	$ -
Agency bonds	11,008	11,008	-	-
Corporate bonds	26,837	3,131	23,706	-
Mortgage securities	629	629	-	-
Asset backed securities	11,020	60	10,960	-
Mutual funds				
US equities	5,371	5,371	-	-
International equities	3,449	3,449	-	-
Money market funds	1,722	1,722	-	-
Other fixed income securities	1,611	121	1,490	-
Total investments	$ 154,948	$ 118,792	$ 36,156	$ -
Assets held under bond indenture				
Money market funds	$ 21,417	$ 21,417	$ -	$ -
Total assets held under bond indenture	$ 21,417	$ 21,417	$ -	$ -

Type	Total	2022 Level 1	Level 2	Level 3
Investments				
U.S. treasuries	$ 64,574	$ 64,574	$ -	$ -
Municipal bonds	500	-	500	-
Corporate bonds	28,220	-	28,220	-
Asset backed securities	536	-	536	-
Other fixed income securities	2,998	-	2,998	-
Total investments	$ 96,828	$ 64,574	$ 32,254	$ -
Assets held under bond indenture				
Money market funds	$ 21,563	$ 21,563	$ -	$ -
Total assets held under bond indenture	$ 21,563	$ 21,563	$ -	$ -

NOTE 4 - RENT RECEIVABLE

Rent receivable and related deferred inflows of resources totaled $28.4 million and $26.6 million, respectively, at June 30, 2023, and $26.0 million and $23.6 million, respectively, at June 30, 2022. In 2023, the University reported rent revenue of $791 thousand and interest revenue of $980 thousand. The rent revenue and interest revenue were $800 thousand and $966 thousand, respectively, in 2022.

The receivable balances for each lease as of June 30, 2023 and 2022 were as follows (dollars in thousands):

	2023			
Description	Receivable	Deferred Inflows of Resources	Rent Revenue	Interest Revenue
Cell Towers	$ 7,296	$ 7,290	$ 135	$ 202
CHCP Plant	2,645	2,645	92	107
Heights Ground Lease	17,912	16,040	408	641
Ice Arena Space	515	515	85	24
Yogi Berra Stadium	-	-	15	2
35 Clove Road Lot	74	63	56	4
	$ 28,442	$ 26,553	$ 791	$ 980

	2022			
Description	Receivable	Deferred Inflows of Resources	Rent Revenue	Interest Revenue
Cell Towers	$ 3,697	$ 3,687	$ 128	$ 151
CHCP Plant	2,738	2,738	81	111
Heights Ground Lease	18,821	16,447	372	656
Ice Arena Space	602	601	79	28
Yogi Berra Stadium	23	15	86	14
35 Clove Road Lot	120	120	54	6
	$ 26,001	$ 23,608	$ 800	$ 966

Description	Lease Agreement Terms
Cell Towers	The University entered into four lease agreements with various telecommunications companies for the right of use of the cell towers for periods ranging from three to ten years with annual increases of 3%. The agreements include one to five renewal options for an additional three to five year periods which have been accounted for. Based on the agreements, the University receives monthly payments through February 2053.
CHCP Plant	On May 16, 2012, the University entered into a lease agreement for the right of use of the Combined Heating, Cooling, and Power (CHCP) Plant for a thirty-year period. The agreement has one renewal option for an additional five year period which has not been included as it is not reasonably certain that it will be exercised. Based on the agreement, the University receives monthly payments through April 2042.
Heights Ground Lease	On June 1, 2010, the University entered into a lease agreement commencing on December 1, 2011 for the right of use of the Student Housing & Dining Facility for a forty-year period. The agreement does not have a renewal option. Based on the agreement, the University receives monthly payments through June 2042.
Ice Arena Space	The University entered into lease agreements for the right of use of the ice arena space for periods ranging from five to ten years. The agreements have a renewal option of an additional five years and annual increases of up to 3% which the university anticipates renewing. Based on the agreements, the University receives monthly payments through December 2028.
Yogi Berra Stadium	In July 2017, the University entered into a multi-year lease agreement beginning November 1, 2017 and ending on October 2025 for the right of use of the stadium space. Based on the agreement, the University receives monthly payments. The lease agreement was terminated on September 1, 2022.
35 Clove Road Lot	In April 2016, the University extended the term of the lease agreement for a five-year period beginning on August 1, 2019, for the right of use of the lot. Based on the agreement, the University receives monthly payments through July 2024. There are no additional options to extend the lease term beyond July 2024.

Future minimum receipts on the University's rent receivables as of June 30, 2023 are as follows (dollars in thousands):

Years ending June 30:	
2024	$ 2,757
2025	881
2026	946
2027	1,000
2028	1,057
2024 - 2028 subtotal	6,641
2029-2033	6,107
2034-2038	8,078
2039-2043	5,997
2044-2048	739
2049-2053	880
	$ 28,442

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is comprised of the following (dollars in thousands):

	2023			
	Beginning Balance	Additions and Other Increases	Dispositions and Other Decreases	Ending Balance
Capital assets being depreciated/amortized:				
Infrastructure	$ 46,965	$ 5	$ -	$ 46,970
Buildings and improvements	1,109,660	106,405	-	1,216,065
Right of use leased buildings	28,355	586	-	28,941
Equipment	284,446	33,453	-	317,899
Right of use leased equipment	1,197	4,380	-	5,577
Subscription agreements	11,401	21,938	-	33,339
Other	37,193	828	-	38,021
Total capital assets being depreciated/amortized	1,519,217	167,595	-	1,686,812
Less: accumulated depreciation/amortization on:				
Infrastructure	29,043	1,723	-	30,766
Buildings and improvements	386,629	75,497	-	462,126
Right of use leased buildings	6,010	3,591	-	9,601
Equipment	232,691	31,925	-	264,616
Right of use leased equipment	862	2,801	-	3,663
Subscription agreements	4,248	5,602	-	9,850
Other	26,163	741	-	26,904
Total accumulated depreciation/amortization	685,646	121,880	-	807,526
Depreciable/amortizable assets, net	833,571	45,715	-	879,286
Nondepreciable assets:				
Land	37,821	3,327	-	41,148
Construction in progress	18,783	14,756	(21,831)	11,708
Total nondepreciable assets	56,604	18,083	(21,831)	52,856
Total capital assets, net	$ 890,175	$ 63,798	$ (21,831)	$ 932,142

Capital asset activity for the year ended June 30, 2022 is comprised of the following (dollars in thousands):

	2022 (Restated)			
	Beginning Balance	Additions and Other Increases	Dispositions and Other Decreases	Ending Balance
Capital assets being depreciated/amortized:				
Infrastructure	$ 46,456	$ 509	$ -	$ 46,965
Buildings and improvements	1,096,585	13,075	-	1,109,660
Right of use leased buildings	28,355	-	-	28,355
Equipment	277,879	6,673	(106)	284,446
Right of use leased equipment	1,197	-	-	1,197
Subscription agreements	-	11,401	-	11,401
Other	36,529	664	-	37,193
Total capital assets being depreciated/amortized	1,487,001	32,322	(106)	1,519,217
Less: accumulated depreciation/amortization on:				
Infrastructure	27,330	1,713	-	29,043
Buildings and improvements	357,522	29,107	-	386,629
Right of use leased buildings	3,005	3,005	-	6,010
Equipment	213,778	19,019	(106)	232,691
Right of use leased equipment	431	431	-	862
Subscription agreements	-	4,248	-	4,248
Other	24,629	1,534	-	26,163
Total accumulated depreciation/amortization	626,695	59,057	(106)	685,646
Depreciable/amortizable assets, net	860,306	(26,735)	-	833,571
Nondepreciable assets:				
Land	37,821	-	-	37,821
Construction in progress	18,870	21,288	(21,375)	18,783
Total nondepreciable assets	56,691	21,288	(21,375)	56,605
Total capital assets, net	$ 916,997	$ (5,447)	$ (21,375)	$ 890,175

Estimated costs to complete the projects classified as construction in progress as of June 30, 2023 and 2022 approximated $43.3 million and $30.2 million, respectively, and are expected to be funded from unrestricted resources, State grants and contracts and NJEFA bonds.

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of June 30, 2023 and 2022, accounts payable and accrued expenses consist of the following (dollars in thousands):

	2023	2022
Vendors	$ 16,383	$ 12,828
Capital projects	2,781	3,183
Employees	13,386	13,354
Interest payable	8,361	8,680
Compensated absences	7,675	7,660
	$ 48,586	$ 45,705

NOTE 7 - BONDS PAYABLE AND OTHER LONG-TERM DEBT

Bonds Payable

The Board of Trustees of the University, the New Jersey Board of Higher Education and the Authority have entered into various agreements whereby, although legal title remains with the State, the University is given use of buildings, improvements and equipment through enabling legislation and the University agrees to make lease payments equal to the related debt and interest payments of the underlying revenue bonds issued by the Authority. These bonds are general obligations of the University. The following bonds payable of the Authority related to the University were outstanding as of June 30, 2023 and 2022 (dollars in thousands):

	Interest Rates %	2023	2022
New Jersey Educational Facilities Authority Revenue Bonds:			
Series 2014 A Revenue Bonds, due serially to 2044	3.00 - 5.00	$ 160,000	$ 165,125
Series 2015 D Revenue Bonds, due serially to 2036	3.75 - 5.00	66,685	69,520
Series 2016 B Revenue Bonds, due serially to 2038	3.00 - 5.00	111,170	116,020
Private Placement Bond, due May 1, 2043	3.76 - 6.56	26,234	-
Bonds payable		364,089	350,665
Plus: Bond premium		12,848	13,893
Total bonds payable		$ 376,937	$ 364,558

Other Long-Term Debt

The following other long-term debt was outstanding as of June 30, 2023 and 2022 (dollars in thousands):

	Interest Rates %	2023	2022
Series 2002 A Higher Education Capital Improvement Fund, due serially to 2022	3.00 - 5.25	$ -	$ 45
Series 2016 A Higher Education Capital Improvement Fund, due serially to 2022	2.25 - 2.51	-	971
Series 2016 B Higher Education Capital Improvement Fund, due serially to 2022	3.00 - 5.50	1,827	1,917
New Jersey Environmental Infrastructure Trust, due serially to 2022	3.00 - 5.25	-	105
New Jersey Environmental Infrastructure due serially to 2022	3.00 - 5.25	-	71
2014 Higher Education Equipment Leasing Fund Program 032-10 due 2023	5.00	-	21
2014 Higher Education Equipment Leasing Fund Program 032-11 due 2023	5.00	-	21
Commercial Mortgage Loan due December 31, 2023	5.50	2,297	-
Commercial Mortgage Loan due January 1, 2036	5.88	2,517	-
Higher Education Capital Improvement Fund due serially to 2037	3.00 - 5.00	391	-
Total other long-term debt		$ 7,032	$ 3,151

Future Principal and Interest Payments

The following is a schedule of future minimum principal and interest and fee payments on the University's bonds payable and other long-term debt as of June 30, 2023 (dollars in thousands):

Years ending June 30:	Principal	Interest and Fees
2024	$ 17,016	$ 18,210
2025	16,207	17,410
2026	16,995	16,575
2027	17,881	15,697
2028	18,735	14,649
2024 - 2028 Subtotal	86,834	82,541
2029 – 2033	111,140	57,726
2034 – 2038	86,213	33,083
2039 – 2043	71,526	14,579
2044 – 2045	28,256	722
	$ 383,969	$ 188,651

JP Morgan Chase Bank $20 Million Revolving Line of Credit

The University had a $20 million revolving line of credit with JP Morgan Chase Bank that expired on May 26, 2023. Borrowings under the line of credit bear interest at the Secured Overnight Financing Rate (SOFR) or the CB Floating Rate. As of June 30, 2023, there were no borrowings under this line of credit. After the expiration, a new line of credit of $20 million was issued on September 29, 2023, with an interest rate of SOFR plus 80 basis points if the credit is used, and 15 basis points if the credit remains unused.

NOTE 8 - SUMMARY OF CHANGES IN NONCURRENT LIABILITIES

The following table summarizes the changes in noncurrent liabilities during the year ended June 30, 2023 and 2022 (dollars in thousands):

	2023				
	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Bonds payable and other long-term debt	$ 367,709	$ 32,512	$ (16,252)	$ 383,969	$ 17,016
Leases	23,700	1,209	(2,938)	21,971	3,603
Subscriptions	7,172	21,938	(5,403)	23,707	5,232
Compensated absences	10,307	-	(27)	10,280	7,675
Assets held on behalf of Federal government for loan programs	481	-	(481)	-	-
Net pension liability	170,948	3,747	-	174,695	-
Other long-term liability	143	1,401	(143)	1,401	-
Total noncurrent liabilities	$ 580,460	$ 60,807	$ (25,244)	$ 616,023	$ 33,526

	2022 (Restated)				
	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Bonds payable and other long-term debt	$ 383,547	$ -	$ (15,838)	$ 367,709	$ 14,133
Leases	27,593	-	(3,893)	23,700	3,529
Subscriptions	11,401	-	(4,229)	7,172	3,600
Compensated absences	10,799	-	(492)	10,307	7,660
Assets held on behalf of Federal government for loan programs	1,119	-	(638)	481	-
Net pension liability	187,893	-	(16,945)	170,948	-
Other long-term liability	1,682	-	(1,539)	143	57
Total noncurrent liabilities	$ 624,034	$ -	$ (43,574)	$ 580,460	$ 28,979

NOTE 9 - LONG TERM LIABILITIES - LEASES

Leases payable as of June 30, 2023 and 2022 are comprised of the following individual agreements (dollars in thousands):

		2023				
Description	Contract Date	Remaining Lease Term (Years)	Interest Rate %	Original Amount	Ending Balance	Current Portion
Audiology Clinic Office Space	10/1/2009	1.25	0.70	$ 4,014	$ 1,193	$ 954
Administrative Office Space	12/18/2015	4 - 6	0.92 - 1.08	9,921	5,965	1,401
Heights Dining	5/31/2011	19	2.43	14,420	12,772	577
IT Servers	3/31/2019	0.20 - 3.75	0.70 - 2.10	771	234	167
Copiers	1/1/2023	4.5	2.96	933	846	178
Laptops	4/1/2017	0.2 - 1.25	1.14 - 4.53	2,835	141	140
Laundry Equipment	7/1/2022	3.7 - 4.00	2.30 - 2.49	998	820	186
					$ 21,971	$ 3,603

		2022				
Description	Contract Date	Remaining Lease Term (Years)	Interest Rate %	Original Amount	Ending Balance	Current Portion
Audiology Clinic Office Space	10/1/2009	2.25	0.70	$ 4,014	$ 2,140	$ 947
Administrative Office Space	12/18/2015	5 - 7	0.92 - 1.08	9,921	7,327	1,362
Heights Dining	5/31/2011	20	2.43	14,420	13,333	560
IT Storage	8/15/2017	0.1	0.62	269	11	11
IT Servers	3/31/2019	1.7	0.70	542	248	149
Copiers	1/1/2018	0.5	0.65	385	68	68
Laptops	4/1/2017	0.1 - 2.25	1.14 - 4.53	2,835	573	432
					$ 23,700	$ 3,529

The University has lease arrangements for real estate office space, dining facilities, network equipment including servers and storage, and office equipment including copiers and laptops. Leases have remaining lease terms ranging from 0.2 years to 19 years, some of which include options to extend the leases term for up to 10 years, and some of which include options to terminate the leases. Real estate office space leases include additional payments for maintenance expenses and taxes which are considered as variable payments and not included in the measurement of lease liability. For the majority of leases the University concluded it is not reasonably certain to exercise the options to extend the lease or terminate the lease. Therefore, as of the lease commencement date, the lease terms generally do not include these options. The University includes options to extend the lease when it is reasonably certain that it will exercise that option.

During June 1, 2010, the University completed a transaction with Provident Group - Montclair Properties LLC to lease and operate approximately 24,216 square feet of floor area in dining facilities, convenience store and coffee shop in the Heights Residence Halls managed and operated by third party. The University has an agreement with Provident Group for a minimum of 32 years. This lease is subject to all of the terms, covenants, and conditions of the Ground Lease (See Note 4), which includes the renewal terms. The lease will be renewed to the extent, if any, that the term of the Ground Lease may be extended or renewed, provided that the term of this lease shall in all cases expire one day before the last day of the extended or renewed term of the Ground Lease.

Future Principal and Interest Payments

The following is a schedule of future minimum principal and interest payments on the University's lease payable as of June 30, 2023 (dollars in thousands):

Years ending June 30:	Principal	Interest
2024	$ 3,603	$ 402
2025	2,711	357
2026	2,499	318
2027	2,558	279
2028	793	247
2024 - 2028 Subtotal	12,164	1,603
2029 - 2033	3,479	985
2034 - 2038	3,855	543
2039 - 2043	2,473	91
	$ 21,971	$ 3,222

NOTE 10 - LONG TERM LIABILITIES - SUBSCRIPTIONS

The University adopted GASB Statement No. 96 effective July 1, 2022 with retroactive application to fiscal 2022, resulting in a net $20,000 impact on the statement of net position. This statement establishes a single approach to accounting for and reporting SBITAs on the principle that SBITAs are contracts that conveys control of the right-to-use another party's (a SBITA vendor's) information technology (IT) software an underlying subscription asset. Under this statement, the end-user is required to recognize a subscription liability and an intangible right-to-use subscription asset. Limited exceptions to the single-approach guidance are provided for short-term agreements, defined as lasting a maximum of twelve months at inception, including any options to extend, regardless of their probability of being exercised.

Subscriptions payable as of June 30, 2023 and 2022 are comprised of the following subscription-based information technology agreement groups (dollars in thousands):

		2023				
Description	Starting Contract Date	Remaining Lease Term (Years)	Interest Rate %	Original Amount	Ending Balance	Current Portion
Data Management Tools	11/1/18 - 5/10/23	0.2 - 4.8	0.48 - 3.38	$ 4,887	$ 2,905	$ 1,484
Online Payment Tools	8/1/19 - 7/1/22	1.0 - 1.1	0.54 - 1.97	993	351	324
Education & Engagement Tools	1/31/19 - 5/31/23	0.5 - 4.6	0.50 - 3.16	5,621	3,608	1,295
Cloud Based ERP Systems	5/1/20 - 1/31/23	0.8 - 9.5	0.54 - 3.56	19,025	16,768	2,079
Cloud Based Data Storage	8/18/22 - 12/15/22	1.5 - 2.1	2.16 - 2.90	105	75	50
					$ 23,707	$ 5,232

		2022					
Description	Starting Contract Date	Remaining Lease Term (Years)	Interest Rate %	Original Amount	Ending Balance	Current Portion
Data Management Tools	11/1/18 - 6/1/22	0.3 - 4.9	0.45 - 2.88	$ 2,923	$ 2,052	$ 1,045
Online Payment Tools	8/1/19	2.09	0.54	988	669	320
Education & Engagement Tools	5/28/18 - 4/13/22	0.2 - 4.8	0.45 - 2.55	3,948	2,533	1,111
Cloud Based ERP Systems	1/31/18 - 10/1/21	0.5 - 3.0	0.45 - 0.63	3,542	1,918	1,124
					$ 7,172	$ 3,600

The University has subscription-based information technology agreements (SBITAs) for various needs throughout the University. They are listed above according to their type of subscription usage.

Subscriptions have remaining agreement terms ranging from 0.2 years to 9.5 years, some of which include options to extend the agreement term for up to 3 years, and some of which include options to terminate the agreement. For the majority of subscriptions, the University concluded it is not reasonably certain to exercise the options to extend the subscription or terminate the subscription. Therefore, as of the subscription commencement date, the subscription terms generally do not include these options. The University includes options to extend the subscriptions when it is reasonably certain that it will exercise that option.

Future Principal and Interest Payments

The following is a schedule of future minimum principal and interest payments on the University's subscription payable as of June 30, 2023 (dollars in thousands):

Years ending June 30:	Principal	Interest
2024	$ 5,232	$ 612
2025	3,544	514
2026	2,832	429
2027	2,207	355
2028	1,799	289
2024 - 2028 Subtotal	15,614	2,199
2029 - 2033	8,093	597
	$ 23,707	$ 2,796

NOTE 11 - RETIREMENT PLANS

Montclair employees participate in three major retirement plans: Public Employees' Retirement System (PERS), Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). PERS and PFRS are cost-sharing, multiple-employer defined benefit plans administered by the State, Division of Pensions and Benefits (the Division). For additional information about PERS and PFRS, please refer to Division's Annual Comprehensive Audited Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml. The ABP is administered by separate boards of trustees. Generally, all employees, except certain part-time employees, participate in one of these plans.

PERS was established under the provisions of N.J.S.A 43:15A to provide coverage, including postretirement healthcare, to substantially all full-time employees of the State of New Jersey public agencies, provided the employee is not a member of another State-administered retirement system.

PFRS was established under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police or firefighters and state firefighters appointed after June 30, 1994.

In addition to the three plans referred to above, certain faculty members of Montclair participate in Teachers' Pension and Annuity Fund (TPAF), which is a State cost-sharing, multiple employer defined benefit plan with a special-funding situation by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State Division. TPAF was established under the provisions of N.J.S.A. 18A:66 to provide coverage, including postretirement healthcare, to substantially all full-time public-school employees in the State. The plan's eligibility requirements are similar to PERS' requirement. PERS replaced this plan for all new employees and members of TPAF were able to transfer to PERS. For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Public Employees' Retirement System and Police and Firemen's Retirement System

The vesting and benefit provisions are set by N.J.S.A. 43:15A for PERS and N.J.S.A. 43:16A for PFRS. PERS and PFRS provide retirement, death and disability benefits. With PERS, 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. With PFRS, 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 PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a 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.

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 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 for PERS is set by N.J.S.A. 43:15A and PFRS is set by N.J.S.A. 43:16A and require contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution for PERS is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. The State's contribution for PFRS is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For fiscal year 2022, the State's pension contribution for PERS and PFRS was more than the actuarial determined amount.

During the years ended June 30, 2023 and 2022, PERS members were required to contribute 7.50% of pensionable wages, and PFRS members were required to contribute 10% of their pensionable wages and Montclair is required to contribute at an actuarially determined rate. The State contributes to PERS and PFRS on behalf of Montclair. Employers were not required to contribute in 2023 or 2022 due to legislation enacted in 1997 by the State of New Jersey, which fully funded previously existing unfunded accrued liabilities of PERS through State of New Jersey bonds. The contribution requirements of the plan members and Montclair are established and may be amended by the State.

Allocated employer contributions provided by the State and recognized by the PERS and PFRS plans from Montclair for the year ending June 30, 2023 totaled $12.4 million and $2.2 million, respectively and for the year ending June 30, 2022 totaled $9.0 million and $1.4 million, respectively.

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

Net pension liability, pension expense, deferred outflows of resources, and deferred inflows of resources amounts recorded to reflect the provisions of GASB Statement No. 68 are reflective of the respective plan's published financial statements and actuarial valuations as of June 30, 2022 ("Measurement Date").

Montclair's respective net pension liability, deferred outflows of resources, deferred inflows of resources, and net pension expense related to PERS and PFRS, at and for the fiscal year ended June 30, 2023 and 2022 (as of June 30, 2022 and 2021 measurement dates), are as follows:

	2023		
	PERS	PFRS	Total
		(in thousands)	
Proportionate share of the net pension liability ($)			
2022	$ 150,387	$ 24,308	$ 174,695
2021	$ 150,148	$ 20,800	$ 170,948
Proportionate share of the net pension liability (%)			
2022	0.672%	0.562%	
2021	0.694%	0.512%	
Deferred outflows of resources	18,409	7,040	25,449
Deferred inflows of resources	24,583	2,422	27,005
Pension expense (benefit)	(1,617)	1,900	283

	2022		
	PERS	PFRS	Total
		(in thousands)	
Proportionate share of the net pension liability ($)			
2021	$ 150,148	$ 20,800	$ 170,948
2020	$ 165,517	$ 22,376	$ 187,893
Proportionate share of the net pension liability (%)			
2021	0.694%	0.512%	
2020	0.745%	0.520%	
Deferred outflows of resources	17,487	4,735	22,222
Deferred inflows of resources	37,765	3,851	41,616
Pension expense (benefit)	(1,561)	1,360	(201)

Montclair's proportionate share of each respective plan's net pension liability was based on the State contribution to the respective plans from July 1, 2021 to June 30, 2022 (as of June 30, 2022 and 2021 measurement dates) relative to the total contributions from all participating employers.

The components of pension related deferred outflows of resources and deferred inflows of resources as of the measurement date (June 30, 2022 and June 30, 2021) for the fiscal year ended June 30, 2023 and 2022, are as follows:

	2023		
	PERS	PFRS	Total
		(in thousands)	
Deferred outflows of resources:			
Difference between expected and actual experience	$ 2,425	$ 181	$ 2,606
Changes of assumptions	225	25	250
Net differences between projected and actual earnings on pension plan investments	3,633	861	4,494
Changes in proportionate share	1,292	2,494	3,786
Contributions subsequent to the measurement date	10,834	3,479	14,313
	$ 18,409	$ 7,040	$ 25,449
Deferred inflows of resources:			
Difference between expected and actual experience	$ 792	$ 603	$ 1,395
Changes of assumptions	11,009	1,168	12,177
Changes in proportionate share	12,782	651	13,433
	$ 24,583	$ 2,422	$ 27,005

	2022		
	PERS	PFRS	Total
		(in thousands)	
Deferred outflows of resources:			
Difference between expected and actual experience	$ 3,649	$ -	$ 3,649
Changes of assumptions	306	28	334
Changes in proportionate share	2,487	1,104	3,591
Contributions subsequent to the measurement date	11,045	3,603	14,648
	$ 17,487	$ 4,735	$ 22,222

	2022		
	PERS	PFRS	Total
		(in thousands)	
Deferred inflows of resources:			
Difference between expected and actual experience	$ 519	$ 750	$ 1,269
Changes of assumptions	21,280	1,650	22,930
Net differences between projected and actual investment earnings on pension plan investments	4,722	541	5,263
Changes in proportionate share	11,244	910	12,154
	$ 37,765	$ 3,851	$ 41,616

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $10.8 million for PERS and $3.5 million for PFRS are recognized as a reduction of the net pension liability in the year ended June 30, 2024 as of June 30, 2023 measurement date.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense in the statement of revenues, expenses and changes in net position as follows:

Years ended June 30,	PERS	PFRS	Total
		(in thousands)	
2023	$ (25,449)	$ (1,599)	$ (27,048)
2024	(9,373)	(995)	(10,368)
2025	(659)	(432)	(1,091)
2026	7,698	777	8,475
2027	(60)	(84)	(144)
Thereafter	-	(6)	(6)
	(27,843)	(2,339)	(30,182)
Contributions paid subsequent to Measurement Date	10,834	3,479	14,313
	$ (17,008)	$ 1,140	$ (15,868)

Actuarial Assumptions

Montclair's net pension liability as of the June 30, 2022 measurement date (based on the July 1, 2021 actuarial valuation, which was rolled forward to June 30, 2022) was determined using the following assumptions:

	June 30, 2022	
	PERS	PFRS
Inflation rate		
Price	2.75%	2.75%
Wage	3.75%	3.25%
Salary increases		
Through all future years	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service
Investment rate of return	7.00%	7.00%

	June 30, 2021	
	PERS	PFRS
Inflation rate		
Price	2.75%	2.75%
Wage	3.75%	3.25%
Salary increases		
Through 2026	2.00 - 6.00% based on years of service	
Thereafter	3.00 - 7.00% based on years of service	
Through all future years		3.25 - 16.25% based on years of service
Investment rate of return	7.00%	7.00%

PERS

For the June 30, 2022 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021 (June 30, 2022 measurement date.)

PFRS

For the June 30, 2022 measurement date, pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used unadjusted with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021 (June 30, 2022 measurement date.)

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at the June 30, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and New Jersey Division of Pension 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 weighing 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 the PERS and PFRS target asset allocations as of June 30, 2022 measurement date is summarized in the following table:

	2022		2021	
	PERS and PFRS		PERS and PFRS	
Asset Class	Target Allocation %	Long-Term Expected Real Rate of Return %	Target Allocation %	Long-Term Expected Real Rate of Return %
U.S. Equity	27.00	8.12	27.00	8.09
Non U.S. Developed Markets Equity	13.50	8.38	13.50	8.71
Emerging Markets Equity	5.50	10.33	5.50	10.96
Private Equity	13.00	11.80	13.00	11.30
Real Estate	8.00	11.19	8.00	9.15
Real Assets	3.00	7.60	3.00	7.40
High Yield	4.00	4.95	2.00	3.75
Private Credit	8.00	8.10	8.00	7.60
Investment Grade Credit	7.00	3.38	8.00	1.68
Cash Equivalents	4.00	1.75	4.00	0.50
U.S. Treasuries	4.00	1.75	5.00	0.95
Risk Mitigation Strategies	3.00	4.91	3.00	3.35

Discount Rates

The discount rate used to measure the total pension liabilities was 7.00% for PERS and PFRS as of the June 30, 2022 and 2021 measurement dates respectively. 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 and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents Montclair's proportionate share of the collective net pension liability of the plans as of June 30, 2022 and 2021 measurement date calculated using the discount rate as disclosed above, as well as what Montclair's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (dollars in thousands):

	2023			
	PERS		PFRS	
	Rate %	Amount	Rate %	Amount
1% decrease	6.00	$ 171,603	6.00	$ 28,287
Current discount rate	7.00	150,387	7.00	24,308
1% increase	8.00	132,379	8.00	20,994

	2022			
	PERS		PFRS	
	Rate %	Amount	Rate %	Amount
1% decrease	6.00	$ 172,329	6.00	$ 24,345
Current discount rate	7.00	150,149	7.00	20,800
1% increase	8.00	131,382	8.00	17,849

Teachers' Pension and Annuity Fund

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. 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 member 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 for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization on the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022 measurement date, the State’s pension contribution was more than the actuarial determined amount.

Allocated employer contributions provided by the State and recognized by the plan from Montclair totaled $176 thousand and $125 thousand for the year ending June 30, 2023 and 2022, respectively.

Net Pension Liability

As of June 30, 2023 and 2022, the State’s proportionate share of the TPAF net pension liability associated with Montclair was $2.17 million and $2.05 million, respectively. The University’s proportionate share was $0.

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The June 30, 2022 and 2021 actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

	June 30, 2022
Inflation rate:	
Price	2.75%
Wage	3.25%

Salary increases	2.75-5.65%
Through all future years	based on years of service
Investment rate of return	7.00%

June 30, 2021

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	1.55 - 4.45% based on years of service
Thereafter	2.75 - 5.65% based on years of service
Investment rate of return	7.00%

For the July 1, 2022 and 2021 valuations, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disabled mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021 (June 30, 2022 & June 30, 2021 measurement dates).

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 7.00% as of June 30, 2022 and 2021 measurement dates, respectively. As of June 30, 2022 measurement date, this single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.54% based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% and 100% of the actuarially determined contributions for the State as of June 30, 2022 and June 30, 2021, respectively. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the net pension liability of Montclair as of June 30, 2022 and 2021 measurement date calculated using the discount rate as disclosed above as well as what Montclair's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate (dollars in thousands):

	2023		
	At 1% Decrease (6%)	At Current Discount Rate (7%)	At 1% Increase (8%)
Net Pension Liability	$ 60,591,897	$ 51,676,587	$ 44,166,559
Allocation Percentage	0.0042026397%	0.0042026397%	0.0042026397%
Montclair's proportionate share of the net pension liability	$ 2,546	$ 2,172	$ 1,856

	2022		
	At 1% Decrease (6%)	At Current Discount Rate (7%)	At 1% Increase (8%)
Net Pension Liability	$ 56,988,413	$ 48,165,991	$ 40,755,711
Allocation Percentage	0.0042655268%	0.0042655268%	0.0042655268%
Montclair's proportionate share of the net pension liability	$ 2,431	$ 2,055	$ 1,738

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 and 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments 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 arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 and 2021 measurement dates are summarized in the following table:

	2022 TPAF		**2021 TPAF**	
Asset Class	Target Allocation%	Long-Term Expected Real Rate of Return%	Target Allocation%	Long-Term Expected Real Rate of Return%
U.S. Equity	27.00	8.12	27.00	8.09
Non U.S. Developed Markets Equity	13.50	8.38	13.50	8.71
Emerging Markets Equity	5.50	10.33	5.50	10.96
Private Equity	13.00	11.80	13.00	11.30
Real Estate	8.00	11.19	8.00	9.15
Real Assets	3.00	7.60	3.00	7.40
High Yield	4.00	4.95	2.00	3.75
Private Credit	8.00	8.10	8.00	7.60
Investment Grade Credit	7.00	3.38	8.00	1.68
Cash Equivalents	4.00	1.75	4.00	0.50
U.S. Treasuries	4.00	1.75	5.00	0.95
Risk Mitigation Strategies	3.00	4.91	3.00	3.35

Components of Net Pension Liability

The components of the net pension liability of the participating employers for TPAF as of June 30, 2022 and 2021 measurement dates are as follows (dollars in thousands):

	2022 State	2021 State
Total pension liability	$ 76,317,118	$ 74,699,134
Plan fiduciary net position	24,640,531	26,533,143
Net Pension Liability	$ 51,676,587	$ 48,165,991
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%
	Montclair	
Net pension liability	$ 51,676,587	$ 48,165,991
Allocation percentage	0.0042026397%	0.0042655268%
Montclair's Proportionate Share of the Net Pension Liability	$ 2,172	$ 2,055

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of Montclair. Montclair's portion of the non-employer contributing entities' total proportionate share of the net pension liability was $2,168,327 as of June 30, 2022 and $2,050,660 as of June 30, 2021. Montclair records their proportionate share of the pension expense as a revenue and expense in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The amount was $58,356 in 2022 and $48,253 in 2021.

Alternate Benefit Program (ABP) Information

ABP provides the choice of seven investment carriers, which are privately operated, defined contribution retirement plans and is administered by the NJ Division of Pensions and Benefits. These seven investment carriers are VOYA, Metropolitan Life Insurance (MetLife), Teachers Insurance and Annuity Association (TIAA), AIG Valic, Mass Mutual, AXA Equitable, and Prudential. Montclair assumes no liability for ABP members other than payment of contributions. ABP provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this retirement program as an alternative to PERS. Participation eligibility as well as contributory and noncontributory requirements are established by the State of New Jersey Retirement and Social Security Law. Benefits are determined by the amount of individual accumulations and the retirement income option selected. Employee contributions immediately vest and employer contributions 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 Montclair employees are required to contribute 5% of salary, up to the maximum Federal statutory limit, on a pretax basis.

The ABP permits additional tax-deferred contributions to be made to ABP investment carrier account(s) (except Prudential) at an amount over and above the 5% required employee contribution under the voluntary 403(b) component of the program and/or participation in the New Jersey State Employees Deferred Compensation Plan (NJSEDCP). The 403(b) and/or NJSEDCP plan accounts are available to employees in ABP, PERS, PFRS, and DCRP pension plans. Employer contributions in ABP are 8% of salary. The maximum compensation to be considered for employer contributions is $175,000 per New Jersey state law Chapter 31, P.L. 2018. This law was effective as of July 1, 2018. Montclair created the Supplemental Alternate Benefits Program to fund the 8% employer match above $175,000 compensation limit. These contributions are funded by Montclair. During the years ended June 30, 2023 and 2022, ABP received employee contributions of approximately $8.6 million and $7.7 million, respectively; and employer contributions of approximately $13.7 million and $12.3 million, respectively, which were based on participating employee salaries of $171.4 million and $153.6 million, respectively. Employer contributions to ABP are paid by the State and Montclair and are reflected within operating expenses by function and within non-operating revenues as State of New Jersey paid fringe benefits in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

Defined Contribution Retirement Program (DCRP)

The DCRP pension plan is a defined contribution program. Established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010, the DCRP allows enrollees to make contributions to Prudential Financial, which jointly administers the DCRP investments with the Division of Pensions and Benefits. The 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 enrolled in PERS or PFRS 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 established "maximum compensation" limits. Participating eligibility, as well as contributory and noncontributory requirements is established by the State Retirement and Social Security Law.

Montclair 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 Montclair employees contribute 5.5% of their eligible wages and the employer match contributions are 3% of base salary.

During the years ended June 30, 2023 and 2022, Prudential received employer and employee contributions as follows:

	2023	2022
Employer contributions	$ 20,431	$ 37,433
Employee contributions	37,347	41,944
Basic for contributions:		
Participant employee salaries	$ 681,033	$ 1,247,767

Employer contributions to DCRP are paid by Montclair and are reflected as expenses in the Statements of Revenues, Expenses, and Changes in Net Position.

Other Voluntary Retirement Plans

New Jersey State Employees Deferred Compensation Plan (NJSEDCP)

The NJSEDCP, governed by the guidelines of the IRC Section 457 and the laws of the State, is administered by Prudential Financial for the State. The Deferred Compensation Board is the final authority on all matters concerning the operation of the Plan; by law, the State Investment Council has the right to supervise certain aspects of the Plan including the investment assets. The NJSEDCP is a voluntary tax-deferred savings plan that provides for pre-tax and/or post-tax voluntary employee contributions. NJSEDCP is available to all employees whether they participate in PERS, PFRS, ABP or under the voluntary 403(b) component of the ABP. The plan does not include any matching employer contributions. Participation in the plan is limited and the associated amounts are not significant.

Supplemental Alternate Benefits Program

The Plan is administered by Montclair. TIAA is the privately operated investment carrier for this defined contribution plan. All contributions are made by Montclair with Non-State funds. The plan is intended to qualify as a governmental plan that is tax-sheltered annuity plan under section 403(b) of the IRC of 1986, as amended. It is also intended that the Plan be exempt from the Employee Retiree Income Security Act of 1974, as amended, pursuant to Department of Labor regulations section 2510.3-2(f). Each employee whose compensation exceeds the State limit of $175,000 on contributions for the ABP in a given year shall be eligible to participate in the plan and have employer contributions made on their behalf. Montclair will contribute 8% of the employee's compensation in excess of the State limit on compensation. Participation in the plan is limited and the associated amounts are not significant.

Additional Contributions Tax-Sheltered Programs (ACTS)

As a PERS and PFRS member, employees may also participate in the Additional Contributions Tax-Sheltered Programs (ACTS). Through salary reduction agreements, employees are able to obtain supplemental tax-deferred annuities (IRC Section 403[b]) with a variety of investment carriers. The ACTS Program is separate from, and in addition to, the employees' basic pension benefit. The authorized carriers and investment options are the same as currently available to members of the ABP. Participation in the plan is limited and the associated amounts are not significant.

Supplemental Annuity Collective Trust (SACT)

As a PERS, PFRS, or ABP member, employees may also participate in the Supplemental Annuity Collective Trust (SACT), which invests the entire voluntary contributions in common stocks. There are two separate plans, the SACT-Regular Plan and the SACT-Tax-Sheltered Plan (IRC Section 403[b]). Under the SACT-Regular Plan, contributions are made post-tax. Under the SACT-Tax-Sheltered Plan, a portion of salary is tax deferred. Participation in the plan is limited and the associated amounts are not significant.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Bloomfield provides medical benefits for faculty and non-faculty employees under the following policies. Retiring full-time, non-faculty employees who have attained age 60; have completed at least 20 years of service and who were insured under the health care program prior to retirement may retain coverage, for themselves but not dependents, under that plan until the end of the month in which the retired employee attains age 65. Retirees must pay 50% of the premium cost of the plan selected. The plan terminated on June 30, 2023 with eligible employees continuing the benefit through August 30, 2023. The actuarial present value of postemployment health benefits obligation was $1,000 in the year ended June 30, 2023. The University reported the amount on statement of net position as other long-term liability.

Montclair retirees participate in the State Health Benefit State Retired Employees Plan (the "Plan"). 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 with a special funding situation for stand-alone financial statement reporting purposes. The Plan is administered on a pay-as-you-go-basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

In accordance N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires 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 to pay the premiums of the University. The State shall also reimburse such retired employees for the premium charges under the Part B of the federal Medicare program covering the retired employee and the employee's spouse. 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.

Total OPEB Liability and OPEB Expense

As of June 30, 2023, and 2022, the State recorded a liability of $308.2 million and $372.1 million, respectively, which represent 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, 2023 and 2022, the University's share of the special funding situation was 5.541176% and 5.474843%, respectively. At June 30, 2023 and 2022, the University's share of the Plan was 1.475584% and 1.490942%, respectively. The State is legally required to pay for the OPEB benefit coverage for eligible retirees. Therefore, the University is considered to be in a special funding situation as defined by GASB Statement 75 and the State is treated as a nonemployer contributing entity. Since the University does not contribute directly to the plan there is no total OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements. For the year ended June 30, 2023 and 2022, the University recognized OPEB expense of ($8.9) million and $4.3 million, 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 ($8.9) million and $4.3 million, respectively.

Actuarial assumptions and other inputs – The State's liability associated with the University at June 30, 2023 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to the measurement date of June 30, 2022. The State's liability associated with the University at June 30, 2022 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to the measurement date of June 30, 2021.

	2022	2021
Inflation	-	2.50%
Discount rate	3.54%	2.16%
Salary increases		
Through 2026	-	1.55 – 15.25%
Thereafter	2.75-16.25%	2.75 – 7.00%

The discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index, which includes tax-exempt 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 years of service.

The June 30, 2021 valuation used pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the Pub-2010 "General" (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The June 30, 2020 valuation used pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the Pub-2010 "Safety" (PFRS), "Teachers"

(TPAF/ABP), and "General" (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Certain actuarial assumptions used in the June 30, 2021 valuation was based on the results of actuarial experience studies of the State of New Jersey's defined benefit plans, including PERS (July 1, 2018 through June 30, 2021) ABP (using the experience of the Teacher's Pension and Annuity Fund July 1, 2018 through June 30, 2021), and PFRS (July 1, 2018 through June 30, 2021).

Certain actuarial assumptions used in the June 30, 2020 valuation was based on the results of actuarial experience studies of the State of New Jersey's defined benefit plans, including PERS (July 1, 2014 through June 30, 2018) ABP (using the experience of the Teacher's Pension and Annuity Fund July 1, 2015 through June 30, 2018), and PFRS (July 1, 2013 through June 30, 2018).

Health Care Trend Assumptions – For the June 30, 2021 pre-Medicare medical benefits valuation, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate is 6.36% for PPO and 6.53% for HMO for fiscal year 2023 through 2024. The rates used for 2025 and 2026 are 14.35% for PPO and 15.47% for HMO, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.5% long-term trend rate after seven years.

For the June 30, 2020 pre-Medicare medical benefits valuation, the trend rate is initially 5.65% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate is 5.79% for PPO and 5.98% for HMO for fiscal year 2022 through 2023. The rates used for 2024 and 2025 are 13.79% for PPO and 15.49% for HMO, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long-term trend rate after seven years.

NOTE 13 - RESTRICTED NET POSITION AND CONTINGENT LIABILITIES

Restricted expendable net position includes gifts that are restricted to use for specific purposes by the donor, endowment income and appreciation, and other restricted resources. Funds that are restricted are utilized only for the specified purposes. Restricted expendable net position by purpose or passage of time related to Bloomfield consist of funds restricted for the following purposes (dollars in thousands):

	2023
Scholarships	$ 3,551
Other:	
Instruction support	211
Institution support	80
Academic support	1,113
Student support	122
Total other	$ 1,526

Restricted nonexpendable net position is comprised of endowments and restricted cash equivalents. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity from which the income generated becomes restricted expendable net position that can be used for the following donor specified purposes at that time. The type of nonexpendable net position is as follows with the purposes listed relating to future expendable net position of the earnings (dollars in thousands):

	2023
Academic	$ 1,207
Institution support	1,000
Physical plant	213
Scholarships	7,878
Total endowments	10,298
Restricted cash	3,280
Total restricted nonexpendable	$ 13,578

Contingent Liabilities

The University is party to various legal actions arising in the ordinary course of business. The University is in litigation with the Township of Little Falls regarding the tax exemption status of certain lots on University property. While it is not possible at this time to predict the ultimate outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the University's financial position.

NOTE 14 - STATE OF NEW JERSEY PAID FRINGE BENEFITS

The State of New Jersey, through separate appropriations, pays certain fringe benefits (principally health insurance, retirement and FICA taxes) on behalf of University employees. For the years ended June 30, 2023 and June 30, 2022, such benefits amounted to approximately $43.3 million and $41.5 million, respectively, and are included in non-operating revenues as State of New Jersey paid fringe benefits and in operating expenses by function in the accompanying statements of revenues, expenses, and changes in net position.

NOTE 15 - COMPENSATED ABSENCES

The University recorded a liability for compensated absences (i.e., unused vacation, sick leave, and paid leave bank days attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee) in the amount of $10.28 million and $10.3 million as of June 30, 2023 and 2022, respectively. The liability is calculated based upon employees' accrued vacation and furlough leave as of June 30, 2023 and 2022, as well as an estimated vested amount for accrued sick leave.

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. During the years ended

June 30, 2023 and 2022, the University paid approximately $347,000 and $196,000, respectively, in sick leave payments for employees who retired.

NOTE 16 - SERVICE CONCESSION ARRANGEMENT FOR STUDENT RESIDENCE HALL FACILITY

During fiscal 2012, construction was completed on the Heights student residence hall facility pursuant to an agreement entered into with Provident Group-Montclair Properties, LLC (Provident) under which Provident agreed to design, finance, build and operate the residence hall facility for a term up to thirty-two years. Provident will be entitled to all housing revenues during the term of the agreement. At the end of the term, the residence hall facility and its operations will be transferred to the University. As of June 30, 2012, the University has reported the dormitory as a capital asset and related deferred inflow of resources with a carrying amount of $235.0 million

The capital asset is being depreciated in accordance with the University's capitalization policies and accumulated depreciation as of June 30, 2023 and 2022 was $92.6 million and $88.9 million, respectively. As of June 30, 2023 and 2022, the deferred inflow of resources on the concession arrangement was $146.9 million and $154.2 million, respectively in the statement of net position. The University has reported a deferred inflow of resources in the amount of $7.3 million in the statement of revenues, expenses and changes in net position.

NOTE 17 - COMMITMENTS

The University entered into a thirty-year contract to permit third parties to install, operate and maintain a heating and cooling facility on certain University properties. In exchange, the University will purchase all electricity, chilled water and steam generated by the facility at a set price. Annual minimum lease payments on this lease are estimated to be $15.6 million through 2042.

The University has a guaranty agreement effective November 2017 and ending November 2037 whereas the University is the guarantor with respect to certain obligations of UMM Energy Partners LLC to Public Service Electric & Gas Company. UMM Energy Partners LLC operates as a Special Purpose Entity. The Company is responsible for the construction, design, development, and operations of the Montclair State University Energy Project. The University guarantees to Public Service Electric & Gas if UMM fails to pay any portion of the minimum annual distribution charge for any of 20 years per the agreement that the University shall provide payment within 30 days of demand. The potential liability is $95,013 per year and the total potential future liability or $1,330,182 representing the sum of the remaining payments. The University is securing the guaranty with a standby letter of credit in the amount of $2,309,718 that expires on September 2043. No amounts have been drawn under the standby letter of credit.

University has a sub-sublease agreement effective December 3, 2022 with Stadium Subtenant LLC to hold a leasehold interest in Hinchliffe Stadium located in Paterson, New Jersey. Initial term of the lease is 10 years with option to extend the term for two (2) five-year periods. The University is not obligated to pay rent, instead it has agreed to reimburse for out-of-pocket, without markup, cleaning costs, utilities and garbage removal costs. Certain conditions need to be met by Landlord prior to commencement of the lease.

Union contracts were effective until June 30, 2023 with the exception of one contract with PBA-SLEU (governing police officers) that was effective through June 30, 2019. Management believes that any adjustment from renegotiations will not have a material effect on the accompanying statement of net position and pursuant to NJSA 18A:64N-21, the Governor is given authority to negotiate our union contracts. Historically, those negotiations go on beyond the date the contract is expired but we continue to honor the terms of the expired contract until a new contract is placed into effect. Subsequent to year end the PBA-SLEU was extended through June 30, 2023 and the remaining union contracts were extended through 2027.

NOTE 18 - RISK MANAGEMENT

The University is exposed to various risks of loss. The University participates in a consortium with eight other New Jersey colleges and universities to purchase property insurance. Buildings and equipment are fully insured on an all risk replacement basis to the extent that losses exceed $100,000 per occurrence, with a per occurrence limit of $2,000,000,000. The University also purchases coverage for certain types of theft of financial assets, which provides for the actual loss in excess of $150,000 with a per loss limit of $5,000,000, and for certain types of exposures related to cyber threats, which provides for the actual loss in excess of $150,000 with a per loss limit of $5,000,000.

All liability risk and employee benefit exposure, including tort, auto and trustees and officers' liability, workers' compensation, unemployment, disability, life insurance and employee retirement plans, are self-funded programs maintained and administered by the State. As an agency of the State, the University's liability is subject to all provisions of the New Jersey Tort Claims Act, the New Jersey Contractual Liability Act and the availability of appropriations.

The Tort Claims Act provides for payment of claims under the Act against the State or its employees for which the State is obligated to indemnify against tort claims, which arise out of the performance of their duties. All insurance policies are renewed annually. All State self-funded programs are statutory with an annual appropriation provided by the legislature. There has been no decrease in coverage during the current year. There have been no settlements in excess of insurance coverage.

The University may be the subject of employment related lawsuits not covered by the Tort Claims Act. The University retains the risk for any such settlements. Management believes that any employment settlements will not have a material effect on the accompanying financial statements.

NOTE 19 - STUDENT FINANCIAL ASSISTANCE PROGRAM

The University's students receive support from Federal and State of New Jersey student financial assistance programs. The University's compliance with the requirements of the Federal student financial assistance programs authorized by Title IV of the U.S. Higher Education Act of 1965, as amended (Title IV Programs), is subject to annual audit by an independent auditor. Such compliance audits are subject to review by the U.S. Department of Education. Management is of the opinion that a liability, if any, resulting from compliance audits would not have a material adverse effect on the University's financial position.

NOTE 20 - MONTCLAIR STATE UNIVERSITY FOUNDATION, INC.

Component Unit

For the years ended June 30, 2023 and 2022, total gifts and grants given to the University from the Foundation amounted to $8.8 million and $5.1 million, respectively.

Investments

The following applies to the Foundation's investments which are managed pursuant to a Board of Trustees approved Investment Policy Statement:

Valuation: Investments are carried at fair value. The fair value of alternative investments has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment funds.

Investment Income: Unrealized gains and losses are reported in the statements of activities as part of investment return. Interest and dividends from investments are recorded as investment return when earned. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of income.

Investment Income Allocations: The Foundation maintains investment accounts for its endowments, including quasi-endowments, under the pooled unitization method. Realized and unrealized gains and losses from securities in the investment accounts are allocated quarterly to the individual endowment funds based on the relationship of the market value of each endowment fund to the total market value of the investment accounts, as adjusted for additions to or deductions from those accounts.

For the years ended June 30, 2023 and 2022, Foundation's investments totaled $106.5 million and $97.4 million, respectively.

NOTE 21 - PANDEMIC RELATED FINANCIAL ASSISTANCE

The CARES Act was signed into law on March 27, 2020. Part of the funding package, known as the Higher Education Emergency Relief Fund (HEERF), was designated for direct aid to colleges and universities to provide financial assistance to students who were impacted by the pandemic and the disruption of campus operations, as well as, to support additional costs incurred by the institution resulting from the COVID-19 health emergency. The act also included aid specifically intended for Minority Serving Institutions (MSI) which may be used for student support. Additional monies under the CARES Act were awarded to states, which may be made available to higher educational institutions subject to state program requirements. These include the Governor's Emergency Education Relief Fund (GEERF) and the Coronavirus Relief Fund (CRF). The University elected to receive its institutional funding on a cost reimbursable basis in a manner consistent with its other federal grants.

<u>HEERF I</u>

The University was awarded a total of $19.9 million between April 2020 and May 2020 under the HEERF which is split equally between what is known as the student aid portion and the institution aid portion. From the student aid portion of $9.9 million, $5.6 million and $4.3 million was distributed for the period ended June 30, 2020 and 2021, respectively. Aid was distributed to students based upon their responses to a questionnaire. From the institutional aid portion of $9.9 million, $5.6 million and $4.3 million was recognized for the period ended June 30, 2020 and 2021, respectively.

In June 2020, the University was awarded $1.4 million in MSI aid. The University provided $1.3 million and $98 thousand in aid to eligible students for the period ended June 30, 2020 and 2021, respectively.

HEERF II

On January 14, 2021, the U.S. Department of Education announced that an additional $21.2 billion became available to higher education institutions to ensure that student learning was uninterrupted during the COVID-19 pandemic under the CRRSAA as HEERF II which was signed into law on December 27, 2020. The University was awarded a total of $33.7 million between March 2021 and April 2021 of which $9.9 million was allocated to the student aid portion, $21.7 million to the institution aid portion, and $2 million to the MSI aid. The University distributed $4.7 million and $5.2 million in the student aid portion for the period ended June 30, 2022 and 2021, respectively. The University recognized $8.7 million, $7.5 million ($4.8 million was used for student re-engagement and applied to students account balances) and $5.5 million in institutional aid for the period ended June 30, 2023, 2022 and 2021, respectively. MSI aid to students of $789 thousand and $1.2 million was distributed for the period ended June 30, 2022 and 2021.

HEERF III

On March 11, 2021, the ARP was signed into law authorizing HEERF III funding to provide an additional $39.6 billion in support to institutions of higher education to service students and ensure learning continues during the COVID-19 pandemic. The University was awarded a total of $55.6 million of which $27.9 was allocated to the student aid portion and $27.7 to the institution aid. The University distributed $27.6 million in student aid and recognized $19.8 million ($1.6 million was used for student re-engagement and applied to students account balances) as of and for the period ending June 30, 2022. The University distributed $263.7 thousand in student aid and recognized $11.8 million in institutional aid as of and for the period ending June 30, 2023.

On August 3, 2021, the University was awarded an additional $3.4 million of MSI HEERF III funding for a total award of $59 million. The University distributed $1.6 million and $1.8 million of MSI student aid as of and for the period ending June 30, 2023, and 2022, respectively.

For the period ending June 30, 2023, the University has drawn down funding from HEERF II of $8.7 million in institution aid. For HEERF III, the University drew down $259.8 thousand in the student aid, $1.6 million in minority institution aid, and $6.8 million in institution aid and such is included in the non-operating section of the Statement of Changes in Net Position for the year ending June 30, 2023.

For the period ending June 30, 2022, the University has drawn down funding from HEERF II of $4.7 million in student aid, $789 thousand in minority institution aid, and $7.5 million in institution aid. For HEERF III, the University drew down $27.6 million in the student aid, $1.8 million in minority institution aid, and $27.6 million in institution aid and such is included in the non-operating section of the Statement of Changes in Net Position for the year ending June 30, 2022.

Governor's Emergency Education Relief (GEERF)

On May 22, 2020, a total of $68.8 million GEERF funds became available to New Jersey's public colleges and universities to help institutions continue providing high-quality educational services to students amid the ongoing COVID-19 pandemic. GEERF Funding from the U.S. Department of Education provided Governors flexibility through an emergency block grant to decide how best to meet the needs of students, schools, postsecondary institutions and other education-related organizations in their states. The New Jersey Office of the Secretary of Higher Education (OSHE) has made this funding available through emergency assistance grants to institutions based on an OSHE-developed allocation formula that considers – among other things – institutional expenses incurred as a result of the pandemic. The University was awarded an allocated amount of $6.6 million which may be used for expenses incurred beginning March 13, 2020. The University received and recognized the $6.6 million award in fiscal 2021 and is included in the non-operating section of the Statement of Changes in Net Position for the year ending June 30, 2021.

On July 12, 2021, the University was awarded a $1.3 million grant as part of the “Opportunity Meets Innovation Challenge” and $100 thousand in support of the “Hunger-Free Campus” grant programs administered by the Office of the Secretary of Higher Education. Funding for the program is provided through the second round of federal GEERF funding (GEERF II) to support core priorities of the State Plan for Higher Education and address the impacts of COVID-19 on postsecondary students. The University recognized $624 thousand and $295 thousand as part of the “Opportunity Meets Innovation Challenge” for the period ending June 30, 2023 and 2022, respectively. The University recognized $49 thousand and $23.6 thousand under the “Hunger-Free Campus” grants for the period ending June 30, 2023 and 2022 respectively. These are included in the non-operating section of the Statement of Changes in Net Position.

NOTE 22 - GOVERNMENT COMBINATIONS

As a result of the merger, the University implemented GASB statement No. 69, *Government Combinations and Disposals of Government Operations*. This standard provides accounting and financial reporting guidance for government combinations, including mergers, and the disclosure of assets and liabilities. As used within this statement, the distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration.

The following key factor was implemented based upon the standard:

1. Recognition and Measurement - The merger date is the beginning of the reporting period in which the combination occurs, regardless of the actual date of the merger. Continuing governments should recognize and measure the combined assets, deferred outflows of resources, liabilities, and deferred inflows of resources, results of operations, and cash flows, if applicable, of the merging entities for the reporting period in which the combination occurs as though the entities had been combined at the beginning of the continuing government’s reporting period at their carrying value. Carrying value generally represents the historical cost of an asset or liability adjusted for any applicable amortization, depreciation or impairment.

Bloomfield College financial statements were prepared in accordance with U.S. GAAP as established by the Financial Accounting Standards Board (FASB). The University determined a carrying value adjustment for equipment lease agreements qualified for disclosures as defined by GASB Statement No. 87, *Leases*, and subscription-based information technology agreement qualified for disclosures as defined by GASB Statement No. 96, *Subscription-based Information Technology Arrangements (SBITAs)*.

An adjustment to account for leases and subscription payables resulted in an increase of capital assets of $877,000 and an increase in lease and subscription liabilities of $877,000.

The adjustment resulted in following impact to assets, liabilities, deferred outflows of resources, deferred inflows of resources and net position (dollars in thousands):

	June 30, 2023 Carrying Value	Adjustments	June 30, 2023 Adjusted Total
Assets			
Current assets	$ 31,339	$ -	$ 31,339
Capital assets, net	62,546	877	63,423
Total assets	93,885	877	94,762
Liabilities			
Current liabilities	2,695	-	2,695
Other non-current liabilities	32,994	877	33,871
Total liabilities	35,689	877	36,566
Net position			
Net investment in capital assets	-	29,802	29,802
Restricted nonexpendable	15,253	-	15,253
Restricted expendable	-	-	-
Unrestricted	42,943	(29,802)	13,141
Total net position	$ 58,196	$ -	$ 58,196

NOTE 23 - BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY

As a result of the merger, the University implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

This amendment addresses various aspects, including the criteria for determining component unit and the inclusion and disclosure of blended component units within the financial statement. Within GASB 61, Statement No. 8, a listing of criteria is presented and if any of the criteria exists, then a blended approach must be presented within the financial statement. The criteria that applied is as follows:

1 The component unit's governing body is substantively the same as the governing body of the primary government and (1) there is a financial benefit or burden relationship between the primary government and the component unit, (2) management of the primary government has operational responsibility for the component unit. Management of a primary government has operational responsibility for a component unit if it manages the activities of the component unit in essentially the same manner in which it manages its own programs, departments, or agencies. Management, for purposes of this determination, consists of the person(s), below the level of the governing board, responsible for the day-to-day operations of the primary government (for example, a county executive or city manager).

2 The component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government.

The University was able to determine based upon the criteria above that a blended consolidated approach should be applied based upon the following facts:

1. After the merger, the University's governing board appoints the members of Bloomfield's board, which signifies oversight and governance. And, in certain instances, Montclair employees exercise supervisory authority over both entities' day-to-day operations.

2. The University has assumed the financial obligation by guaranteeing Bloomfield's debt, which is reflective in the University's presentation.

GASB 61 also provides guidance on presentation of the surviving entities financials statements, which was adhered to by the University.

1. Presentation - For government engaged only business-type activities that use a single column for financial presentation, a component unit may be blended by consolidating its financial statement data within the single column of the primary government and presenting condensed combining information in the notes of the financial statement. The condensed statements were the statement of net assets, statement of revenues, expenses, and changes in net assets, and the statement of cash flows.

The following is the condensed statement of net position of the University as of June 30, 2023 (dollars in thousands):

	Montclair State University	Bloomfield College of Montclair State University	Total
Assets:			
Current assets	$ 112,536	$ 32,463	$ 144,999
Capital assets, net	871,661	60,481	932,142
Other non-current assets	159,686	-	159,686
Total assets	1,143,883	92,944	1,236,827
Total deferred outflows of resources	31,312	-	31,312
Liabilities:			
Current liabilities	82,787	5,411	88,198
Other non-current liabilities	554,500	27,997	582,497
Total liabilities	637,287	33,408	670,695
Total deferred inflows of resources	205,999	-	205,999
Net position:			
Net investment in capital assets	292,431	29,802	322,233
Restricted nonexpendable	-	13,578	13,578
Restricted expendable	24,124	5,077	29,201
Unrestricted	15,354	11,079	26,433
Total net position	$ 331,909	$ 59,536	$ 391,445

The following is the condensed statement of revenues, expenses, and changes in net position of the University as of June 30, 2023 (dollars in thousands):

	Montclair State University	Bloomfield College of Montclair State University	Total
Operating Revenues			
Net student revenues	$ 217,049	$ 17,735	$ 234,784
Grants and contracts	82,367	4,430	86,797
Auxiliary enterprises	19,709	27	19,736
Other operating revenues	21,884	860	22,744
Total operating revenue	341,009	23,052	364,061
Operating Expenses			
Operating expenses	428,857	35,488	464,345
Depreciation and amortization	57,165	4,077	61,242
Total operating expenses	486,022	39,565	525,587
Operating loss	(145,013)	(16,513)	(161,526)
Nonoperating revenues (expenses)			
State appropriations and paid fringe benefits	115,719	12,992	128,711
Pell grants	43,656	4,439	48,095
Pandemic related financial assistance	18,198	-	18,198
Gain on Government Combination	-	58,196	58,196
Interest expense	(16,869)	(1,262)	(18,131)
Nonoperating revenues	4,301	1,684	5,985
Net nonoperating revenues	165,005	76,049	241,054
Income before other revenues	19,992	59,536	79,528
Capital gifts and grants	514	-	514
Increase in net position	20,506	59,536	80,042
Net position			
Beginning of year	311,403	-	311,403
End of year	$ 331,909	$ 59,536	$ 391,445

The following is the condensed statement of cash flows of the University as of June 30, 2023 (dollars in thousands):

	Montclair State University	Bloomfield College of Montclair State University	Total
Net cash used in operating activities	$ (79,799)	$ (15,623)	$ (95,422)
Net cash from noncapital financing activities	151,716	18,798	170,514
Net cash used in capital financing activities	(62,410)	(3,498)	(65,908)
Net cash from investing activities	(40,891)	15,074	(25,817)
Net increase (decrease) in cash and cash equivalents	(31,384)	14,751	(16,633)
Cash and Cash Equivalents			
Beginning of year	69,149	-	69,149
End of year	$ 37,765	$ 14,751	$ 52,516

Additional information for the components of the blended method can be found in the consolidating statement of net position, consolidating statement of revenues, expenses and changes in net position and consolidated statements of cash flows included within the supplementary information.

NOTE 24 - SUBSEQUENT EVENTS

On July 10, 2023 the Office of Secretary of Higher Education offered the University a New Jersey Higher Education Capital Facilities Grants. The University was awarded $9.2 million grant from the Higher Education Technology Infrastructure Program for the campus Wi-Fi and firewall upgrade, and $59.9 million grant from the Higher Education Capital Improvement Fund program for the expansion of STEM facilities and the renovation of the Teaching and Learning Commons. The award will be funded from four revolving State-backed bond programs that support institutions of higher education and more specifically, students. The Programs are: The Higher Education Capital Improvement Fund (CIF), the Higher Education Facilities Trust Fund (HEFT), The Higher Education Technology Infrastructure (HETI) Fund, and The Higher Education Equipment Leasing Fund (ELF). The purpose of the programs is for institutions of higher education to re-imagine spaces to better serve the 21st century students.

On July 11, 2023, the University entered into a multi-year license agreement as the Licensor, beginning January 1, 2024 and ending December 31, 2033 for the right of use of the stadium space by the NJIT Baseball Team. Based on the agreement, the University received a one-time payment of $2.4 million for the cost to upgrade the stadium to be amortized over a 10-year term.

On August 31, 2023, the University established a Montclair State University 457(F) Plan. This new deferred compensation plan is sponsored by the New Jersey Alternate Benefit Program and administered by TIAA. The plan is a supplemental 403(b)/457(f) retirement plan subject to plan terms and applicable Plan and IRS limits. At the end of each fiscal year during the initial term and any renewal year, the University will make a 10% supplemental retirement contribution of the President’s base salary paid during the respective fiscal year into the plan. All deferred compensation will vest upon expiration of the employment agreement accompanied by a separation from service, as it may be renewed from time to time, except that the

President's deferred compensation will vest sooner in event of death, disability, or involuntary separation from service without cause; otherwise all deferred compensation will be forfeited in the event of resignation or termination for cause before the normal vesting date.

SUPPLEMENTARY INFORMATION

Montclair State University
(A Component Unit of the State of New Jersey)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF NET POSITION
MONTCLAIR STATE UNIVERSITY AND BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY

June 30, 2023
(dollars in thousands)

	Business-Type Activities		
	Montclair State University	Bloomfield College of Montclair State University	Consolidated Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 37,765	$ 11,471	$ 49,236
Investments	6,605	16,136	22,741
Assets held under bond indenture agreements	21,417	-	21,417
Restricted cash equivalents	-	3,280	3,280
Receivables			
Students, less allowance for doubtful accounts of $3,387	13,443	173	13,616
Loans, less allowance for doubtful loans of $111	480	-	480
Rent	2,757	-	2,757
Gifts, Grants and contracts	11,563	911	12,474
State of New Jersey	3,731	-	3,731
Other receivables	11,041	-	11,041
Other current assets	3,734	492	4,226
Total current assets	112,536	32,463	144,999
Noncurrent assets			
Investments	132,207	-	132,207
Loans receivable, less allowance for doubtful loans of $125	394	-	394
Rent receivable	25,685	-	25,685
Capital assets, net	871,661	60,481	932,142
Other noncurrent assets	1,400	-	1,400
Total noncurrent assets	1,031,347	60,481	1,091,828
Total assets	1,143,883	92,944	1,236,827
Deferred outflows of resources			
Deferred amount from debt refundings	1,196	-	1,196
Deferred outflow of capital purchase	4,667	-	4,667
Deferred outflow of pension resources	25,449	-	25,449
Total deferred outflows of resources	31,312	-	31,312
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	47,046	1,540	48,586
Bonds payable and other long-term debt	13,746	3,270	17,016
Lease liability	3,536	67	3,603
Subscription liability	5,002	230	5,232
Unearned tuition, fees, and deposits	6,600	304	6,904
Unearned revenue from grantors	4,014	-	4,014
Assets held on behalf of others	2,843	-	2,843
Total current liabilities	82,787	5,411	88,198
Noncurrent liabilities			
Bonds payable and other long-term debt	339,198	27,755	366,953
Lease liability	18,292	76	18,368
Subscription liability	18,310	165	18,475
Compensated absences	2,605	-	2,605
Net pension liability	174,695	-	174,695
Other postemployment health benefits	-	-	-
Other long term liability	1,400	1	1,401
Total noncurrent liabilities	554,500	27,997	582,497
Total liabilities	637,287	33,408	670,695
Deferred inflows of resources			
Deferred service concession arrangement	146,869	-	146,869
Deferred inflow of pension resources	27,005	-	27,005
Deferred amount from debt refundings	5,572	-	5,572
Deferred Inflow amount from rent	26,553	-	26,553
Total deferred inflows of resources	205,999	-	205,999
Net position			
Net investment in capital assets	292,431	29,802	322,233
Restricted nonexpendable		13,578	13,578
Restricted expendable for:			
Scholarships	-	3,551	3,551
Loans	911	-	911
Donor Designated purpose	1,796	-	1,796
Renewal and replacement	36	-	36
Debt service and debt service reserve	21,381	-	21,381
Other	-	1,526	1,526
Unrestricted	15,354	11,079	26,433
Total net position	$ 331,909	$ 59,536	$ 391,445

Montclair State University
(A Component Unit of the State of New Jersey)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MONTCLAIR STATE UNIVERSITY AND BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY

June 30, 2023
(dollars in thousands)

	Business-Type Activities		
	Montclair State University	Bloomfield College of Montclair State University	Consolidated Total
Operating revenues			
Student Revenues:			
Student tuition and fees	$ 277,186	$ 32,000	$ 309,186
Residence life - room and board	49,315	5,134	54,449
Less scholarship allowance	109,452	19,399	128,851
Net student revenues	217,049	17,735	234,784
Federal grant and contracts	19,213	2,368	21,581
State of New Jersey grants and contracts	59,025	828	59,853
Nongovernmental grants and contracts	4,129	1,234	5,363
Sales and services of educational departments	6,353	-	6,353
Auxiliary enterprises	19,709	27	19,736
Other operating revenues	15,531	860	16,391
Total operating revenues	341,009	23,052	364,061
Operating expenses			
Instruction	133,467	11,680	145,147
Research	28,870	-	28,870
Public service	19,187	-	19,187
Academic support	39,975	2,732	42,707
Student services	23,317	5,507	28,824
Institutional support	66,267	9,361	75,628
Operations and maintenance of plant	34,849	2,879	37,728
Depreciation and amortization	57,165	4,077	61,242
Student aid	26,534	251	26,785
Residence life and auxiliary enterprises	56,391	3,078	59,469
Total operating expenses	486,022	39,565	525,587
Operating loss	(145,013)	(16,513)	(161,526)
Nonoperating revenues (expenses)			
State of New Jersey appropriations	72,429	12,992	85,421
State of New Jersey paid fringe benefits	43,290	-	43,290
Pell grants	43,656	4,439	48,095
Pandemic related financial assistance	18,198	-	18,198
State paid other postemployment health benefits	(8,934)	-	(8,934)
Gifts and non-exchange grants	6,748	-	6,748
Gain on government combination	-	58,196	58,196
Unrealized and realized gains/(losses) on investment securities	(3,578)	886	(2,692)
Investment income, net of investment expenses of $316	5,536	798	6,334
Interest on indebtedness	(16,869)	(1,262)	(18,131)
Administrative costs	(161)	-	(161)
Other nonoperating revenues	4,690	-	4,690
Net nonoperating revenues	165,005	76,049	241,054
Income before other revenues	19,992	59,536	79,528
Capital gifts and grants	514	-	514
INCREASE IN NET POSITION	20,506	59,536	80,042
Net position			
Beginning of year	311,403	-	311,403
End of year	$ 331,909	$ 59,536	$ 391,445

Montclair State University
(A Component Unit of the State of New Jersey)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF CASH FLOWS
MONTCLAIR STATE UNIVERSITY AND BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY

June 30, 2023
(dollars in thousands)

	Business-Type Activities		
	Montclair State University	Bloomfield College of Montclair State University	Consolidated Total
Cash flows from operating activities:			
Student tuition and fees	$ 163,708	$ 7,172	$ 170,880
Grants and contracts	77,410	10,860	88,270
Payments for salaries	(245,827)	(17,870)	(263,697)
Payments for fringe benefits	(31,144)	(4,650)	(35,794)
Payments to suppliers	(84,904)	(12,264)	(97,168)
Payments for utilities	(21,911)	(1,298)	(23,209)
Payments for student aid	(26,533)	(1,581)	(28,114)
Loans issued to students	69	-	69
Collection of loans from students	346	-	346
Auxiliary enterprises charges:			
Residence life	49,315	3,614	52,929
Other	19,708	6	19,714
Sales and services of educational departments	6,353	-	6,353
Other receipts	13,611	388	13,999
Net cash used in operating activities	(79,799)	(15,623)	(95,422)
Cash flows from noncapital financing activities:			
State of New Jersey appropriations	77,451	12,992	90,443
Pell grants	43,656	4,546	48,202
Pandemic related Financial Assistance	18,194	-	18,194
Gifts and non-exchange grants	6,748	1,260	8,008
Student organization agency transactions	977	-	977
Other receipts	4,690	-	4,690
Net cash from noncapital financing activities	151,716	18,798	170,514
Cash flows from capital financing activities:			
Capital gifts and grants	514	-	514
Principal paid on capital debt	(14,133)	(1,542)	(15,675)
Interest paid on capital debt	(18,252)	(1,246)	(19,498)
Purchases of capital assets	(30,725)	(710)	(31,435)
Administrative costs	41	-	41
Change in deposits held by bond trustees	145	-	145
Net cash used in capital financing activities	(62,410)	(3,498)	(65,908)
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	6,662,728	(121)	6,662,607
Proceeds from government combination	-	14,162	14,162
Purchases of investments	(6,711,868)	622	(6,711,246)
Interest on investments	8,249	411	8,660
Net cash from (used in) investing activities	(40,891)	15,074	(25,817)
Net increase (decrease) in cash and cash equivalents	(31,384)	14,751	(16,633)
Cash and cash equivalents:			
Beginning of year	69,149	-	69,149
End of year	$ 37,765	$ 14,751	$ 52,516

Montclair State University
(A Component Unit of the State of New Jersey)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF CASH FLOWS
MONTCLAIR STATE UNIVERSITY AND BLOOMFIELD COLLEGE OF MONTCLAIR STATE UNIVERSITY - CONTINUED

June 30, 2023
(dollars in thousands)

	Business-Type Activities		
	Montclair State University	**Bloomfield College of Montclair State University**	**Consolidated Total**
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES			
Operating loss	$ (145,013)	$ (16,513)	$ (161,526)
Adjustments to reconcile operating loss to net cash used by operating activities			
State of New Jersey paid fringe benefits	39,546	-	39,546
State paid other postemployment health benefits	(8,934)	-	(8,934)
Depreciation and amortization expense	57,165	4,077	61,242
Provision for bad debts	(274)	731	457
Net realized and unrealized losses (gains) on investments	-	(1,704)	(1,704)
Changes in assets and liabilities:			
Student receivables	(3,554)	(638)	(4,192)
Loans receivables	416	-	416
Rent receivables	505	-	505
Grants receivables	(3,757)	134	(3,623)
Other receivables	(2,225)	-	(2,225)
Other current assets	(205)	11	(194)
Accounts payable and accrued expenses	2,062	(985)	1,077
Unearned tuition, fees and deposits	(198)	(292)	(490)
Unearned revenue from grantors	(719)	-	(719)
Compensated absences - noncurrent portion	(42)	-	(42)
Accrued retirement benefit obligation	-	(444)	(444)
Assets held on behalf of Federal government for loan programs	(481)	-	(481)
Net pension liability	(14,091)	-	(14,091)
Net cash used in operating activities	$ (79,799)	$ (15,623)	$ (95,422)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Montclair State University
(A Component Unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF UNIVERSITY CONTRIBUTIONS

June 30,
(Dollars in Thousands)

	2023	
	PERS	**PFRS**
Contractually Required Contribution	$ 10,834	$ 3,479
Contributions in relation to the Contractually Required Contribution	10,834	3,479
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	30,021	2,824
Contributions as a percentage of Employee Covered Payroll	36.09%	123.19%

	2022	
	PERS	**PFRS**
Contractually Required Contribution	$ 11,045	$ 3,603
Contributions in relation to the Contractually Required Contribution	11,045	3,603
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	31,153	2,874
Contributions as a percentage of Employee Covered Payroll	35.45%	125.37%

	2021	
	PERS	**PFRS**
Contractually Required Contribution	$ 7,937	$ 2,276
Contributions in relation to the Contractually Required Contribution	7,937	2,276
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	31,510	2,493
Contributions as a percentage of Employee Covered Payroll	25.19%	91.30%

	2020	
	PERS	**PFRS**
Contractually Required Contribution	$ 6,518	$ 1,977
Contributions in relation to the Contractually Required Contribution	6,518	1,977
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	32,277	2,499
Contributions as a percentage of Employee Covered Payroll	20.19%	79.11%

	2019	
	PERS	**PFRS**
Contractually Required Contribution	$ 5,721	$ 1,614
Contributions in relation to the Contractually Required Contribution	5,721	1,614
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	32,313	2,420
Contributions as a percentage of Employee Covered Payroll	17.70%	66.69%

	2018	
	PERS	**PFRS**
Contractually Required Contribution	$ 4,500	$ 1,500
Contributions in relation to the Contractually Required Contribution	4,500	1,500
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	30,903	2,484
Contributions as a percentage of Employee Covered Payroll	14.56%	60.39%

	2017	
	PERS	**PFRS**
Contractually Required Contribution	$ 3,226	$ 996
Contributions in relation to the Contractually Required Contribution	3,226	996
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	32,212	2,609
Contributions as a percentage of Employee Covered Payroll	10.01%	38.18%

	2016	
	PERS	**PFRS**
Contractually Required Contribution	$ 2,282	$ 618
Contributions in relation to the Contractually Required Contribution	2,282	618
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	31,508	2,515
Contributions as a percentage of Employee Covered Payroll	7.24%	24.57%

	2015	
	PERS	**PFRS**
Contractually Required Contribution	$ 1,126	$ 561
Contributions in relation to the Contractually Required Contribution	1,126	561
Contribution Deficiency (Excess)	-	-
University Employee Covered Payroll (reporting date June 30th)	32,362	2,315
Contributions as a percentage of Employee Covered Payroll	3.48%	24.23%

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Montclair State University
(A Component Unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF THE TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
LAST TEN FISCAL YEARS*

(Dollars in Thousands)

Public Employees' Retirement System (PERS)

Reporting fiscal year (Measurement Date, June 30,)	University's proportion of the net pension liability - State Group		University's covered employee payroll	University's 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
	%	$			
2023 (2022)	0.672%	$ 150,387	$ 30,021	500.94%	23.19%
2022 (2021)	0.694%	150,148	31,153	481.97%	25.29%
2021 (2020)	0.745%	165,517	31,510	525.28%	21.39%
2020 (2019)	0.750%	171,899	32,277	532.57%	22.03%
2019 (2018)	0.728%	172,619	32,313	534.21%	22.11%
2018 (2017)	0.720%	185,255	30,903	599.47%	21.18%
2017 (2016)	0.730%	215,708	31,508	684.61%	19.02%
2016 (2015)	0.730%	172,860	32,362	534.14%	24.96%

Police and Firemen's Retirement System (PFRS)

Reporting fiscal year (Measurement Date, June 30,)	University's proportion of the net pension liability - State Group		University's covered employee payroll	University's 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
	%	$			
2023 (2022)	0.562%	$ 24,308	$ 2,824	860.76%	27.20%
2022 (2021)	0.512%	20,800	2,874	723.73%	29.72%
2021 (2020)	0.520%	22,376	2,493	897.55%	24.81%
2020 (2019)	0.501%	21,048	2,499	842.26%	26.06%
2019 (2018)	0.525%	22,738	2,420	939.59%	25.84%
2018 (2017)	0.510%	22,418	2,484	902.50%	25.99%
2017 (2016)	0.447%	21,068	2,515	837.69%	24.70%
2016 (2015)	0.402%	17,255	2,315	745.36%	29.06%

Teachers' Pension and Annuity Fund (TPAF)

Reporting fiscal year (Measurement Date, June 30,)	University's proportion of the net pension liability		University's covered employee payroll	University's 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
	%	$			
2023 (2022)	0.004%	$ 2,172	$ -	0.00%	32.29%
2022 (2021)	0.004%	2,055	-	0.00%	35.52%
2021 (2020)	0.005%	3,204	-	0.00%	24.60%
2020 (2019)	0.005%	2,942	-	0.00%	26.95%
2019 (2018)	0.005%	3,196	-	0.00%	26.49%
2018 (2017)	0.005%	3,610	-	0.00%	25.41%
2017 (2016)	0.005%	4,275	-	0.00%	22.33%
2016 (2015)	0.027%	17,290	-	0.00%	28.71%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years which information is available.

** The University did not have TPAF pensionable wages subsequent to the 2014 fiscal year.

Montclair State University
(A Component Unit of The State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF THE TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
STATE HEALTH BENEFIT STATE RETIRED EMPLOYEES PLAN

Last Ten Fiscal Years*

	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
University's proportion of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
University's proportionate share of the total OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -
State of New Jersey's proportionate share of the OPEB liability associated with the University	$ 308,213,857	$ 372,050,570	$ 432,699,220	$ 278,973,080	$ 366,011,934	$ 418,649,617
Total State of NJ OPEB liability	$ 20,887,585,522	$ 24,954,062,223	$ 28,296,690,169	$ 18,205,874,446	$ 23,601,362,208	$ 28,104,795,207
University's covered-employee payroll	$ 151,156,956	$ 149,183,574	$ 150,442,218	$ 153,370,916	$ 151,734,073	$ 126,232,049
University's proportionate share of the collective total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

PENSIONS

Benefit Changes

None.

Changes of Assumptions

PERS

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the most recent actuarial experience study for the period July 1, 2018 to June 30, 2021

PFRS

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the most recent actuarial experience study for the period July 1, 2018 to June 30, 2021

TPAF

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the most recent actuarial experience study for the period July 1, 2018 to June 30, 2021

POST-RETIREMENT BENEFITS

Benefit Changes

Effective April 16, 2019, the State Health Benefits Program Plan Design Committee approved and adopted a new PPO plan design (referred to as the “NJDIRECT Plan” but also includes the “CWA Unity Plan” for retirees affiliated with the CWA) which replaces all current PPO plan offerings for State pre-Medicare future retirees. Any State pre-Medicare retiree who enrolls in the NJDIRECT Plan will be required to contribute a percentage of their retirement allowance instead of a percentage of the cost of health coverage as required under Chapter 78.

Changes of Assumptions

Mortality rate improvement assumptions, trend rate assumptions, and repealment of the excise tax and discount rate assumptions have been updated from the June 30, 2021 valuation to be consistent with industry standards. The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

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APPENDIX C

FORMS OF TRUST INDENTURE AND LOAN AGREEMENT

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TRUST INDENTURE

By and Between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of April 1, 2024

$159,430,000

New Jersey Educational Facilities Authority
Revenue Refunding Bonds, Montclair State University Issue,
Series 2024 A

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ARTICLE X

MISCELLANEOUS

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of April 1, 2024, by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "**Authority**"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association with trust and fiduciary powers in the State of New Jersey being qualified to accept and administer the trusts hereby created (the "**Trustee**");

W I T N E S S E T H:

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

WHEREAS, the Authority has heretofore issued its $189,365,000 Revenue Bonds, Montclair State University Issue, Series 2014 A (the "**Series 2014 A Bonds**"), the proceeds of which were used to undertake a project consisting of (i) the refunding of portions of the Authority's Revenue Bonds, Montclair State University Issue, Series 2002 F, the Authority's Revenue Bonds, Montclair State University Issue, Series 2003 E, the Authority's Revenue Bonds, Montclair State University Issue, Series 2003 L and the Authority's Revenue Bonds, Montclair State University Issue, Series 2006 A, (ii) the financing of various capital projects on behalf of Montclair State University (the "**Borrower**"), and (iii) paying costs of issuance of the Series 2014 A Bonds; and

WHEREAS, the Authority has heretofore issued its $32,267,000 Revenue Bonds, Bloomfield College and Seminary Issue, 2013 Series A (the "**2013 Series A Bonds**"), the proceeds of which were used to undertake a project consisting of (i) the refinancing of a mortgage loan and the financing of a capital project on behalf of the former Bloomfield College and Seminary ("**Bloomfield College**"), and (ii) paying costs of issuance of the 2013 Series A Bonds; and

WHEREAS, on January 28, 2016, The Provident Bank ("**Provident Bank**") made a mortgage loan in the amount of $3,475,000 (the "**January 2016 Mortgage Loan**") to Bloomfield College, the proceeds of which (as represented to the Authority by the Borrower) were used to refinance a mortgage loan and finance a capital project on behalf of Bloomfield College; and

WHEREAS, on June 7, 2016, Provident Bank made a mortgage loan in the amount of $2,700,000 (the "**June 2016 Mortgage Loan**") to Bloomfield College, the proceeds of which (as represented to the Authority by the Borrower) were used to finance a capital project on behalf of Bloomfield College; and

WHEREAS, effective on July 1, 2023, Bloomfield College merged with and into Bloomfield College of Montclair State University, Inc. (formerly known as Montclair-Bloomfield Merger Sub, Inc.) ("**MSU-Bloomfield**"), a nonprofit corporation of which the Borrower is the sole member; and

WHEREAS, following the July 1, 2023 merger, MSU-Bloomfield became the obligor on the January 2016 Mortgage Loan, the June 2016 Mortgage Loan and the note securing the 2013 Series A Bonds; and

WHEREAS, the Borrower has represented that it intends to legally dissolve MSU-Bloomfield upon satisfaction of certain regulatory approvals and other conditions (the "**Dissolution**"), whereupon the assets of MSU-Bloomfield, including the capital projects financed by the January 2016 Mortgage Loan, the June 2016 Mortgage Loan and the 2013 Series A Bonds, will become the property of the Borrower; and

WHEREAS, the Borrower has further represented that it expects the Dissolution to be consummated by no later than June 30, 2024; and

WHEREAS, the Borrower has requested that the Authority issue, and the Authority has determined that it is necessary and in keeping with its authorized purposes to issue, one or more series of bonds as described herein for the purpose of providing funds to (i) pay the cost of refunding all of the outstanding Series 2014 A Bonds maturing on and after July 1, 2025 (the "**Series 2014 A Bonds To Be Refunded**"), (ii) pay the cost of refunding all of the outstanding 2013 Series A Bonds, (iii) pay the cost of refunding all of the outstanding balances of the January 2016 Mortgage Loan and the June 2016 Mortgage Loan and (iv) pay certain costs incidental to the issuance, sale and delivery of the hereinafter-defined Bonds, including the premium for the Insurance Policy (as such term is defined in Section 10.12 hereof) (hereinafter collectively referred to as the "**Refunding Project**"); and

WHEREAS, the Authority has determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A" (the "**Bonds**") for the purpose of providing funds to finance the Refunding Project; and

WHEREAS, pursuant to a resolution of the Authority adopted on February 27, 2024, the Bonds will be issued under and secured by this Trust Indenture (as amended and supplemented from time to time as permitted herein, this "**Indenture**") to be entered into by and between the Trustee and the Authority; and

WHEREAS, in order to provide for the financing of the Refunding Project and to secure repayment of the Bonds, it is necessary and desirable to enter into a Loan Agreement, dated as of April 1, 2024, by and between the Authority and the Borrower (as amended and supplemented from time to time as permitted therein, the "**Loan Agreement**"); and

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

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal, special and limited obligations of the Authority, and to constitute this

Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized;

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

ARTICLE I

DEFINITIONS

Section 1.01. **Definitions.**

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

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

"Authority" means the New Jersey Educational Facilities Authority.

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

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

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

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

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

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

"Bond Year" means each twelve (12) month period beginning July 1 and ending the following June 30; except that the initial Bond Year shall commence on the date of issuance of the Bonds and shall end on June 30, 2024.

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

"Bonds" means the Bonds issued hereunder in the original aggregate principal amount of $159,430,000 and from time to time Outstanding under this Indenture.

"Borrower" means Montclair State University and its successors and assigns.

"Borrower Representative" means the person or each alternate designated to act for the Borrower by written certificate furnished to the Authority and the Trustee, containing the specimen signature of such person and signed on behalf of the Borrower by the Chair or Vice Chair of the Board of Trustees, by the President, by the Chief Operating Officer & Senior Vice President for Finance and Administration, or by the Vice President for Finance and Treasurer, and shall also include any such officers designated as "acting" or "interim".

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

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

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

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

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated the Closing Date, by and between the Borrower and Digital Assurance Certification, L.L.C., as Dissemination Agent, as amended or supplemented from time to time.

"Counsel" means an attorney or a firm of attorneys (which may include counsel to the Borrower) satisfactory to the Authority, duly admitted to practice law in the highest court of any state in the United States of America or in the District of Columbia.

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

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

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

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

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

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

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

"Government Obligations" means the investment types identified in paragraphs A, B and C of the "List of Investment Obligations", as contained in Exhibit A attached hereto.

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

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

"Independent CPA Firm" means a licensed certified public accounting firm or a firm of certified public accountants acting at arms-length of the transaction. It may not be the underwriter, bond counsel or financial advisor for the refunding issue. The Independent CPA Firm must carry errors and omissions insurance.

"Interest Payment Date" means each January 1 and July 1, or if any January 1 or July 1 is not a Business Day, the next succeeding Business Day, through and including the maturity date for the Bonds.

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

"Investment Obligations" means any of the permissible investment types identified and invested in accordance with the Authority's Investment Policy, adopted July 25, 2017, as amended, including the investment types listed in Exhibit A attached hereto.

"Loan Agreement" means the Loan Agreement, dated as of April 1, 2024, by and between the Authority and the Borrower, and any amendments thereto.

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

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

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

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

"Note" means the Note evidencing the repayment obligations of the Borrower under the Loan Agreement, dated the Closing Date, from the Borrower to the Authority.

"Notice Address" means:

(a) As to the Borrower: MONTCLAIR STATE UNIVERSITY
1 Normal Avenue
Montclair, New Jersey 07043
Attention: Interim Vice President for Finance and Treasurer

(b) As to the Authority: NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
103 College Road East
Princeton, New Jersey 08540
Attention: Executive Director

(c) As to the Trustee: U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
333 Thornall Street, 4th Floor
Edison, New Jersey 08837
Attention: Paul O'Brien, Vice President

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

"Official Statement" means the Official Statement, dated March 21, 2024, relating to the Bonds, including all Appendices thereto.

"Outstanding" means the amount of principal of the Bonds which has not at the time been paid, exclusive of (a) Bonds in lieu of which others have been authenticated under Section 3.06 hereof, (b) principal of any Bond which has become due (whether by maturity, call for redemption or otherwise) and for which provision for payment as required herein has been made or deemed made, and (c) for purposes of any direction, consent or waiver under this Indenture, Bonds deemed not to be outstanding pursuant to Section 10.07 hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Revenues" means (i) all Basic Loan Payments; (ii) any amount directed to be transferred to or deposited in the Project Fund and the Debt Service Fund pursuant to this Indenture; (iii) all other moneys when received by the Trustee for deposit into the Project Fund and the Debt Service Fund including prepayments, insurance proceeds and condemnation proceeds; and (iv) all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture, but not including any administrative fees or expenses or any moneys required to be deposited in the Rebate Fund, the Additional Loan Payments Fund or the Project Loan Fund, which amounts are not pledged to the Bondholders.

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

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Depository" means DTC or, if applicable, any successor securities depository appointed pursuant to the last paragraph of Section 3.06 of this Indenture.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"State" means the State of New Jersey.

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

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, and any successor thereto.

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association with trust and fiduciary powers in the State, and its successors and assigns.

"2024 A Additional Loan Payments Fund" or "Additional Loan Payments Fund" means the fund so designated, created and established pursuant to Section 5.05 hereof.

"2024 A Costs of Issuance Account" or "Costs of Issuance Account" means the account within the 2024 A Project Fund so designated, created and established pursuant to Section 5.02 hereof.

"2024 A Debt Service Fund" or "Debt Service Fund" means the fund so designated, created and established pursuant to Section 5.03 hereof.

"2024 A Project Fund" or "Project Fund" means the fund so designated, created and established pursuant to Section 5.02 hereof.

"2024 A Rebate Fund" or "Rebate Fund" means the fund so designated, created and established pursuant to Section 5.04 hereof.

"Underwriters" means, collectively, Goldman, Sachs & Co. LLC, Ramirez & Co, Inc., Truist Securities, Inc. and such other firms, if any, named in the Purchase Contract.

Section 1.02. **Certain References.**

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

Section 1.03. **Timing of Actions.**

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

ARTICLE II

DEFEASANCE OF LIEN; ADDITIONAL OBLIGATIONS

Section 2.01. **Defeasance of Lien.**

When the Authority has paid or has been deemed to have paid, within the meaning of this Section 2.01, to the Holders of all of the Bonds the principal and interest and redemption premium, if any, due or to become due thereon at the times and in the manner stipulated therein and herein, and all other obligations owing to the Trustee and the Insurer (as defined in Section 10.12 hereof) hereunder or under the Loan Agreement have been paid or provided for, the lien of this Indenture on the Pledged Property shall terminate. Upon the written request of the Authority or the Borrower, the Trustee shall, upon the termination of the lien hereof, promptly execute and deliver to the Authority, with a copy to the Borrower, an appropriate discharge hereof except that, subject to the provisions of this Indenture, the Trustee shall continue to hold in trust amounts held pursuant to Section 5.07 hereof for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Outstanding Bonds shall be deemed to have been paid within the meaning of this Section 2.01 if the Trustee shall be holding in trust for, and shall have irrevocably committed to the payment of, such Outstanding Bonds, cash and/or Government Obligations the payments on which when due, without reinvestment, will be, in the opinion of a firm of certified public accountants or other verification agent acceptable to the Authority and the Borrower, sufficient for the payment of all principal of and interest and redemption premium, if any, on such Bonds to the date of maturity or redemption, as the case may be; provided, however, that if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given to the Bondholders or irrevocable provision shall have been duly made for the giving of such notice to the Bondholders.

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

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

Section 2.02. **Additional Parity Obligations.**

The Borrower shall not incur obligations pursuant to one or more Swaps (as defined in the Loan Agreement) which are secured on parity with the Borrower's payment obligations under the Loan Agreement without the Authority's prior consent.

ARTICLE III

THE BONDS

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

(a) Issuance. The Bonds shall be designated "New Jersey Educational Facilities Authority, Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A," shall be issued in the original aggregate principal amount of $159,430,000 and shall be substantially in the form set forth in Exhibit B attached hereto, with such variations, omissions and insertions as are permitted or required hereby. Except to the extent otherwise provided in Section 3.06 hereof or made necessary as a result of a partial redemption, the Bonds shall be issued in fully registered form, without coupons, numbered from R-1 upwards and in Authorized Denominations.

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

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

Maturity Date (July 1)	Principal Amount	Interest Rate
2024	$ 1,985,000	5.000%
2025	5,340,000	5.000
2026	5,265,000	5.000
2027	5,640,000	5.000
2028	2,700,000	5.000
2029	2,835,000	5.000
2030	2,975,000	5.000
2031	1,725,000	5.000
2032	3,310,000	5.000
2033	4,185,000	5.000
2034	5,385,000	5.000
2035	10,020,000	5.000
2036	10,255,000	5.000
2037	10,765,000	5.000
2038	11,305,000	5.000
2039	11,870,000	5.000
2040	12,270,000	5.000
2041	12,880,000	5.000
2042	13,525,000	5.000
2043	12,290,000	5.000
2044	12,905,000	5.000

(d) Interest. The provisions of Section 3.08 hereof shall govern the interest rates per annum and the payment terms of the Bonds.

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

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

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

(b) Executed counterparts of this Indenture, the Loan Agreement and the Note;

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

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

(e) An executed counterpart of the Tax Certificate.

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

The Bonds shall be executed on behalf of the Authority with the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director, or any of such officers designated as "acting" or "interim", and the Authority's official common seal (or facsimile thereof) shall be affixed thereto or printed or otherwise reproduced thereon and attested by the manual or facsimile signature of its Executive Director, Deputy Executive Director, Secretary, Assistant Treasurer or any Assistant Secretary, including those serving in an interim or acting capacity; provided, that the person executing any Bond may not also make its attestation. All authorized facsimile signatures shall have the same force and effect as if manually signed.

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

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL

SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THIS INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THIS INDENTURE). THE AUTHORITY HAS NO TAXING POWER.

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

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

Section 3.05. **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 by 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 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 Borrower.

Section 3.06. **Exchange and Transfer of Bonds; Book-Entry System.**

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

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

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

In all cases in which Bonds shall be issued in exchange for or in replacement of other Bonds, the Bonds to be issued shall be signed and sealed on behalf of the Authority and authenticated by the Trustee, and shall have attached thereto an executed validation certificate, all as provided in Section 3.04 hereof. The obligation of the Authority and the rights of the Bondholders with respect to such Bonds shall be the same as with respect to the Bonds being exchanged or replaced. Such registrations of transfers or exchanges of Bonds shall be without charge to the Bondholders, except that any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Bondholder requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration of transfer or exchange shall be paid by the Borrower.

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, or for exchange or registration of transfer pursuant to this Section 3.06, such Bond shall be promptly canceled and destroyed by the Trustee (subject to applicable record retention requirements) and counterparts of a certificate of destruction evidencing such destruction shall be retained by the Trustee and, if requested by the Authority or the Borrower, shall be furnished by the Trustee to the Authority or the Borrower, as the case may be.

The foregoing provisions of this Section 3.06 to the contrary notwithstanding, the Bonds will be issued initially as one fully registered bond for each maturity in the name of Cede & Co., as nominee of DTC, and deposited in the custody of DTC. The Beneficial Owners will not receive physical delivery of the Bonds. Individual purchases of the Bonds may be made in book-entry form only in principal amounts equal to Authorized Denominations thereof. Payments of principal and redemption premium, if any, and interest on the Bonds will be made to DTC or its nominee as Bondholder.

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

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

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

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

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

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

Upon occurrence of the event described in clause (a) or (b) above, the Borrower shall attempt to locate another qualified Securities Depository. If the Borrower fails to locate another qualified Securities Depository to replace DTC, the Trustee shall authenticate and deliver Bonds in certificated form. In the event the Borrower makes the determination noted in clauses (b) or (c) above (as to which the Borrower undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Borrower to make any such determination), and has made provisions to notify the Beneficial Owners of the Bonds of the availability of Bond certificates by mailing an appropriate notice to DTC, the Authority shall cause the Trustee to authenticate and deliver Bonds in certificated form pursuant to Exhibit B to DTC's Participants (as requested by DTC) in appropriate amounts. Principal of and interest on the Bonds shall be payable as otherwise provided in this Article III.

Section 3.07. **Temporary Bonds.**

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

Section 3.08. **Interest on Bonds.**

General. Interest on the Bonds shall be payable initially on July 1, 2024 and semi-annually thereafter on January 1 and July 1 of each year at the interest rates set forth in Section 3.01 hereof.

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

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

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

Section 3.09. **Method and Place of Payment.**

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. **Redemption of Bonds.**

(a) Optional Redemption. The Bonds maturing prior to July 1, 2035 are not subject to optional redemption prior to maturity. The Bonds maturing on or after July 1, 2035 are subject to redemption prior to maturity on or after July 1, 2034 at the option of the Authority upon written direction from the Borrower, in whole or in part at any time or from time to time at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date of redemption.

(b) Extraordinary Optional Redemption. If all or a substantial portion of the 2024 Project Facilities (as defined in the Loan Agreement) are damaged or destroyed by fire or other casualty, or title to or the temporary use of all or a substantial portion of such facilities is condemned or taken for any public or quasi-public use by any governmental entity exercising or threatening the exercise of the power of eminent domain, or title thereto is found to be deficient, to such extent that in the determination of the Borrower (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the Borrower is thereby prevented from carrying on its normal operations, or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance, condemnation awards or sale under threat of condemnation with respect thereto, the Bonds shall be subject to extraordinary optional redemption prior to maturity, in whole or in part at any time or from time to time, from and to the extent of any condemnation or insurance proceeds deposited in the Debt Service Fund pursuant to the Loan Agreement, at the election of the Authority upon the written direction of the Borrower. Any such redemption shall be made on the earliest practicable date at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

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

In the case of any redemption in part of the Bonds, the Bonds to be redeemed under Section 4.01 hereof shall be selected by the Trustee, subject to any requirements of this Section 4.02. A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds, provided, that there shall be no partial redemption of less than $5,000. If less than all the maturities of the Bonds shall be called for redemption under any provision of this Indenture permitting such partial redemption, the particular maturity or maturities of the Bonds to be redeemed shall be selected by the Authority upon the written direction of the Borrower. If less than all of the Bonds Outstanding of any maturity shall be called for redemption, such Bonds shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate consistent with industry standards; provided, however, (a) that the portion of any Bond to be redeemed under any provision of this Indenture shall be in the principal amount of $5,000 or any multiple thereof, (b) that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000, and (c) that, to the extent practicable, the Trustee will not select any Bond for partial redemption if the amount of such Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination. If there shall be called for redemption less than all of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond, and at the expense of the Borrower and without charge to the owner thereof, a replacement Bond in the principal amount of the unredeemed balance of the Bond so surrendered.

Section 4.03. **Procedure for Redemption.**

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

(b) Such notice shall be given by mail, postage prepaid, at least twenty-five (25) days (or, in the case of acceleration of the Bonds pursuant to Section 7.02 hereof, seven (7) days) but not more than sixty (60) days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at its address shown on the registration books kept by the Trustee; provided, however, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds.

(c) Any notice of redemption of any Bonds pursuant to Section 4.01(a) or (b) may be conditional and 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.

(d) Official notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price, or sufficient funds for the redemption of Bonds pursuant to Section 4.01(a) or (b) above are otherwise not on deposit with the Trustee on the redemption date), such Bonds or portions thereof shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Holder 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 this Indenture and shall not be reissued.

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

(f) 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 Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

ARTICLE V

SOURCE AND APPLICATION OF FUNDS

Section 5.01. **Pledge and Assignment.**

(a) The Bonds are payable solely from and secured by a pledge of the Pledged Property of the Authority pledged hereunder and from any amounts otherwise available hereunder for the payment of the Bonds. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Pledged Property is hereby pledged to secure the payment of the Bonds, including any Insurer Reimbursement Amounts (as defined in Section 10.12(j) hereof). Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act. Notwithstanding anything to the contrary in this Indenture or the Bonds, the Bonds do not and shall not represent or constitute a debt or pledge of the faith and credit of the Authority, the State or of any political subdivision thereof, and the Holders have no right to have taxes levied by the State or the taxing authority of any political subdivision of the State for the payment of the Bonds. The Authority has no taxing power.

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

Section 5.02. **Project Fund; Deposit of Bond Proceeds.**

There is hereby created and established with the Trustee a trust fund to be designated "2024 A Project Fund," which shall be funded and from which moneys deposited therein shall be expended in accordance with the provisions of this Section 5.02 and as otherwise provided in the Loan Agreement, which 2024 A Project Fund shall have a Refunding Account and a Costs of Issuance Account.

(a) The sum of $179,916,706.67, representing the aggregate principal amount of the Bonds, plus an aggregate original issue premium of $20,930,458.70, less an aggregate underwriters' discount of $443,752.03, shall be applied as follows:

(i) $179,113,098.25 from the proceeds of the Bonds shall be deposited in the Refunding Account of the Project Fund;

(ii) $158,794.26 from the proceeds of the Bonds shall be paid over to the Insurer (as defined in Section 10.12 hereof) in respect of the premium for the Insurance Policy (as defined in Section 10.12 hereof), which amount may, at the option of the Authority, be paid directly by the Underwriter to the Insurer; and

(iii) $644,814.16 from the proceeds of the Bonds shall be deposited in the Costs of Issuance Account of the Construction Fund.

(b) As soon as practicable on the date of delivery of the Bonds, the Trustee shall cause the amount in the Refunding Account to be applied as follows:

(i) $2,547,271.42 shall be paid over to Provident Bank in full satisfaction of the January 2016 Mortgage Loan;

(ii) $2,308,386.83 shall be paid over to Provident Bank in full satisfaction of the June 2016 Mortgage Loan;

(iii) $25,350,771.69 shall be paid over to Provident Bank in full satisfaction of the 2013 Series A Bonds and the note securing same; and

(iv) $148,906,668.31 from the proceeds of the Bonds shall be paid over to The Bank of New York Mellon, as Escrow Agent for the Series 2014 A Bonds to be Refunded (the "**Escrow Agent**"), which amount shall thereupon be deposited in the Escrow Fund established under the Escrow Deposit Agreement dated as of April 3, 2024 between the Authority and the Escrow Agent, whereupon the Series 2014 A Bonds to be Refunded shall no longer be legally outstanding under the trust indenture under which they were issued.

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

(d) Payments from the Costs of Issuance Account pursuant to this Section 5.02 shall be made in accordance with a certificate or certificates signed by an Authorized

Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification and the respective amounts of each such payment. If the Borrower requests a copy of any certificate issued by the Authority pursuant to this Section 5.02, the Authority shall comply with such request.

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

Section 5.03. **Debt Service Fund.**

There is hereby created and established with the Trustee a trust fund to be designated "2024 A Debt Service Fund," which shall be used to pay when due the principal of, redemption premium, if any, and interest on the Bonds and is pledged for the benefit of the Bondholders. Within such Debt Service Fund there shall be created an Interest Account and a Principal Account. Moneys shall be deposited in the Debt Service Fund from time to time and shall be applied solely as follows:

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

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

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

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

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

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

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

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

Section 5.04. **Rebate Fund.**

There is hereby created and established with the Trustee a trust fund to be designated "2024 A Rebate Fund" which shall be funded and expended in accordance with this Section 5.04. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property.

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

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

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

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

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

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

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

There is hereby created and established with the Trustee a trust fund to be designated "2024 A Additional Loan Payments Fund" which shall be funded and expended in accordance with this Section 5.05. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property.

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

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

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

(a) Investment. All moneys in any of the Funds and accounts created or established hereunder shall be invested or reinvested by the Trustee in Investment Obligations at the written direction of the Authority. In the event no such direction is given to the Trustee, such moneys shall be invested in shares of an open-end, diversified investment company 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, as previously designated by the Authority. Moneys shall be invested in Investment Obligations maturing or redeemable at the written direction of the Authority at the times and in the amounts necessary for the purposes specified in this Indenture. Investment Obligations purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Investment Obligations for repurchase pursuant to such agreement.

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

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

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

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

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

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

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

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

Section 5.08. **Nonpresentment of Bonds.**

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

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

Section 5.09. **Project Loan Fund.**

The Project Loan Fund created pursuant to Section 3.5 of the Loan Agreement shall be held by the Trustee pursuant to this Indenture. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property. Moneys shall be deposited in the Project Loan Fund, applied to the payment of debt service on the Bonds and returned to the Borrower at the times and as set forth in Section 3.5 of the Loan Agreement. At the written direction of the Borrower or the Authority, the Trustee shall invest all amounts in the Project Loan Fund in obligations described in clauses (A) and/or (K) of the definition of Investment Obligations, provided, however, that moneys shall be available in the Project Loan Fund in the appropriate amounts on each respective payment date to make the payments required by Sections 2.10, 2.11 and 2.12 of the Loan Agreement. If the investment instructions of the Authority and the Borrower, given pursuant to this Section 5.09, conflict, then the Borrower's instructions shall control.

Any funds remaining in the Project Loan Fund after redemption and payment of the Bonds, and payment of all amounts due under the Loan Agreement and under the Note, shall be withdrawn and remitted to the Borrower.

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

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

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

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

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

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

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

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

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

Section 6.03. **Against Encumbrances.**

Except as permitted herein, the Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

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

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

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

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

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

Section 6.06. **Tax Covenants.**

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

Section 6.07. **Waiver of Laws.**

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

Section 6.08. **Continuing Disclosure.**

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

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES.

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

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

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

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

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

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

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

Section 7.02. **Acceleration.**

Upon the occurrence of any Event of Default known to a Responsible Officer of the Trustee, subject to Section 10.12(b) hereof, the Trustee may, and shall upon the written request of a Majority of Bondholders, declare all Bonds then Outstanding to be due and payable immediately, and, upon such declaration, all principal and interest accrued thereon shall become immediately due and payable, and there shall be an automatic corresponding acceleration of the Borrower's obligation to make all payments required to be made under the Loan Agreement in an amount sufficient to pay immediately all principal of and accrued and unpaid interest on the accelerated Bonds. Interest shall accrue on the Bonds to the date of payment (even if after the date of acceleration).

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

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

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

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

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

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

Section 7.05. **Application of Moneys.**

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

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

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

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

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

(D) – To the extent not otherwise paid under (A) through (C) above, to the payment of any amounts owing to the Insurer (as defined in Section 10.12 hereof).

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

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

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

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

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

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

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

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

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

Section 7.09. **Intervention by Trustee.**

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

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

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

ARTICLE VIII

THE TRUSTEE

Section 8.01. **Acceptance of Trusts.**

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

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

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

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication endorsed on the Bonds), or for insuring the 2024 Project Facilities, or for collecting any insurance moneys, or for the validity of the execution by the Authority of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the 2024 Project Facilities or any lien waivers with respect to the 2024 Project Facilities, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Borrower under the Loan Agreement except as hereinafter set forth; but the Trustee may require of the Authority and the Borrower full information and advice as to the performance of the aforesaid covenants, conditions and agreements. The Trustee shall have no obligation to perform any of the duties of the Authority under the Loan Agreement.

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

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

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

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

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

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books and records of the Authority pertaining to the 2024 Project Facilities (as defined in the Loan Agreement) and the Bonds, and to make such copies and memoranda from and with regard thereto as may be desired.

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

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

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

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

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

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

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

(q) The Trustee shall have no responsibility for any registration, filing, recording, registration, refiling or rerecording of this Indenture or any other document or instrument executed in connection with this Indenture and the issuance and sale of the Bonds, including without limitation, any financing statements or continuation statements with respect thereto.

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

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

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

Section 8.02. **Merger, Consolidation and Succession to Business.**

Any corporation or association into which the Trustee may be merged with or with which it may be consolidated, or any corporation or association resulting from any such 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.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor shall be qualified and eligible under this Article.

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

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

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

If the Trustee hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the Authority with the consent of the Borrower. If the Authority does not appoint a successor Trustee within forty-five (45) days of the Trustee providing notice of its resignation, the Trustee may petition a State court of competent jurisdiction to appoint a successor Trustee. At any time within one (1) year after any such vacancy shall have occurred and provided a court has not appointed a successor Trustee as provided above, a Majority of the Bondholders may appoint a successor Trustee by an instrument or concurrent instruments in writing signed by or on behalf of such Holders, which appointment shall supersede any Trustee theretofore appointed by the Authority. Each successor Trustee shall be a trust company or bank having the powers of a trust company which is in good standing and has a reported capital, surplus and undivided profits of not less than $100,000,000. Any such successor Trustee shall become Trustee upon giving notice to the Borrower, the Authority and the Bondholders, if any, of its acceptance of the appointment, vested with all the property, rights and powers of the Trustee hereunder, without any further act or conveyance. Any predecessor Trustee shall execute, deliver and record and file such instruments as the Trustee may reasonably require to confirm or perfect any such succession.

Section 8.05. **Dealing in Bonds.**

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

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

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

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

In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be custodian of any funds it may hold pursuant to this

Indenture, and cease to be the bond registrar and Paying Agent for any of the Bonds, and the successor trustee shall become such custodian, bond registrar and Paying Agent.

Section 8.08. **Adoption of Authentication.**

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

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

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

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

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

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

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

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

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

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

Section 8.12. **Compensation and Reimbursement.**

The Authority shall pay to the Trustee (solely from Additional Loan Payments) from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of Article VII hereof shall first be applied to payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses (including reasonable attorneys' fees and expenses), liabilities and advances owing to or incurred or made by the Trustee and, thereafter, shall be deposited and applied as set forth in Section 7.05 hereof. The Trustee agrees that the Authority shall have no liability for any fees, charges, and expenses of the Trustee, except to the extent provided in this Section.

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

The Authority hereby agrees, to the extent permitted by law, but solely from the sources described in the first paragraph of this Section, to reimburse for any costs or reasonable expenses which the Trustee may incur in connection with the performance by the Trustee of its obligations under this Indenture; provided, however, that the Authority shall not be required to reimburse the Trustee for any costs or expenses caused in whole or in part by the Trustee's negligence, bad faith, breach of contract or willful misconduct arising out of or as a result of the Trustee's performing its obligations hereunder or undertaking any transaction contemplated hereby; and further provided, that the foregoing is subject to the limitations of the provisions of the New

Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq*. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq*. While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq*. is not applicable by its terms to claims arising under contracts with the Authority, the Trustee, by accepting their appointments as such hereunder, agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority arising under this Section 8.12.

ARTICLE IX

SUPPLEMENTAL INDENTURES AND WAIVERS; AMENDMENT OF LOAN AGREEMENT

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

The Authority and the Trustee may, without consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

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

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

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

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

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

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

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

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

(i) To effect any other change herein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders (in making such determination, the Trustee shall be entitled to rely conclusively upon an opinion of Bond Counsel); or

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

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

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

Exclusive of supplemental indentures permitted by Section 9.01 hereof and subject to the terms and provisions contained in this Section 9.02, and not otherwise, a Majority of Bondholders shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section 9.02 or in Section 9.01 hereof contained shall permit, or be construed as permitting, without the consent of the Holders of 100% of the Outstanding Bonds affected thereby, any amendment permitting or providing for (a) an extension of the maturity of the principal of, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures or any modifications or waivers of the provisions of this Indenture or the Loan Agreement, or (e) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Pledged Property or any part thereof, except as hereinbefore expressly permitted, (f) the deprivation of the Owner of any Outstanding Bond of the lien hereby created on the Pledged Property, or (g) any change in the Redemption Price of any Bonds subject to redemption hereunder or the timing of redemption of any Bonds subject to redemption pursuant to Section 4.01(a) hereof, or the time for giving of notice of redemption pursuant to Section 4.03 hereof.

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

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

Section 9.03. **Borrower Consent.**

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

Section 9.04. **Opinion of Counsel.**

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

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

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

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

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

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

The Authority and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Loan Agreement as may be required or permitted (i) by the provisions of the Loan Agreement, (ii) for the purpose of curing any ambiguity or formal defect or omission in the Loan Agreement, (iii) so as to more precisely identify the 2024 Project Facilities, (iv) to enter into an indenture or indentures supplemental hereto as provided in Section 9.01 hereof, (v) to make any revisions that shall be required by a Rating Agency in order to obtain or maintain an investment grade rating on the Bonds, or (vi) in connection with any other change therein which, in the opinion of Bond Counsel, neither adversely affects the security pledged to repay the Bondholders nor adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes, provided that no such amendment may modify the rights or obligations of the Trustee without the written consent of the Trustee.

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

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

ARTICLE X

MISCELLANEOUS

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

Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such agent or of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument. The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by an officer authorized by law to take acknowledgments of deeds certifying that the person signing such instrument or writing acknowledged to him the execution thereof. The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the Authority maintained by the Trustee pursuant to Section 3.06 hereof. The fact of beneficial ownership of Bonds in book-entry form, when required, shall be determined as provided in Section 8.01(r).

Section 10.02. **Limitation of Rights.**

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, the Paying Agent, the Bond Registrar, the Insurer (as defined in Section 10.12 hereof), the provider of any Swap and the Bondholders, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Insurer, the provider of any Swap and the Bondholders as herein provided.

Section 10.03. **Severability.**

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

Section 10.04. **Notices.**

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

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

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

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

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

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

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

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

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

Section 10.08. **Captions; Index.**

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

Section 10.09. **Counterparts.**

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

Section 10.10. **Governing Law.**

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

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

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

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

(c) The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c.51, as amended by P.L. 2023, c.30 (codified at *N.J.S.A.* 19:44A-20.13 to 20.25 ("**Chapter 51**") and Executive Order 333 (Murphy, 2023) ("**Executive Order 333**"), 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 Chapter 51, Executive Order 333 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.

(d) The Trustee represents and warrants that it has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

Section 10.12. **Provisions Relating to Bond Insurance.**

The provisions of this Section 10.12 shall govern notwithstanding anything to the contrary set forth in this Indenture. As used herein, (i) "**Insurer**" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof, (ii) "**Insured Bonds**" means the Bonds, and (iii) "**Insurance Policy**" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

(a) The Insurer shall be deemed to be the sole Holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Insured 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 Bond, each Holder of the Insured Bonds appoints the Insurer as its agent and attorney-in-fact with respect to the Insured Bonds and agrees that the Insurer may at any time during the continuation of any proceeding by or against the Authority or the Borrower 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 in connection with an Insolvency Proceeding (a "**Claim**"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Holder of the Insured Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Holder of the Insured Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Holder of the Insured Bonds for the Insurer's benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Holders shall expressly include mandamus.

(b) The maturity of Insured Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Insured Bonds is accelerated, the Bond 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) 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 Insurer's obligations under the Insurance Policy with respect to such Insured Bonds shall be fully discharged.

(c) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(d) The Insurer is a third-party beneficiary of this Indenture.

(e) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Insured Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of this Indenture which permits the purchase of Insured Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Insured Bond so purchased is not cancelled upon purchase.

(f) Any amendment, supplement, modification to, or waiver of, this Indenture that requires the consent of Holders or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(g) The rights granted to the Insurer under this Indenture or the Loan Agreement (each, a "**Related Document**") to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Holders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Holders or any other person is required in addition to the consent of the Insurer.

(h) 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 Insurer, pre-refunded municipal obligations rated in the then highest rating category by S&P and Moody's for such obligations, or (5) subject to the prior written consent of the Insurer, any other type of security or obligation which S&P and Moody's have determined to be permitted defeasance securities, shall be used to effect defeasance of the Insured Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Insured Bonds, the Authority shall cause to be delivered to the Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity or redemption date ("**Verification**"), (ii) an escrow deposit agreement or other irrevocable written instructions (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 Bonds are no longer "Outstanding" under this Indenture and (iv) a certificate of discharge of the Trustee with respect to the Insured Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority, the Trustee and the Insurer. The 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 escrow. Insured Bonds shall be deemed "Outstanding" under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

(i) Amounts paid by the Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of this Indenture and the Insured 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 Insurer have been paid in full or duly provided for.

(j) Claims Upon the Insurance Policy and Payments by and to the Insurer.

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, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the 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 Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the 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 Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the 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 Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Holder of the Insured Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Authority on any Insured Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Holders of the Insured Bonds referred to herein 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 Insurance Policy in trust on behalf of Holders of the Insured 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 Holders of the Insured Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections of this Indenture regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers 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 to the Bond Insurer, but solely from and to the extent of amounts paid by the Borrower pursuant to the Loan Agreement (including specifically Section 5.14(h) thereof), (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "**Insurer Advances**"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate 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 Bonds and (b) the maximum rate permissible under 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. 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 Bonds.

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. The Trustee shall notify the Insurer of any funds remaining in the Policy Payments Account after the Trustee has made payments for which a claim was made to the Holders of the Insured Bonds and shall, at the written direction of the Insurer, promptly remit such funds remaining to the Insurer.

(k) The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Authority to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(l) After payment of reasonable expenses of the Trustee, the application of funds realized upon 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 Bonds.

(m) The Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(n) Notices to the Insurer shall be sent to the following address (or such other address as the Insurer may designate in writing):

Assured Guaranty Municipal Corp.
1633 Broadway
New York, New York 10019
Attention: Managing Director – Municipal Surveillance
Re: Policy No. 223244-N
Telephone: (212) 974-0100
Email: munidisclosure@agltd.com

In each case in which notice or other communication refers to a claim on the Insurance Policy or an Event of Default, such notice or other communication shall be marked "URGENT MATERIAL ENCLOSED" and a copy shall also be sent to the attention of the General Counsel at the above address and at generalcounsel@agltd.com.

(o) The Bond Insurer shall be provided with the following information by the Authority or the Trustee, as the case may be:

(i) Notice of any default or Event of Default under this Indenture known to the Trustee or the Authority within five (5) Business Days after knowledge thereof;

(ii) Prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(iii) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(iv) Notice of the commencement of any Insolvency Proceeding (as defined in subsection (a) above) relating to the Authority;

(v) Notice of the making of any claim in connection with any Insolvency Proceeding relating to the Authority seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

(vi) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(vii) All reports, notices and correspondence to be delivered to Holders under the terms of the Related Documents.

(p) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(q) The Authority will permit the Insurer to discuss the affairs, finances and accounts of the Authority or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Authority and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Authority on any Business Day upon reasonable prior notice.

(r) The Trustee shall notify the Insurer of any known failure of the Authority or the Borrower to provide notices, certificates and other information under the Related Documents that are required to be delivered to the Holders of the Bonds.

(s) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Indenture, 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 Insurer.

(t) 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 Bonds or the rights of the Holders, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: ______________________________
Steven P. Nelson
Deputy Executive Director

Attest:

____
Ellen L. Yang
Assistant Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: ______________________________
Christina Bruno
Assistant Vice President

EXHIBIT A

LIST OF INVESTMENT OBLIGATIONS

Investment Types

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

B. Federal Agency or U.S. government sponsored enterprises (GSE) obligations, participations or other instruments.

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

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

E. Commercial paper.

F. Corporate bonds and medium term notes.

G. Asset-backed securities.

H. Investment agreements or guaranteed investment contracts (GICs).

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

J. Repurchase agreements that meet the following requirements:

    a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full timely repayment.
    b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
    c. Securities underlying repurchase agreements must be delivered to a third party custodian under a written custodial agreement that may be of deliverable or tri-party form. Securities must be held in the Authority's custodial account or in a separate account in the name of the Authority.

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

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

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

L. New Jersey Cash Management Fund.

Collateralization

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

Investment Parameters

Sector Type	Sector Max (%)	Issuer Max (%)	Minimum Ratings Requirement[1]	Max Maturity
US Treasury	100%	N/A	N/A	10 Years
Federal Agency	25%	5%	N/A	10 Years
Municipals	25%	5%	Two Highest LT Rating Categories (AA-/Aa3/AA-)	10 Years
Negotiable CDs	50% in aggregate[2]	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Commercial Paper		5%	Highest ST Rating Category (A-1/P-1/F-1)	270 Days
Corporate Bonds & Medium Term Notes		5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Asset Backed Securities	20%	5%	Highest LT Rating (AAA/Aaa/AAA)	10 Year Avg. Life

Certificates of Deposit	25%	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Repurchase Agreements	20%	5%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the highest ST Rating category (A-1/P-1/F-1). If the counterparty is a Federal Reserve Bank, no rating is required.	90 Days
Government Money Market Funds	100%	25%	Highest rating by all NRSROs who rated the fund (AAAm or equivalent)	N/A
New Jersey Cash Management Fund	100%	N/A	N/A	N/A
[1]Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. In the case of split-rated issuers, the lowest rating shall prevail. ST= Short-term; LT=Long-term. [2] Funds invested in the credit sector may exceed the 50% target only with the written permission of NJEFA and the borrowing institution.				

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

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

EXHIBIT B

[FORM OF BOND]

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

Registered **$________**

R-1

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY,
REVENUE REFUNDING BONDS,
MONTCLAIR STATE UNIVERSITY ISSUE,
SERIES 2024 A**

Interest Rate	Maturity Date	Dated Date	CUSIP
___%	July 1, 20__	April 3, 2024	________

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ______________________________ DOLLARS

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a body politic and corporate and a public instrumentality of the State of New Jersey (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the REGISTERED OWNER specified above, or registered assigns, the PRINCIPAL AMOUNT specified above on the MATURITY DATE specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said PRINCIPAL AMOUNT from time to time Outstanding at the INTEREST RATE per annum specified above from the DATED DATE specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture, dated as of April 1, 2024 (the "Trust Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, New York, New York, as Trustee (the "Trustee"), until said PRINCIPAL AMOUNT is paid. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture.

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

Authorization. This Bond is one of a duly authorized series of bonds of the Authority designated "Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A" (the "Bonds"), issued for the purpose of making a loan to Montclair State University (the "Borrower") to undertake a project consisting of the (i) refunding of all of the Authority's outstanding Revenue Bonds, Montclair State University Issue, Series 2014 A maturing on and after July 1 2025, all of the Authority's outstanding Revenue Bonds, Bloomfield College and Seminary Issue, 2013 Series A, (iii) refunding all of the outstanding balances of the certain mortgage loans and (iv) paying of costs of issuance of the Bonds. The loan will be made pursuant to the Loan Agreement, dated as of April 1, 2024 (the "Loan Agreement"), by and between the Authority and the Borrower.

Security. The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Trust Indenture, pursuant to which the Pledged Property, including all payments due from the Borrower to the Authority under the Loan Agreement (other than certain indemnification payments and the payment of certain fees and expenses of (he Authority), are pledged to the payment of the Bonds. Reference is hereby made to the Trust Indenture for a description of the Pledged Property, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Trustee and the REGISTERED OWNERS of the Bonds, the terms upon which the Bonds are issued and secured and the terms upon which the Trust Indenture and the Loan Agreement may be amended or supplemented.

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

Interest on the Bonds shall accrue on the basis of a 360-day year based on twelve 30-day months.

Redemption. The Bonds are subject to optional and extraordinary optional redemption prior to their stated maturity as provided in the Trust Indenture.

Limitation on Rights; Acceleration; Modifications. The REGISTERED OWNER of this Bond shall have no right to enforce the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all the Bonds issued under the Trust Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Bonds or the Trust Indenture may be made only to the extent and in the circumstances permitted by the Trust Indenture.

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

Additional Provisions. Reference is hereby made to the Trust Indenture and the Loan Agreement, each of which is on file and may be inspected during regular business hours at the principal corporate trust office of the Trustee, for a description of the security for the Bonds and for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Borrower, the Trustee and the REGISTERED OWNER hereof.

This Bond shall not constitute the personal obligation, either jointly or severally, of any member, director, officer, employee or agent of the Authority.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of New Jersey, including, particularly, the New Jersey Educational Facilities Authority Law, P.L. 1967, c.271, as amended and supplemented (the "Act"), and pursuant to a resolution adopted by the Authority on February 27, 2024, which authorizes, among other things, the execution and delivery of the Loan Agreement and the Trust Indenture.

The REGISTERED OWNER of this Bond shall have no right to enforce the provisions of the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Trust Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, unless certain circumstances described in the Trust

Indenture shall have occurred. In certain events, on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all the Bonds issued under the Trust Indenture and then Outstanding, may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

It is hereby certified, recited 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 Trust Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Authority, does not exceed or violate any constitutional or statutory limitation; and that the amounts payable under the Loan Agreement and the Note and pledged to the payment of the principal of and redemption premium, if any, and interest on Bond and the issue of which it forms a part, as the same become due, will be sufficient in amount for that purpose.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED 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 Trust Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

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IN WITNESS WHEREOF, the New Jersey Educational Facilities Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Deputy Executive Director, and its official common seal to be impressed or printed hereon and attested by the manual or facsimile signature of an Assistant Secretary.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By:__________________________________
Steven P. Nelson, Deputy Executive Director

(SEAL)

ATTEST:

____
Ellen L Yang, Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Trust Indenture.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By:______________________________
Authorized Signatory

Date of Authentication: ________, 20__

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. ("AGM"), 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 this Bond to U.S. Bank Trust Company, National Association, Edison, New Jersey, or its successor, as paying agent for the 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 AGM 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 this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

____

(Please Print or Typewrite Name, Address and Social Security Number or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

____

Attorney

To transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_________________________

NOTICES: This signature to this assignment must correspond with the name as it appears upon the fact of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

____

(Name of Eligible Guarantor Institution as defined by SEC Rule 17Ad-15 (12 *CFR* 240.17Ad-15) or any similar rule which the Trustee deems applicable)

By___________________________________

Title_________________________________

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

MONTCLAIR STATE UNIVERSITY

LOAN AGREEMENT

Dated as of April 1, 2024

relating to
New Jersey Educational Facilities Authority
Revenue Refunding Bonds, Montclair State University Issue,
Series 2024 A

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This **LOAN AGREEMENT**, dated as of April 1, 2024, by and between the **NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY** (hereinafter called the "**Authority**"), a body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (the "**State**"), created and established by the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented, having its principal place of business at 103 College Road East, Princeton, New Jersey 08540-6612, and **MONTCLAIR STATE UNIVERSITY**, a public research university organized and established pursuant to the Montclair State University Act, *N.J.S.A.* 18A:64N-1 *et seq.* (together with its successors and assigns, hereinafter called the "**University**"), located at 1 Normal Avenue, Montclair, New Jersey 07043.

The Authority and the University hereby mutually covenant and agree as follows:

ARTICLE I

1.1. Definitions.

As used in this Agreement, unless the context shall otherwise require, all capitalized terms shall have the meanings set forth in Section 1.01 of the Trust Indenture, dated as of April 1, 2024 (the "**Indenture**"), by and between the Authority and U.S. Bank Trust Company, National Association, as Trustee. The following terms shall have the meanings given:

"Act" means the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented.

"Agreement" means this Loan Agreement, dated as of April 1, 2024, by and between the Authority and the University, and any amendments hereto.

"Annual Administrative Fee" means the annual fee for the general administrative services of the Authority including without limitation, the cost of attendance at Authority events, in an amount equal to 7/100 of 1% of the Outstanding aggregate principal amount of each series of Bonds to commence on the Closing Date.

"Bond Resolution" means the resolution of the Authority adopted on February 27, 2024 authorizing the issuance and delivery of the Bonds, as the same may be amended and supplemented.

"Bonds" means the $159,430,000 aggregate principal amount of New Jersey Educational Facilities Authority Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A, dated April 3, 2024.

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

"Event of Default" has the meaning provided in Section 2.5.

"Fiscal Year" shall mean twelve (12) months ending June 30 or such other twelve month period as the University should determine.

"Initial Fee" means the per series fee paid or payable to the Authority for its services in connection with the issuance of the Bonds, calculated at the rate of 1/5 of 1% of the aggregate principal amount of each series of Bonds, with a maximum initial fee of $125,000 payable by the University on the Closing Date.

"Loan" means the loan made pursuant to this Agreement.

"MSU-Bloomfield" means Bloomfield College of Montclair State University, Inc. (formerly known as Montclair-Bloomfield Merger Sub, Inc.), a nonprofit corporation of which the University is the sole member.

"Note" means the Note evidencing the repayment obligations of the University under this Loan Agreement, dated April 3, 2024, from the University to the Authority in substantially the form set forth in <u>Exhibit A</u> hereto.

"Opinion of Bond Counsel" means an opinion in writing signed by nationally recognized bond counsel acceptable to the University and the Authority.

"**Project Loan Fund"** means the fund described in Section 3.5 hereof.

"Swap" or **"Swap Agreement"** means any agreement between the University and a Swap Provider confirming a transaction which is a rate swap transaction, basis swap, forward rate transaction, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, corridor transaction, currency swap transaction, cross-currency rate swap transaction, currency option or other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of these transactions and any related agreements.

"Swap Payment Obligations" means all net amounts payable, respectively, by the University or the Swap Provider under any Swap.

"Swap Provider" means the University's counterparty under a Swap Agreement.

"Swap Revenues" means all amounts received by the Trustee on behalf of the University pursuant to any Swap, including without limitation any Swap Termination Payment.

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

"Tax Certificate" means the Tax Representation Letter, dated the date of issuance of the Bonds, provided by the University with respect to, among other things, the nature, use and costs of the 2024 Project Facilities.

"2024 Project Facilities" means those facilities financed or refinanced with the proceeds of the Bonds, which the University hereby represents as consisting of the "Series 1995 F Project", the "Series 2002 F Project", the "Series 2003 E Project", the "Series 2003 L Project", the "Series 2006 A Project", the "Series 2014 A Project", the "2013 Series A Project", the "2000 Series A Project", the "2005 Residence Halls Project" and the "June 2016 Dormitory Project" described in Exhibit B hereto.

Words importing persons, include firms, associations and corporations and words importing the singular number include the plural number and vice versa.

ARTICLE II

2.1. Term of Agreement; Benefits.

This Agreement shall remain in full force and effect until the date on which the principal of, redemption premium, if any, and interest on the Bonds and all other payment obligations of the University owing to the Authority, to the Trustee and to the Insurer (as defined in Section 5.14 hereof) under this Agreement shall have been fully paid or provision for the payment thereof shall have been made as provided by the Indenture and any other documents related thereto, at which time the Authority shall release and cancel this Agreement.

This Agreement is executed in part to induce the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the University and the Authority as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds, reserving always the right of the Authority to amend and supplement this Agreement, with the written consent of the University as set forth in Section 2.9 hereof.

2.2. Agreements of the University.

The University agrees to do all things within its power in order to enable the Authority to comply with all requirements and to fulfill all covenants of the Indenture including, but not limited to, making all payments due from the University under this Agreement including, without limitation, the Initial Fee, and all payments to the Authority described in Section 2.10 and Section 2.12 of this Agreement.

2.3. Agreements of the Authority.

The Authority agrees that upon the issuance of the Bonds and execution and delivery of this Agreement and the Note, it will lend the proceeds of the Bonds to the University and cause same to be deposited with the Trustee and applied in accordance with the provisions of the Indenture to finance the Refunding Project (as defined in the Indenture).

2.4. Authority's Right to Inspect.

The Authority may make inspections of the 2024 Project Facilities and obtain or require the production of sworn statements. Any action taken by the Authority in regard to the foregoing will be taken by the Authority and its agents, servants and employees for their own protection only, and neither the Authority nor its agents, servants and employees shall be deemed to have assumed any responsibility to the University or to any third-party for any such action with respect to proper construction of improvements, or performance of contracts or subcontracts by any contractors or subcontractors.

2.5 Events of Default; Remedies.

(a) As used herein the term "Event of Default" shall mean (after any applicable notice or cure periods):

(1) If payment of any amount due under Section 2.10 of this Agreement is not made when it becomes due and payable;

(2) If payment of any amount due under Section 2.12 of this Agreement is not made when it becomes due and payable and if such amount remains unpaid for a period of thirty (30) days after receipt by the University of the bills required to be paid by Section 2.12 of this Agreement;

(3) If the University shall: (A) admit in writing its inability to pay its debts generally as they become due, or (B) file a petition to be adjudicated a voluntary bankrupt in bankruptcy or a petition to otherwise take advantage of any State or federal bankruptcy or insolvency law, or (C) make an assignment for the benefit of its creditors or seek a composition with its creditors, or (D) consent to the appointment of a receiver of itself, or its fees or charges;

(4) If the University shall, upon an involuntary petition under any section or chapter of the federal bankruptcy laws filed against it, be adjudicated a bankrupt or if a court of competent jurisdiction shall enter an order or decree appointing a trustee or receiver (interim or permanent) or appointing the University a debtor-in-possession, with or without the consent of the University, or approving a petition filed against it seeking reorganization or an arrangement of the University under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(5) If final judgment for the payment of money in excess of $250,000 that, in the judgment of the Authority, will adversely affect the rights of Holders of the Bond and that is not covered by adequate insurance shall be rendered against the University and at any time after thirty (30) days from the entry thereof (A) such judgment shall not have been discharged, or (B) the University shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within thirty (30) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal;

(6) If the University defaults in the due and punctual performance of any other covenant in this Agreement (including, without limitation, failure of the University to comply with its covenant that it will operate or use the 2024 Project Facilities and each portion thereof as educational facilities constituting an authorized "project" under the Act) and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given by the Authority; or

(7) If any representation or warranty made by the University herein shall prove to be untrue in any material respect when made.

(b) The University agrees that it shall notify the Authority, in writing, of an Event of Default described in Sections 2.5(a)(2) through (7). The Authority agrees that it shall notify the Trustee, in writing, of the occurrence of an Event of Default hereunder other than an Event of Default described in Section 2.5(a)(1) or with respect to an Event of Default described in Section 2.5(a)(2) with respect to fees or payments which are made directly to the Trustee by or on behalf of the University. The Authority and the University agree that, upon the occurrence of an Event of Default, the Authority may, by notice in writing to the University, declare all, including future, payments under this Agreement to be due and payable immediately. At any time after such payments shall have been so declared to be due and payable and before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of such default or before the completion of the enforcement of any other remedies under this Agreement, the Authority may annul such declaration and its consequences if moneys shall have accumulated in any fund created or held under the Indenture sufficient to pay all arrears of such payments under this Agreement other than payments due only because of such declaration. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

The Authority and the University further agree that, upon the occurrence of an Event of Default, the Authority and/or the Trustee may exercise, with respect to any amount in any Fund under the Indenture (other than the Rebate Fund, the Project Loan Fund and the Additional Loan Payments Fund), all the rights of a secured party under the New Jersey Uniform Commercial Code.

2.6. Application of this Agreement.

The Note to be delivered pursuant to this Agreement shall be made subject to all the provisions of this Agreement to the same extent and effect as if the provisions of this Agreement were fully set forth and made a part thereof, and if the University shall fail to keep, observe or perform any of the provisions of the Note or of this Agreement or if the University under the Note shall fail to keep, observe or perform any of the provisions thereof, the amount secured thereby shall, at the option of the Authority, become immediately due and payable; provided, however, that the Authority shall give thirty (30) days' written notice to the University in order to remedy any such default or defaults.

2.7. Operation and Maintenance of 2024 Project Facilities.

The University agrees that sufficient funds are and shall be available for the effective use of the 2024 Project Facilities for the purposes for which they were acquired, constructed, renovated and improved and for educational purposes within the meaning of the Act. The University further agrees to pay all costs of operating and maintaining the 2024 Project Facilities.

The University covenants and agrees that the 2024 Project Facilities shall be used solely for the purposes for which they were acquired, constructed, renovated and improved and for education purposes within the meaning of the Act. The University further covenants and agrees that at no time shall the 2024 Project Facilities, or any part thereof, be used or be allowed to be used for religious instruction or as a place for religious worship even after the Bonds or any refunding bonds are no longer outstanding.

The University shall, at its own expense, hold, operate and maintain the 2024 Project Facilities and any equipment related thereto in a careful and prudent manner, and shall keep the 2024 Project Facilities and any equipment related thereto in a good, clean and orderly fashion.

2.8 Insurance.

All policies of insurance shall be payable to the University and to the Authority, as their interests may appear, and, subject to the terms of any lease(s) with the Authority encumbering the affected component(s) of the 2024 Project Facilities (which lease(s) shall govern until expressly terminated by the parties thereto), the University shall have the sole right to receive the proceeds of such policy or policies affecting the 2024 Project Facilities and receipt of claims thereunder. All insurance prescribed by this Section 2.8 and Section 4.1 shall be procured from financially sound and reputable insurers qualified to do business in the State or otherwise approved by the Authority.

2.9. Amendments to this Agreement.

The Authority and the University may, without the consent of or notice to the Bondholders, amend this Agreement as may be required or permitted (i) by the provisions of this Agreement, (ii) for the purpose of curing any ambiguity or formal defect or omission in this Agreement, (iii) so as to more precisely identify the 2024 Project Facilities, (iv) to enter into an indenture or indentures supplemental to the Indenture as provided in Section 9.01 of the Indenture, (v) to make any revisions that shall be required by a Rating Agency in order to obtain or maintain an investment grade rating on the Bonds or (vi) in connection with any other change therein which, in the opinion of Bond Counsel, neither adversely affects the security pledged to repay the Bondholders nor adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes, provided that no such amendment may modify the rights or obligations of the Trustee without the written consent of the Trustee.

2.10. Basic Loan Payments.

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

The University agrees to pay from any legally available funds of the University "Basic Loan Payments," in immediately available funds, at the times set forth below, and in amounts sufficient to enable the Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Article V of the Indenture. Each payment shall be made in immediately available funds.

Notwithstanding the foregoing, the University agrees to make payments, or cause payments to be made, in the amounts required to be paid as principal or Redemption Price of and interest on the Bonds from time to time Outstanding under the Indenture and other amounts required to be paid under the Indenture as the same shall become due, whether at maturity, upon redemption, by declaration of acceleration or otherwise.

All Basic Loan Payments required under this Agreement shall be made at the times required by Section 3.5 hereof.

Except as otherwise expressly provided herein, all amounts payable hereunder by the University to the Authority shall be paid to the Trustee or other parties entitled thereto as assignee of the Authority and this Agreement and all right, title and interest of the Authority in any such payments are hereby assigned and pledged to the Trustee or other parties entitled thereto as assignee of the Authority so long as any Bonds remain Outstanding.

Notwithstanding anything to the contrary contained herein, the University covenants and agrees that it will pay the Basic Loan Payments at such times and in such amounts as to assure that the Authority will not be in default in the payment of the principal of, redemption premium, if any, and interest on the Bonds.

2.11. Swap Payments.

The University further covenants and agrees that, in the case of any Swap which the University enters into in connection with the Bonds, that the University will pay to any applicable Swap Provider all of the University's Swap Payment Obligations and may pay or cause each Swap Provider of such Swap to pay the Swap Provider's Swap Payment Obligations to the Trustee for deposit in the Interest Account of the Debt Service Fund.

2.12. Additional Loan Payments.

In addition to the Basic Loan Payments, the University shall also pay to the Authority and the Trustee, "Additional Loan Payments," as follows:

(a) all reasonable fees, charges, expenses and indemnities of the Authority and the Trustee as and when the same become due and payable, including reasonable attorneys' fees;

(b) the reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Agreement or the Indenture;

(c) the Annual Administrative Fee of the Authority and any other expenditures for insurance, fees and expenses of auditing and fees and expenses as required by the Indenture and not otherwise paid or provided for by the University and all other expenditures reasonably and necessarily incurred by the Authority by reason of the financing of the Refunding Project, including expenses incurred by the Authority to compel full and punctual performance of all of the provisions of this Agreement in accordance with the terms hereof; and

(d) all other reasonable and necessary fees and expenses attributable to the Bonds and this Agreement, including without limitation all payments required pursuant to the Indenture and the Tax Certificate (including payments of all amounts required to be deposited in the Rebate Fund and any fees of the Authority in connection with any arbitrage compliance services, including rebate calculations performed by or at the direction of the Authority).

Such Additional Loan Payments shall be billed to the University by the Authority or the Trustee, from time to time. After such a demand, amounts so billed shall be paid by the University within thirty (30) days after receipt of the bill by the University. Payment of the initial Annual Administrative Fee shall be made in the Bond Year ending June 30, 2024 and in each Bond Year thereafter.

Additional Loan Payments shall include payments required under Sections 5.14(c) and 5.14(d) hereof, which payments shall be made at the times and in the manner specified therein.

Payments required to be made under this Section 2.12 shall be made in legally available funds to the Trustee unless otherwise directed in an agreement pursuant to which such payments are required.

2.13. Credits for Payments.

The University shall receive credit against its payments required to be made under Section 2.10, in addition to any credits resulting from payment or repayment from other sources, as follows:

(a) on the portion of Basic Loan Payments allocable to interest, in an amount equal to moneys on deposit in the Interest Account of the Debt Service Fund, which amounts are available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments. Amounts on deposit in the Interest Account of the Debt Service Fund which may be available for credit against the interest portion of Basic Loan Payments include, without limitation, payments made directly to the Trustee by a Swap Provider to satisfy the Swap Provider's Swap Payment Obligations on behalf of and at the direction of the University;

(b) on the portion of Basic Loan Payments allocable to installments of principal, in an amount equal to moneys deposited in the Principal Account of the Debt Service Fund, which amounts are available to pay principal of the Bonds, to the extent such amounts have not previously been credited against such payments. Amounts on deposit in the Principal Account of the Debt Service Fund which may be available for credit against the principal portion of Basic Loan Payments include, without limitation, payments made directly to the Trustee by a Swap Provider to satisfy the Swap Provider's Swap Payment Obligations on behalf of and at the direction of the University;

(c) on the portion of Basic Loan Payments representing installments of principal and interest, in an amount equal to the principal amount of the Bonds, and interest thereon, for the payment at maturity or redemption of which sufficient amounts (as determined by Section 2.01 of the Indenture) in cash or non-callable United States Obligations are on deposit as provided in Section 2.01 of the Indenture, to the extent such amounts have not previously been credited against such payments. Such credits shall be made against the installments of principal and interest, if any, which would have been used, but for such call for redemption, to pay principal of and interest on such Bonds when due; and

(d) on the portion of Basic Loan Payments allocable to installments of principal and interest, in an amount equal to the principal amount of the Bonds, and interest thereon, acquired by the University and surrendered to the Trustee for cancellation. Such credits shall be made against the installments of principal and interest, if any, that would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due.

2.14. Prepayment.

(a) The University shall have the right, so long as all amounts which have become due hereunder have been paid, at any time or from time to time to prepay all or any part of the Basic Loan Payments and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Any partial prepayment shall be credited to the principal portion of Basic Loan Payments due from the University as determined by the Authority with the consent of the University as provided in Section 4.02 of the Indenture. The University is further hereby granted the option to prepay the Note in whole by paying to the Trustee the "**Prepayment Price,**" which for any date of calculation shall be equal to, or shall be the amount which, together with investment income pursuant to Section 2.01 of the Indenture (as verified pursuant to that Section and paragraph (b) below), shall be equal to the sum of (i) the aggregate amount of unpaid principal of the Bonds to their redemption date under the terms of the Indenture and as set forth in the University's notice to the Trustee of such prepayment, (ii) any interest to accrue on the Bonds from the last Interest Payment Date thereof on which interest thereon was paid to the redemption date set forth in clause (i) above, (iii) the redemption premium, if any, applicable to the payment of the Bonds on the redemption date set forth in clause (i) above, and (iv) any costs of redemption or defeasance or other expenses incurred in implementing such prepayment. The Prepayment Price shall be deposited in such Trustee escrow account as may be specified by the University and, at the request of and as determined by the University, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture. Notwithstanding any such prepayment, as long as any Bonds remain Outstanding or any Additional Loan Payments required to be made hereunder remain unpaid, the University will not be relieved of its obligations hereunder.

(b) Said option may be exercised by the University at any time by (i) giving written notice to the Trustee and the Authority of the exercise of such option at least ninety (90) days prior to the redemption date set forth in such notice, and (ii) complying with any other requirements of the Indenture that may be required by the Trustee or the Authority to defease the Bonds in accordance with the terms of the Indenture, including, without limitation, a verification report from a firm of certified public accountants approved by the Authority or other verification agent acceptable to the Authority and the University to the effect that the amount so prepaid will equal the Prepayment Price (for a full prepayment) and will therefore be sufficient to defease the Bonds (in whole or in part, as the case may be) by paying all of the principal thereof and redemption premium, if any, thereon through and including the redemption date thereof, plus all interest accruing thereon to such redemption date. Such option shall be exercised by depositing with said notice cash and/or Government Obligations in such amount as shall be sufficient, together with interest to accrue thereon, to pay the Bonds to be defeased on said redemption date.

2.15. Indemnification.

(a) To the extent permitted by law, the University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant or agent of the Authority, including the Trustee and the Underwriter, and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Underwriters through the ownership of voting securities, by contract or otherwise (collectively, the "**Indemnified Parties**"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statement or misleading statement or alleged untrue statement or misleading statement of a material fact contained in the official statement relating to the offer and sale of the Bonds (the "**Official Statement**") or caused by any omission from the Official Statement of any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue or misleading statement or alleged untrue or misleading statement contained in the Official Statement or such omission or alleged omission from the Official Statement with respect to information contained in the Official Statement furnished by, or on behalf of, or relating to, the University or the 2024 Project Facilities. In case any action shall be brought against any Indemnified Party based upon the Official Statement and in respect of which indemnity may be sought against the University, the Indemnified Party shall promptly notify the University in writing. Failure on the part of any Indemnified Party to give such notification shall not relieve the University from its obligations under this Section 2.15 to the Indemnified Parties. Upon receipt of such notification, the University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action, including any expenses incurred by the Indemnified Parties prior to such notification, and the right to negotiate and settle any such action on behalf of such Indemnified Parties with the Indemnified Parties' consent. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the University or unless by reason of conflict of interest determined by the written opinion of counsel to any such Indemnified Parties, it is advisable for such party to be represented by separate counsel to be retained by such Indemnified Party, in which case the fees and expenses of such separate counsel shall be borne by the University. The University shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without its written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 2.15 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence, or willful misconduct on the part of the Indemnified Parties in connection with the offer or sale of the Bonds.

The University releases the Authority and the Trustee from and agrees that the Authority and the Trustee shall not be liable for, and agrees to indemnify and hold the Authority and the Trustee harmless from, any liability for, or expense (including but not limited to reasonable attorneys' fees) resulting from, or any loss or damage that may be occasioned by any cause whatsoever pertaining to the sale, issuance and delivery of the Bonds, or the actions taken or to be taken by the Authority or the Trustee under this Agreement or the Indenture or a Swap Agreement (if any), except for the gross negligence or willful misconduct of the Authority or the Trustee. The parties intend that no general obligation or liability or charge against the general credit of the Authority shall occur by reason of making this Agreement, the issuance of the Bonds, the entry into the Swap Agreement (if any) or performance of any act required of it by this Agreement or the Swap Agreement (if any). Nevertheless, if the Authority shall incur any such pecuniary liability, then in such event the University shall indemnify and hold the Authority harmless by reason thereof, to the extent permitted by law, unless such liability results from gross negligence or willful misconduct of the Authority.

(b) The University covenants that all actions heretofore taken by the University in connection with the 2024 Project Facilities, including the making of contracts, and all actions hereafter taken by the Authority in connection with the 2024 Project Facilities upon the recommendation or request of any authorized officer of the University have been and will be in full compliance with the Indenture, the Bond Resolution, this Agreement and all pertinent laws applicable to the University or the Authority. The University acknowledges that any review of any such action heretofore or hereafter taken by the Authority's staff or its counsel has been or will be solely for the protection of the Authority to carry out the financing and/or refinancing of the 2024 Project Facilities and shall not estop the Authority from enforcing the foregoing covenant.

The financing and/or refinancing of the 2024 Project Facilities shall not impose any liability on the members, officers, employees, consultants or agents of the Authority.

The University shall indemnify the Authority as follows:

(i) The University shall protect, exonerate, defend, indemnify and save the Authority and the Trustee and their respective members, directors, officers, officials, employees, agents, consultants and attorneys (collectively, the "**Authority and Trustee Indemnified Parties**") harmless from and against any and all losses, including, but not limited to, personal injury, death, loss or damage to property suffered or incurred by any person, entity, firm or corporation arising out of or attributable to the financing of the 2024 Project Facilities, the use, operation or maintenance of the 2024 Project Facilities, arising from the use or occupancy of the 2024 Project Facilities by the University, its agents, contractors, servants, employees, licensees, invitees or lessees, if any, and from and against any and all losses incurred in or about the defense of any such claims, actions or proceedings brought thereon.

(ii) The University shall release the Authority and Trustee Indemnified Parties from, agrees that the Authority and Trustee Indemnified Parties shall not be liable for, and agrees to hold the Authority and Trustee Indemnified Parties harmless against any losses because of any action taken by an Authority and Trustee Indemnified Party in good faith with respect to this Agreement and the 2024 Project Facilities.

(iii) The Authority and Trustee Indemnified Parties, respectively, will give prompt written notice to the University of any claim asserted against it or them, as the case may be, which claim, if sustained, may result in liability on the part of an Authority and Trustee

Indemnified Party which is indemnified hereunder; provided, however, that the failure on the part of the Authority and Trustee Indemnified Party to give such notice shall not relieve the University from its obligation under this Section 2.15(b). Upon receipt of such notification, the University shall assume the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion, all without cost to the Authority and Trustee Indemnified Parties. Any Authority and Trustee Indemnified Party shall have the right to employ separate counsel in any such claim and to participate in the defense thereof.

(iv) The Authority shall be protected in acting upon any paper or documents believed by it to be genuine, and it may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

(c) The provisions of this Section 2.15 shall survive the termination of this Agreement and the payment of the Bonds.

2.16. Consent to Authority's Use of Photographs and Videos.

The University agrees that the Authority may use photographs or videos taken on the University's campus (whether taken by the Authority or other person) in the Authority's newsletters, reports or other publications or materials (including PowerPoint presentations) in connection with the Authority's operations.

2.17. Consent to Assignment by Authority.

The University hereby consents to, and authorizes the assignment and the reservation of rights set forth therein, as provided in the Indenture, by the Authority to the Trustee of the Authority's rights to receive the payments required by Section 2.10 hereunder and upon such assignment the Trustee shall be fully vested with all of the rights of the Authority so assigned and may thereafter exercise or enforce, by any remedy provided therefor (subject to the reservations of rights) by law or by this Agreement, such right directly in its own name.

ARTICLE III

3.1. Nature of the Obligation.

The University agrees to make payments hereunder in the amounts, at the times and in the manner as set forth herein and in the Note. The University agrees that its obligations to make the payments required hereunder and under the Note and in the manner set forth herein and in the Note shall constitute a general obligation of the University payable from any moneys legally available to the University. The obligation of the University to pay Basic Loan Payments provided for in this Agreement and to perform its obligations under this Agreement is absolute and unconditional, and is enforceable regardless of whether Basic Loan Payments have been budgeted by the University.

3.2. Use of the Bond Proceeds.

The proceeds of the Bonds shall be used to make a Loan to the University to finance the Refunding Project.

3.3. Information to be Provided by the University.

Whenever requested by the Authority, the University shall within thirty (30) days provide and certify or cause to be provided and certified such information concerning the University, its finances, and other topics as the Authority considers necessary to enable it to complete and publish an official statement or other offering or disclosure document, or any supplement or amendment thereto, relating to the Bonds at the time when the Bonds are to be offered for sale, at other times upon the reasonable request of the Authority or to enable it to make any reports required by law, or the Indenture.

3.4. Security for the Loan; Rate Covenant.

As security for its obligation to make the payments required under this Agreement and the Note, the University agrees to pay to the Authority sufficient moneys to pay, when due, the principal of and redemption premium, if any, on the Bonds, and the interest thereon, upon maturity, redemption, acceleration or otherwise, and to pay all other amounts due hereunder and under the Note from any moneys legally available to the University in the manner and at the times provided by this Agreement and the Note.

As additional security for the payment of the principal of, redemption premium, if any, and interest on the Bonds, and such other payments required by Note or this Agreement, the University hereby covenants and agrees to impose such fees and other charges sufficient at all times to generate revenues, which together with the other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the 2024 Project Facilities, to pay all payments required hereunder and under the Note and to pay all other obligations of the University as they become due and payable. The aggregate of the amounts comprising the annual payments due under this Agreement and the Note shall be equal at least to one hundred percent (100%) of the amount of principal and interest becoming due in the then current year on the Bonds Outstanding, plus all amounts as set forth in Section 2.15 hereof, and for which provision for payment has not been made.

3.5. Project Loan Fund.

To secure payment of the amounts required hereunder and under the Note, the University agrees that it shall create a special account (the "**Project Loan Fund**") to be maintained with the Trustee separate and apart from the other funds of the University. Except for the payments on account of rebate required by Section 2.12(d) hereof, the University covenants and agrees that it will deposit or cause to be deposited in the Project Loan Fund held with the Trustee:

(i) on the first day of December in each Bond Year, one hundred percent (100%) of the interest payments due pursuant to this Agreement and the Note on the immediately succeeding January 1 and one-half (1/2) of the principal payments due pursuant to this Agreement and the Note on the immediately succeeding July 1; and

(ii) on the first day of June in each Bond Year, one hundred percent (100%) of the interest payments due pursuant to this Agreement and the Note on the immediately succeeding July 1 and one-half (1/2) of the principal payments due pursuant to this Agreement and the Note on the immediately succeeding July 1.

Moneys in the Project Loan Fund deposited pursuant to this Section 3.5 shall be transferred by the Trustee without further direction by the Authority to the applicable account of the Debt Service Fund as set forth in the Indenture on June 20 and December 20 of each year.

Any balances remaining in the Project Loan Fund on June 30 of each Bond Year, after payment of all amounts due hereunder and under the Note, shall be returned to the University.

The moneys in the Project Loan Fund may be invested at the direction of the University and with the approval of an Authorized Officer of the Authority, in obligations described in clauses (A) and/or (K) of the definition of Investment Obligations, provided, however, that moneys shall be available in the Project Loan Fund in the appropriate amounts on each respective payment date to make the payments required by Sections 2.10, 2.11 and 2.12 of this Agreement.

3.6. Taxes and Other Charges.

(a) The University shall pay when due at its own expense all taxes, assessments, utilities, water and sewer charges and other impositions thereon, if any, that may be levied or assessed upon the 2024 Project Facilities, to the extent any such component of the 2024 Project Facilities is then owned by the Authority. The University shall file exemption certificates as required by law. The University agrees to provide to the Authority, within ten (10) days after demand, certificates or receipts issued by the appropriate authority showing full payment of all such impositions; provided, however, that the good faith contest of such impositions and deposit with the Authority of the full amount of such impositions shall be deemed to be complete compliance with the requirement.

(b) The University agrees to pay, or cause to be paid, any and all local municipal assessments for property taxes, including farmland rollback assessments, directly related to the 2024 Project Facilities, to the extent any such component of the 2024 Project Facilities is then owned by the Authority (or, in the case of farmland rollback assessments, has been owned by the

Authority during the applicable rollback period). The University, if applicable, shall provide the Authority with copies of all applications for exemption from municipal property taxes filed with the local municipality.

(c) The provisions of this Section 3.6 shall survive the termination of this Agreement and the payment of the Bonds.

3.7. Compliance With Applicable Law.

In connection with the operation, maintenance, repair and replacement of the 2024 Project Facilities, the University shall comply with all applicable ordinances and laws of the government of the United States, the State, and the municipality in which the 2024 Project Facilities or any part thereof is located.

In connection with any improvements to the 2024 Project Facilities, the University hereby acknowledges that the provisions of N.J.S.A. 18A:72A-5.1 - 5.4 relating to payment of the prevailing wage rate determined by the Commissioner of Labor and Workforce Development pursuant to the Prevailing Wage Act (N.J.S.A. 34:11-56.25 *et seq*.) applies to construction and rehabilitation taken in connection with Authority financial assistance and the University covenants to comply with such provisions.

In accordance with L. 2005, c.92, the University covenants and agrees that all services performed under this Agreement by the University shall be performed within the United States of America.

3.8. Secondary Market Disclosure.

The University hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding Section 2.5 or any other provision of this Agreement, failure of the University to comply with or perform its obligations under this Section 3.8 or under the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the written request of the Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, shall), after provision of indemnity in accordance with Section 2.15 hereof, or any Holder of the Bonds may take such actions as may be necessary or desirable, including seeking specific performance by court order, to cause the University to comply with its obligations under this Section 3.8.

ARTICLE IV

4.1. Covenants as to Insurance.

The University shall, at the times specified in the following paragraphs, procure and maintain, or cause to be procured and maintained, to the extent reasonably obtainable in the opinion of the Authority, the following insurance:

(a) At all times, Special Form perils insurance, or current equivalent, with a deductible clause in an amount not-to-exceed one hundred thousand dollars ($100,000) or such other deductible provisions as are approved in writing by the Authority (the "**Deductible Amount**"), on the plant, structure, machinery, equipment, contents, and apparatus comprising the 2024 Project Facilities plus Equipment Breakdown insurance.

If the 2024 Project Facilities are located within a Special Flood Hazard Area, flood insurance coverage shall be required, whether through the National Flood Insurance Program (NFIP) or a private flood insurance company, with a limit equal to the maximum amount available through the NFIP.

Contingent Liability from the Operation of Building Laws shall be included for Coverages A, B, C, and D.

Business Interruption insurance shall be included and the amount of the limit shall be calculated based on a formula equal to the number of months required to rebuild and/or repair the 2024 Project Facilities times the basic loan payments. Business Interruption shall include the Extended Period of Indemnity as a result of the operation of a building law.

An Agreed Amount Endorsement shall be attached to the policy and applicable to the physical damage and Business Interruption insurance.

The foregoing insurance shall be required if the 2024 Project Facilities are insured through a Builder's Risk policy which shall include a limit for the full amount of Soft Costs and Delay in Start Up, based on the same formula as noted above for Business Interruption and include Permission to Occupy Pending Completion.

The foregoing insurance shall be maintained as long as any of the obligations of the Authority issued with respect to the 2024 Project Facilities are Outstanding and shall be in an amount not less than the 2024 Project Facilities' current replacement cost or such other amount as may be approved, in writing, by the Authority.

The inclusion of the 2024 Project Facilities under a blanket insurance policy or policies of the University insuring against the above hazards or any additional hazards of the types and in the amounts approved, in writing, by the Authority shall be a complete compliance with the provisions of this Section 4.1(a). The University shall give at least thirty (30) days' notice, in writing, to the Authority of the cancellation or non-renewal of the policy, except in the event of nonpayment of premiums, in which case ten (10) days' notice shall be provided. In any event, each such policy shall be in an amount sufficient to prevent the University and the Authority from becoming co-insurers under the applicable terms of such policy. In the event that the University is unable to procure insurance with a loss deductible clause of not exceeding the Deductible Amount, the deposit with the Trustee on behalf of the Authority or the setting aside in a special fund of U.S. Treasury obligations or moneys at least equal to the difference between the Deductible Amount and the amount deductible on such policy or policies shall be deemed to be in complete compliance with the provisions of this Section 4.1(a) establishing a Deductible Amount; and

(b) At all times, Commercial General Liability insurance protecting the Authority and the University against loss or losses from liabilities imposed by law or assumed in any insured written contract and arising from bodily injury of persons or damage to the property of others caused by accident or occurrence, with limits of not less than one million dollars ($1,000,000) Combined Single Limit per Occurrence and two million dollars ($2,000,000) General Aggregate for Bodily Injury and Property Damage, or such other amounts as may be approved, in writing, by the Authority. The General Aggregate shall apply separately to each location of the 2024 Project Facilities. Automobile Liability Insurance Coverage for vehicles owned, leased, or rented by the University on the premises of the 2024 Project Facilities shall be in an amount not less than one million dollars ($1,000,000). If the University purchases coverage limits in an amount greater than one million dollars ($1,000,000), then the minimum General Liability and Automobile Liability coverage limits shall be increased accordingly.

The University shall give at least thirty (30) days' notice, in writing, to the Authority of the cancellation or non-renewal of the policy, except in the event of nonpayment of premiums, in which case ten (10) days' notice shall be provided.

The Authority and the Trustee shall be named as Additional Insureds, Mortgagee and Lenders Loss Payee on such policy or policies.

Upon closing of the Bonds and thereafter upon each renewal of insurance coverage, the University shall deliver to the Authority either a complete copy of the policy or policies, including all declarations and endorsements, or a fully completed Certificate of Insurance detailing all coverage in force, including full blanket property limits and any excess coverages and evidence of the required Additional Insured, Mortgagee and Lenders Loss Payment Endorsements.

All policies of insurance shall be payable to the University and the Authority (with respect to property insurance), as their interests may appear, and, subject to the terms of any lease(s) with the Authority encumbering the affected component(s) of the 2024 Project Facilities (which lease(s) shall govern until expressly terminated by the parties thereto), the University shall have the sole right to receive the proceeds of such policy or policies affecting the 2024 Project Facilities and receipt for claims thereunder.

The proceeds of all such property insurance policies shall either be: (i) applied by the University to the repair and replacement of the damaged property of the 2024 Project Facilities or (ii) deposited by the University with the Trustee for payment into the applicable account of the Debt Service Fund accompanied by a certificate of the University stating that such deposit is being made pursuant to this Section 4.1 for the purpose of paying the principal of and interest on the Bonds or to redeem a corresponding portion of Bonds in accordance with Section 4.01(b) of the Indenture.

All insurance prescribed by this Section 4.1 shall be procured from financially sound and reputable insurers qualified to do business in the State with a minimum A-VII rating per AM BEST or insurers approved, in writing, by the Authority. To the extent that any such insurance required by this Section 4.1 is not obtainable on reasonable terms as determined by the Authority, the Authority may make exceptions to the required coverage or provide for reasonable substitutions of coverage. The policies shall be open to inspection by the Authority and the Trustee at all reasonable times, and a list prepared as of June 30 of each Bond Year describing such policies shall be furnished by the University to the Authority and the Trustee annually within sixty (60) days after the beginning of each Bond Year, together with a certificate of an Authorized Officer of the Authority certifying that such insurance meets all the requirements of this Agreement. The Trustee shall have no responsibility with respect to any such insurance except to receive such annual Authority certificates and hold the same for inspection by any Bondholders.

In the event that the University shall fail to obtain or maintain the insurance required under this Section 4.1, the Authority may, at its sole option, obtain such coverage. In such event, the Authority shall promptly notify the University of its actions. The University agrees to promptly reimburse the Authority for the costs of such coverage, such amounts constituting Additional Loan Payments due by the University to the Authority pursuant to Section 2.12 of this Agreement.

4.2. University Covenant as to Swap Agreements.

The University agrees that so long as the Bonds are Outstanding, it shall not enter into, amend, novate or terminate any Swap Agreement without prior notice being sent to the Authority so long as such Swap Agreement is with respect to or in connection with the Bonds. The University also agrees that in connection with any such Swap Agreement it shall cooperate with the Authority to take any actions deemed necessary by the Authority related to the Bonds and/or such Swap Agreement.

4.3. University Covenant as to Eminent Domain Awards.

The University agrees that moneys derived from any condemnation awards in respect of the 2024 Project Facilities shall be deposited by the University with the Trustee for payment into the applicable account of the Debt Service Fund accompanied by a certificate of the University stating that such deposit is being made pursuant to this Section 4.3 for the purpose of paying the principal of and interest on the Bonds or to redeem a corresponding portion of Bonds in accordance with Section 4.01(b) of the Indenture.

ARTICLE V

5.1. Termination of Agreement.

The Authority and the University agree that, upon sixty (60) days' written notice to the Authority and the Trustee, the University shall have the right to terminate this Agreement by paying to the Trustee, for the account of the Authority, an amount equal to the sum of: (i) the aggregate principal amount of the Bonds Outstanding on the date of such termination; (ii) accrued interest thereon to the date that the Bonds mature or are next redeemable; (iii) applicable redemption premium, if any, due thereon to the date of maturity or next applicable redemption date in accordance with the provisions of the Bonds and the Indenture; and (iv) all other costs and expenses of the Authority and the Trustee in connection therewith, including amounts presently due and amounts reasonably expected by the Authority and the Trustee to become due, all in accordance with the provisions of this Agreement, the Note, the Bonds and the Indenture.

The Authority and the University agree that if, at the time the moneys on deposit in the Debt Service Fund are at least equal to the sum of: (i) the aggregate principal amount of the Bonds then Outstanding; (ii) accrued interest thereon to the date that the Bonds are next redeemable; (iii) redemption premium, if any, due thereon to the next applicable redemption date all in accordance with the provisions of the Bonds and the Indenture; and (iv) all other costs and expenses of the Authority and the Trustee due and owing with respect to the Bonds or necessary in connection with such redemption, including amounts presently due and amounts reasonably expected by the Authority and the Trustee to become due, all in accordance with the provisions of this Agreement, the Note, the Bonds and the Indenture, the Authority, upon the written request of the University, shall give written notice to the Trustee of the Authority's election to redeem all of the Bonds Outstanding. The University understands and agrees that redemption premium, if any, and costs and expenses of the Authority and the Trustee in connection therewith will also be payable by the University as Additional Loan Payments pursuant to Section 2.12 of this Agreement.

The Authority agrees that after payment to it in trust by the Trustee of all moneys or securities held by the Trustee pursuant to the Indenture, the Authority shall pay the same to the University after first deducting any moneys due to the Authority for the Authority's reasonable expenses incurred or accruing relating to the 2024 Project Facilities.

5.2. Release of 2024 Project Facilities from Certain Covenants.

If at any time the University shall determine that it is in the best interests of the University to cause one or more components of the 2024 Project Facilities to be removed from any one or more of the restrictions imposed on such component(s) pursuant to this Agreement, other than the covenants set forth in Sections 2.7 (second paragraph only), 2.8, 2.15, 3.6, 4.1, 5.5 and 5.8(a), (b) and (c) hereof (all of which shall under all circumstances remain applicable to all 2024 Project Facilities), then the University may submit a written request to the Authority for its waiver of such particular covenant(s) and/or its consent to such proposed action(s), such waiver and/or consent not to be unreasonably withheld, conditioned or delayed; provided, that the Authority may condition such waiver and/or consent upon compliance with the provisions of Section 5.5(e) hereof, including delivery of an Opinion of Bond Counsel.

5.3. Rights and Remedies not Exclusive.

All rights and remedies herein given or granted to the Authority are cumulative, non-exclusive and in addition to any and all rights and remedies that the Authority may have or be given by reason of any law, statute, ordinance or otherwise.

5.4. Notices.

All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be, in writing, and shall be sent by facsimile, electronic mail or registered or certified mail to the main office of the other party, in the case of the Authority addressed to it at its office in Princeton, New Jersey, or such other address as the Authority may direct upon notice given to the parties named in this Section 5.4, and in the case of the University, addressed to it at its address stated hereinabove or such other address as the University may direct upon notice given to the parties named in this Section 5.4 All notices required to be given to the Trustee by either party pursuant to this Agreement shall be, in writing, and shall be sent by registered or certified mail to the main office of the Trustee at the address of such principal office.

The University agrees that it shall send to the Authority a duplicate copy or executed copy of all certificates, notices, correspondence or other data and materials sent to or received from the Trustee under the Indenture as may be required by the Authority.

5.5. Tax Covenants.

(a) The Authority and the University covenant that they will take no action which would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the **"Code"**). Accordingly, not more than ten percent (10%) of the proceeds of the Bonds will be used directly or indirectly in any trade or business carried on by any person other than a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code). Not more than five percent (5%) of the proceeds of the Bonds will be used directly or indirectly in any trade or business carried on by any person other than a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code) for any use unrelated to any governmental use of such proceeds or used or to be used in any "disproportionate related business use" (as defined in Section 141 of the Code). Not more than the lesser of five percent (5%) of the proceeds of the Bonds or $5,000,000 of the Bonds will be used directly or indirectly to make or finance loans to any person other than a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code). Not more than ten percent (10%) of the proceeds of the Bonds will be (i) secured directly or indirectly by any interest in property used or to be used for a private business use (within the meaning of Section 141(b) of the Code) or by payments in respect of such property, or (ii) derived directly or indirectly from payments (whether or not to the Authority) in respect of property, or borrowed money, used or to be used for a private business use.

(b) The University covenants to create and maintain records which, in the judgment of the Authority, are sufficient to determine the compliance of the Bonds with the requirements of Section 141 of the Code, including but not limited to (i) the allocation and use of the proceeds of the Bonds and (ii) the ownership and use of all the property financed with proceeds of the Bonds, as such records are further described in the Tax Certificate. The Authority covenants to create and retain records with respect to: (x) all investments made with gross proceeds of the Bonds (including without limitation records required under Treasury Regulations Section 1.148-5(d)(6)); (y) all information necessary to compute the yield on the Bonds, including the information necessary to establish the existence of any qualified guarantee or qualified hedge (within the meaning of Treasury Regulations Section 1.148-4(f) and (h)) with respect to the Bonds, the amount and date of payments for a qualified guarantee or qualified hedge with respect to the Bonds, and the issue price of the Bonds; and (z) all information necessary to establish any exception to arbitrage rebate (within the meaning of Treasury Regulations Section 1.148-7) has been met with respect to proceeds of the Bonds, as such records are further described in the Authority's Tax Certificate with respect to the Bonds. The Authority covenants to retain all such records until three years after the last scheduled maturity date of the Bonds, or in the event the Bonds are retired early, three years after the final retirement of the Bonds.

(c) The Authority and the University covenant that they will take no action which would cause the Bonds to be federally guaranteed (within the meaning of Section 149(b) of the Code).

(d) The Authority and the University covenant to comply with the provisions of the Code applicable to the Bonds and covenant that they will not take any action or fail to take any action which would cause the interest on the Bonds to lose the exclusion from gross income for purposes of federal income taxation under Section 103 of the Code.

(e) The University acknowledges and agrees that the Authority has adopted written Post-Issuance Compliance Procedures intended to meet the guidelines set forth in Internal Revenue Manual Section 7.2.3.4.4 (the **"Authority Written Procedures"**). Within 60 days of the issuance of the Bonds, the University shall adopt written Post-Issuance Compliance Procedures intended to meet the guidelines set forth in Internal Revenue Manual Section 7.2.3.4.4 (the **"University Written Procedures"** and, together with the Authority Written Procedures, the **"Written Procedures"**). The University agrees to comply with the Written Procedures and at least once a year review the use of the Bonds and any other outstanding bonds of the Authority that have financed facilities for the University (together with the Bonds, the **"Authority's Bonds"**) in order to determine whether such bonds meet all federal tax law conditions applicable to such bonds and certify its findings in writing to the Authority. In addition, the University shall, with respect to any of the Authority's Bonds, provide prompt written notice to the Authority of any of the acts or events listed on <u>Exhibit C</u> that may jeopardize the tax exempt status of the Bonds, attached hereto and made a part hereof (a **"Special Notice Event"**). The University will use its best efforts to provide advance notice, but will in any event provide notice no later than thirty (30) days after the occurrence of such Special Notice Event, whether the University is on notice of such Special Notice Event by its diligence or internal procedures or its own filing of any statement, tax schedule, return or document with the Internal Revenue Service which discloses that a Special Notice Event shall have occurred, by its receipt of any oral or written advice from the Internal Revenue Service that a Special Notice Event has occurred, or otherwise. The University agrees that, in consultation with the Authority, at the expense of the University, it shall take such actions, if any, as may be necessary or appropriate to remediate such Special Notice Event, including without limitation such actions required under Section 1.141-12 of the Treasury Regulations or a closing agreement with the Internal Revenue Service and provide to the Authority an Opinion of Bond Counsel outlining the plan of remediation and whether or not the tax exempt status of the Bonds will be preserved. In the event the Authority becomes aware of a Special Notice Event, the Authority shall have the right, upon prior written notice to the University, to conduct its own investigation and at the sole cost of expense of the University, retain Bond Counsel to determine any and all actions required to remediate such Special Notice Event. Upon request of the Authority, the University shall adopt and follow its own written post-issuance compliance procedures to supplement the foregoing.

5.6. Covenant as to Arbitrage; Rebate Requirement.

(a) The Authority and the University hereby covenant that they will make no use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, Treasury Regulations Sections 1.148-0 through 1.148-11 and 1.149(d)-1, and all other applicable regulations of the Internal Revenue Service.

(b) The Authority and the University covenant and agree that the Authority shall calculate or cause to be calculated the Rebate Amount at the times and in the manner set forth in the Tax Certificate and shall pay or direct in writing the Trustee to pay (but only from amounts received from the University under this Agreement) the Rebate Amount from the Rebate Fund to the United States, in the percentage, at the times and in the manner set forth in the Tax Certificate.

(c) Notwithstanding any other provision of this Agreement, to the extent that funds and accounts held by the Trustee are less than the amount required to be deposited by the Authority in the Rebate Fund for the Bonds, the University will pay to the Authority the amount equal to the Rebate Amount.

(d) The University acknowledges that the provisions of Section 5.5(b) of the Bond Financing Agreement, dated May 13, 2013, by and among the Authority, The Provident Bank and Bloomfield College and Seminary (which agreement has been subsequently assumed by MSU-Bloomfield) shall remain in effect as to the 2013 Series A Bonds, notwithstanding the termination of said agreement, so long as any rebate obligations remain applicable thereto. In addition, the provisions of Section 11.05 of the Lease and Agreement, dated as of April 1, 2014, by and between the Authority and the University, shall remain in effect as to the Series 2014 A Bonds, notwithstanding the discharge of said lease and agreement, so long as any rebate obligations remain applicable thereto.

5.7. Additional Representation and Warranties.

The University hereby makes the following representations and warranties to the Authority:

(a) <u>Uniform Commercial Code</u>. If revisions to Article 9 of the Uniform Commercial Code are enacted by the State Legislature or by any other jurisdiction whose laws govern the perfection and enforceability of any security for the Bonds, the University covenants and agrees to cooperate with the Authority in taking all steps necessary to perfect and maintain the priority and enforceability of the security for the Bonds.

(b) Financial Statements. The audited financial statements of the University for the most recent Fiscal Year, including its balance sheets as of such date, as heretofore delivered to the Underwriters, correctly and fairly present, in all material respects, the financial condition of the University as of said dates and the results of the operations of the University for such period, and have been prepared in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto; and there has been no material adverse change in the condition, financial or otherwise, of the University since the date of such financial statements, from that set forth in said financial statements as of, and for the period ended on that date.

(c) Existence and Standing. The University is a public institution for higher education existing under the laws of the State, and has the necessary power and authority to execute and deliver this Agreement and any other Documents (as defined in Section 5.13 hereof) to which the University is a party, and to perform its obligations hereunder and thereunder. MSU is the sole member of MSU-Bloomfield. Based solely on a certificate of an authorized officer of MSU-Bloomfield, MSU-Bloomfield is a nonprofit corporation duly formed and validly existing as a nonprofit corporation under the laws of the State.

(d) Authorization and Validity. The execution and delivery by the University of this Agreement and any other Documents to which the University is a party have been duly authorized by proper proceedings of the University, and no further approval, authorization or consents are required by law or otherwise. This Agreement and such other Documents constitute the legal, valid and binding obligations of the University enforceable in accordance with their respective terms, except as future enforceability may be limited by bankruptcy, insolvency, or similar laws affecting the rights of creditors, and by general equitable principles.

(e) Compliance With Laws and Contracts. Neither the execution and delivery by the University of this Agreement or any of the other Documents to which the University is a party, nor the consummation of the transactions herein or therein contemplated, nor compliance with the provisions hereof or thereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the University, the University's organization documents or the provisions of any indenture, instrument or agreement to which the University is a party or is subject, or by which it or its property is bound, or conflict with or constitute a default under or result in the creation or imposition of any lien pursuant to the terms of any such indenture, instrument or agreement.

(f) Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the University, threatened against or affecting the University (i) wherein an unfavorable decision, ruling or finding would materially adversely affect (A) the transactions contemplated by or the validity of this Agreement or any other Documents to which the University is a party, (B) the tax-exempt status of the University or of the interest on the Bonds, or (C) the University's property, assets, operations or condition, financial or otherwise, or its ability to perform its obligations hereunder or under such other Documents or (ii) which in any way contests the existence, organization or powers of the University or the titles of the officers of the University to their respective offices, except as described in the Official Statement relating to the Bonds.

(g) Control and Dissolution of MSU-Bloomfield. The University intends to legally dissolve MSU-Bloomfield upon satisfaction of certain regulatory approvals and other conditions (the "**Dissolution**"), whereupon the assets of MSU-Bloomfield, including the 2013 Series A Project, the 2000 Series A Project, the 2005 Residence Halls Project and the June 2016 Dormitory Project, will become the property of the University. The University expects that the Dissolution shall be consummated not later than June 30, 2024.

5.8. Additional Covenants.

During the term of this Agreement and until the University has paid in full all of its obligations hereunder, the University hereby covenants and agrees as follows:

(a) Existence. The University shall maintain its existence as a public institution of higher education formed under the laws of the State, and shall not liquidate or sell substantially all of its assets.

(b) Compliance With Laws. The University shall comply with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject and which are material to the Bonds, this Agreement or any other Documents to which the University is a party, or the operations, affairs, properties or condition (financial or otherwise) of the University; provided, however, that the University may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the University's power and authority to execute and deliver this Agreement and such other Documents, and to perform its obligations and pay all amounts payable by it hereunder and thereunder.

(c) Maintain Existence of Authority "Project". The University shall operate and use or cause the 2024 Project Facilities and each portion thereof to be operated and used as educational facilities constituting an authorized "project" under the Act.

(d) Ownership of 2024 Project Facilities. All of the 2024 Project Facilities shall be and remain owned solely either (i) by the University, (ii) by the Authority, subject to a lease in favor of the University, or (iii) by MSU-Bloomfield (but only with respect to the 2013 Series A Project, the 2000 Series A Project, the 2005 Residence Halls Project and the June 2016 Dormitory Project prior to the Dissolution).

(e) Control and Dissolution of MSU-Bloomfield. The University covenants and agrees to diligently pursue the Dissolution and to cause the Dissolution to occur as soon as practicable after receipt of all required regulatory approvals. Prior to the Dissolution, or until such earlier time as title to all portions of the 2013 Series A Project, the 2000 Series A Project, the 2005 Residence Halls Project and the June 2016 Dormitory Project has been otherwise transferred to, and vested in, the University, the University shall remain the sole member of MSU-Bloomfield and shall maintain exclusive control over MSU-Bloomfield and its assets (including the 2013 Series A Project, the 2000 Series A Project, the 2005 Residence Halls

Project and the June 2016 Dormitory Project). The University agrees that it shall give prompt written notice to the Authority and the Trustee upon consummation of the Dissolution, and that it shall thereupon cause a notice thereof to be filed at the same time and in the same manner as required for notice of a Disclosure Event under the Continuing Disclosure Agreement.

(f) Compliance of Covenants by MSU-Bloomfield. The University shall cause MSU-Bloomfield to comply with each and every covenant of the University contained in this Agreement, as the same may be applicable to any of the 2024 Project Facilities that are or may be, from time to time, owned and/or used, directly or indirectly, by MSU-Bloomfield (including use by the students of MSU-Bloomfield).

(g) Prohibition of Certain Payments. Throughout the term of the Bonds or until the Dissolution (if sooner), the University shall not accept, nor shall it permit MSU-Bloomfield to make, any payments to, or for the benefit of, the University, nor shall it engage in, nor permit MSU-Bloomfield to engage in, any action or course of conduct, such as would result in a determination that such payments, actions or course of conduct would result in or constitute "private payments" to the University within the meaning of the provisions of the Code pertaining to "private activity bonds".

5.9. Alternate Dates for Payment.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided herein, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding day that is a Business Day with the same force and effect as if done on the day provided herein, and no interest shall accrue for the period from such day to the next Business Day authorized herein.

5.10. Agreement for the Benefit of the Bondholders.

This Agreement is executed in part to induce the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the University and the Authority as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds, reserving always the right of the Authority to amend and supplement this Agreement, with the written consent of the University, in accordance with Section 2.9 hereof.

The University agrees to do all things within its power in order to enable the Authority to comply with all requirements and to fulfill all covenants of the Indenture.

5.11. Reports Furnished by the University.

The University shall, if and when requested by the Authority, render such other reports to the Trustee and the Authority concerning the condition of the University as the Authority reasonably requests. The University also shall furnish annually to the Trustee and the Authority and such other parties as the Authority may designate, copies of (i) its audited financial statements not later than March 31 following the end of each Fiscal Year, commencing with the Fiscal Year of the University ending June 30, 2024, provided, that if the Fiscal Year of the University should change, then the audited financial statements shall be due not later than the last day of the ninth (9^{th}) month after the end of each Fiscal Year, and (ii) such other reports and such other information as may be reasonably requested by the Authority, as soon as practicable.

5.12. Review and Execution of the Documents.

The University hereby represents and warrants to the Authority that the University has reviewed and has a full understanding of all the terms, conditions and risks (economic and otherwise) of this Agreement, the Indenture, the Note, the Contract of Purchase, the Swap Agreement, if any, and any of the other documents or instruments executed in connection the issuance of the Bonds and herewith (collectively, the "**Documents**"), that it is capable of assuming and willing to assume (financially and otherwise) all such risks, that it has consulted with its own legal and financial advisors (to the extent it has deemed necessary) and is not relying upon any advice, counsel or representations (whether written or oral) of the Authority or the Authority's legal and financial advisors, and that it has made its own investment, hedging and trading decisions (including decisions relating to the suitability of each of the Documents) based upon its own judgment and upon any advice from its own legal and financial advisors as it has deemed necessary. The University hereby acknowledges that the Authority is entering into certain of the Documents at the request of, and as an accommodation to, the University, and that the terms of the Documents have been negotiated by, and are acceptable to, the University.

5.13. Multiple Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original and such counterparts shall constitute but one and the same instrument.

5.14. Provisions Relating to Bond Insurance.

The provisions of this Section 5.14 shall govern notwithstanding anything to the contrary set forth in this Agreement. As used herein, (i) "**Insurer**" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof, (ii) "**Insured Bonds**" means the Bonds, and (iii) "**Insurance Policy**" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

(a) The Insurer is a third-party beneficiary of this Agreement.

(b) Notwithstanding anything to the contrary in the Indenture, this Agreement shall not be amended or supplemented without the prior written consent of the Insurer.

(c) The University shall pay or reimburse the Insurer, as Additional Loan Payments under Section 2.12 of this Agreement, any and all reasonable charges, fees, costs and expenses that the Insurer may pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Indenture and this Agreement (each, a "**Related Document**"); (ii) the pursuit of any remedies under any Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, any Related Document, whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding, as defined below) or other dispute in connection with any Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of any Related Document. Amounts payable by the University hereunder shall bear interest at the Late Payment Rate, as defined below, from the date such amount is paid or incurred by the Insurer until the date the Insurer is paid in full. The obligation to reimburse the Insurer shall survive discharge or termination of the Related Documents. "**Insolvency Proceeding**" means any proceeding by or against the Authority or the University under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law. "**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 Bonds and (b) the maximum rate permissible under 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.

(d) The Additional Loan Payments under Section 2.12 of this Agreement shall include any amounts due and owing the Insurer under the Indenture or this Agreement not payable as Basic Loan Payments. Any amounts due and owing the Insurer under this Agreement shall be fully paid before this Agreement may be terminated.

(e) The Insurer shall be provided with the following information by the University:

(i) To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, annual audited financial statements within the filing deadline specified in the University's continuing disclosure agreement, covenant or undertaking with respect to the Bonds, and, upon request, the University's annual budget within thirty (30) days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of the commencement of any Insolvency Proceeding relating to the University;

(iii) Notice of the making of any claim in connection with any Insolvency Proceeding relating to the University seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

(iv) All reports, notices and correspondence to be delivered to the Authority and the Bondholders under the terms of this Agreement; and

(v) To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, all information required to be furnished pursuant to a continuing disclosure agreement, covenant or undertaking with respect to the Bonds.

(f) The Insurer shall have the right to receive such additional information as it may reasonably request.

(g) The University will permit the Insurer to discuss the affairs, finances and accounts of the University or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the University and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the University on any Business Day upon reasonable prior notice.

(h) The University acknowledges the provisions of the Indenture pertaining to the Insurer, and agrees to comply with the provisions thereof, including specifically, and without limitation, making all payments that may be required under Section 10.12(j) of the Indenture.

(i) Any Swap Agreement entered into by the University in connection with the Bonds 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 (c) 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 unless there is a matching hedge arrangement which effectively off-sets the exposure from such element or component. Unless otherwise consented to in writing by the Insurer, any net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Bonds and on any debt on parity with the Bonds. The University shall not terminate a Swap Agreement relating to the Bonds unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that (x) the University has sufficient amounts on hand to pay the termination amount, and (y) such payment will not cause the University to be in default under any Related Document, as such agreement may be amended or supplemented, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "AA-" and "Aa3" by Standard & Poor's ("**S&P**") and Moody's Investors Service ("**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 to the Swap Agreement, which credit support annex shall be acceptable to the Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa3" or "BBB-" by either Moody's or S&P, respectively, a replacement counterparty or guarantor, acceptable to the Insurer, shall be required.

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their proper respective Authorized Officer and Borrower Representative.

ATTEST:	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
___________________________	By: ___________________________
Ellen L. Yang Assistant Secretary	Steven P. Nelson Deputy Executive Director
ATTEST:	MONTCLAIR STATE UNIVERSITY
___________________________	By: ___________________________
Keith Barrack Chief of Staff	Benjamin Durant Chief Operating Officer and Senior Vice President, Finance & Administration

EXHIBIT A

FORM OF NOTE

$159,430,000 April 3, 2024

MONTCLAIR STATE UNIVERSITY (the "Borrower") acknowledges itself indebted to, and for value received hereby promises to pay to the order of, the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "Authority") the sum of ONE HUNDRED FIFTY-NINE MILLION FOUR HUNDRED THIRTY THOUSAND and 00/100 DOLLARS and to pay interest on the unpaid principal amount from the date of this Note on the same basis as interest is calculated on the Bonds (as hereinafter defined). The unpaid principal amount hereof shall be equal to the outstanding aggregate principal amount of the Bonds.

This Note is issued to evidence the obligation of the Borrower pursuant to, and shall be governed by and construed in accordance with, the terms and conditions of the Loan Agreement, dated as of April 1, 2024 (the "Loan Agreement"), by and between the Authority and the Borrower, and for the repayment of the Loan made by the Authority to the Borrower thereunder in the amount of $159,430,000 from the proceeds of the Authority's Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A (the "Bonds"), and the payment of the principal and redemption price, if any, thereof and interest thereon, including provision for repayment of the Loan in certain cases. All capitalized words and terms used by not defined herein shall have the respective meanings and be construed herein as provided in the Loan Agreement.

Pursuant to the Trust Indenture, dated as of April 1, 2024 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), the Authority has assigned to the Trustee all of the Authority's rights, title and interest in and to the Loan Agreement and this Note, including, but not limited to, its right to receive payments thereunder and hereunder (but subject to the reservation of certain rights by the Authority), to the Trustee.

In satisfaction of the repayment obligations of the Borrower pursuant to the Loan Agreement, as evidenced by this Note, the Borrower shall pay, or cause to be paid, the principal or applicable redemption price, if any, of and interest on this Note, at such times and in such amounts that will permit the Authority to make timely payments of the principal or applicable redemption price, if any, of and interest on the Bonds.

This Note is entitled to all of the benefits and is subject to all of the provisions of the Loan Agreement and the Loan documents (including, without limitation, the benefits of all collateral security provided therein), which provisions are hereby incorporated herein by reference thereto. Subject to the provisions hereof, the obligations of the Borrower to make, or cause to be made, the payments required hereunder shall be absolute and unconditional without defense or set-off, as more fully set forth in the Loan Agreement.

This Note is subject to mandatory prepayment, in whole or in part, as provided in the Loan Agreement and may be prepaid to the extent the Bonds may be optionally redeemed as provided therein.

If an Event of Default occurs under the Loan Agreement, the principal of this Note may be declared due and payable in the manner and with the effect provided in the Loan Agreement and the other Loan documents.

Whenever payment or provision thereof has been made in respect of the principal of or redemption premium, if any, and interest on the Bonds in accordance with the Indenture, this Note shall be deemed to be paid in full and shall be canceled and returned to the Borrower.

All payments of principal or redemption price, if any, of and interest on this Note shall be made to the Trustee at its principal office in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. All payments shall be in the full amount required hereunder, unless and to the extent the Borrower is entitled to a credit under the Loan Agreement.

All amounts due and payable or to become due and payable under or pursuant to the Bonds, including, without limitation, principal, interest, prepayment premiums, late charges and default interest, shall be deemed to be amounts due and payable under this Note, and shall be due and payable hereunder at the same times, and in the same manner, as set forth in the Bonds.

Payment of the redemption price of the Bonds pursuant to the provisions for redemption in the Indenture shall constitute payment of principal, or any portion thereof, any premium thereon and accrued interest thereon due on this Note. Any payment of principal of or interest on the Bonds pursuant to the Indenture shall constitute a corresponding payment of principal of or interest on this Note.

In case the Trustee or the Authority shall have proceeded to enforce its rights under this Note, the Indenture or the Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or he Authority, then in every case the Borrower and the Trustee or the Authority, as the case may be, shall be restored respectively to their respective positions and rights hereunder, an all right, remedies and powers of the Borrower and the Trustee or the Authority, as the case may be, shall continue as though no such proceedings had been taken.

In case there shall be pending proceedings for the bankruptcy or reorganization of the Borrower under federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Borrower or in the case of any other similar judicial proceedings relating to the Borrower, or to the creditors or property of the Borrower, the Trustee and the Authority shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and provide a claim or claims for the amounts owing and unpaid in respect of this Note, and, in case of any judicial proceedings relative to the Borrower, its creditors, or tis property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee or the Authority, as the case may be, and to pay to the Trustee and the Authority any amount due it for compensation and expenses, including counsel fees incurred by it up to the date of such distribution.

THE UNDERSIGNED AND ALL ENDORSERS, SURETIES AND GUARANTORS HEREOF, JOINTLY, SEVERALLY AND INDIVIDUALLY, WAIVE PRESENTMENT, DEMAND FOR PAYMENT, NOTICE OF DISHONOR, NOTICE OF PROTEST AND ALL OTHER NOTICES AND DEMANDS IN CONNECTION WITH THE DELIVERY, ACCEPTANCE, PAYMENT, PERFORMANCE, DEFAULT, ENDORSEMENT OR GUARANTEE OF THIS NOTE, AND HEREBY AUTHORIZE THE HOLDER, WITHOUT NOTICE, TO GRANT EXTENSIONS IN THE TIME OF PAYMENT HEREOF OR CHANGES IN THE RATE OF INTEREST ON ANY MONEYS OWING ON THIS NOTE.

This Note shall be governed by the laws of the State of New Jersey applicable to contracts made and performed wholly within the State of New Jersey.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed as of the date set forth above.

ATTEST:	MONTCLAIR STATE UNIVERSITY
___________________________	By: ___________________________
Keith Barrack Chief of Staff	Benjamin Durant Chief Operating Officer and Senior Vice President, Finance & Administration

Pay to U.S. Bank Trust Company, National Association, as Trustee, without recourse.

ATTEST:	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
___________________________	By: ___________________________
Ellen L. Yang Assistant Secretary	Steven P. Nelson Deputy Executive Director

EXHIBIT B

2024 PROJECT FACILITIES

Series 1995 F Project

Renovations to Russ Hall, which converted the facility from a classroom and office building into a residence hall. As renovated, Russ Hall provides student housing including amenities such as computer and cable connections.

Series 2002 F Project

Constructing and equipping a new student housing and recreational complex comprised of four new residential buildings and a new building for ancillary recreational activities.

Constructing and equipping a new children's center for early childhood education and learning laboratory for university students.

Constructing and equipping a new student recreation center.

Construction of an approximately 2,000 car parking facility for on campus parking.

Series 2003 E Project

Constructing and equipping of an approximately 500-seat performing arts theater.

Series 2003 L Project

Construction of University Hall, a new multi-story 270,000 sq. ft. academic building. A seven-story tower provides more than 50 high-tech classrooms, teaching laboratories and lecture halls, the University's technology hub, and a conference facility. A four-story C-shaped wing houses administrative office space for the College of Education and Human Services. The academic building has a steel structural frame and an efficient mechanical system; a basement mechanical room serves the first through fourth floors, while a mechanical penthouse serves the fifth through seventh floors.

Series 2006 A Project

Construction of a student recreation center.

Construction of an approximately 2,000 space parking structure.

Construction of an addition to and renovation of Chapin Hall.

Renovation of Finley Hall.

Renovation of Mallory Hall.

Renovation of Panzer Gymnasium.

Series 2014 A Project

Design, construction, equipping and furnishing of a new facility of approximately 143,000 square feet for the University's School of Business, including instructional and research facilities, offices, seminar/conference rooms, library/student (computer) facilities, and related support spaces.

Design, construction, equipping and furnishing of a new facility of approximately 60,000 square feet, along with the redesign, renovation, furnishing and equipping of Morehead Hall, for the University's School of Communications and Media.

Redesign, renovation, equipping and furnishing of College Hall, Partridge Hall and a facility for programs in art and design and filmmaking.

Design, construction, equipping and furnishing of a new environmental and life sciences facility of approximately 107,500 square feet, including instructional and research laboratories, research support and equipment rooms, incubator laboratories, offices, seminar/conference rooms and related support spaces and including demolition of the existing structure.

Replacement and upgrade of wired and wireless electronic assets.

2013 Series A Project*

Renovation of an approximately 20,500 sq. ft. building, commonly known as 225 Liberty Street, used as a student residence hall.

Construction and equipping of an approximately 79,373 sq. ft. four story building, commonly known as Franklin Residence Hall, containing dormitory units for approximately 234 students in the upper three floors and retail and dormitory office uses and parking on the ground floor, including demolition and other associated costs.

2000 Series A Project*

Construction of a new library building on the Bloomfield College campus, (ii) renovation of the existing library facility on the Bloomfield College campus, (iii) renovation of the College Center, (iv) purchase of equipment for the new and existing library facilities and (v) other capital projects.

2005 Residence Halls Project*

Renovation of two residence halls on the Bloomfield College campus.

June 2016 Dormitory Project*

Renovations and/or improvements to certain real property on the Bloomfield College campus associated with the conversion thereof to dormitory space.

* Located at the MSU-Bloomfield campus.

EXHIBIT C

SPECIAL NOTICE EVENTS

1. **Private business use of Bond financed property –** if any portion of the financed projects will be used by anyone* other than a State or local governmental unit or members of the general public who are not using the property in the conduct of a trade or business (e.g., use by a person as an owner, lessee, purchaser of the output of facilities under a "take and pay" or "take or pay" contract, purchaser or licensee of research, a manager or independent contractor under certain management or professional service contracts or any other arrangement that conveys special legal entitlements, including an arrangement that conveys priority rights to the use or capacity of the financed property, for beneficial use of the property financed with proceeds of tax-exempt debt or an arrangement that conveys a special economic benefit). Use of bond financed facilities by the federal government or a 501(c)(3) corporation*, or with respect to solar facilities, or a cell tower by a private entity are considered private business use;

2. **Private loan of Bond proceeds –** if any portion of the proceeds of the Bonds (including any investment earnings) thereon are to be loaned by the University;

3. **Naming rights agreements for Bond financed property –** if any portion of the financed projects will become subject to a naming rights agreement, other than a "brass plaque" dedication;

4. **Research using Bond financed property –** if any portion of the financed projects has been or will be used for the conduct of research under the sponsorship, or for the benefit of, any entity other than a State or local governmental unit, other than a qualified research contract described in Rev. Proc. 2007-47;

5. **Management agreement or service agreement –** if any portion of the financed projects is to be used under a management contract (e.g., food service, bookstore, or parking management) or service contract, other than (i) a contract for services that are solely incidental to the primary function of financed projects, such as janitorial services or office equipment repair, or (ii) a qualified management contract described in Rev. Proc. 2017-13 (Note: a contract that results in the payment of a concession or similar fee to the University is not a qualified contract);

6. **Joint Ventures** – if any portion of the financed projects will be or has been used in any joint venture arrangement with any person other than a State or local governmental unit;

7. **Sinking fund or pledge fund –** if the University, or any organization related to the University, identifies funds which are expected to be used to pay debt service on the Bonds or secure the payment of debt service on the Bonds, other than those funds or accounts described in the bond documents for the Bonds; or

8. **Unexpected Payments or Proceeds –** if the University receives funds related to Bond financed property or the Bonds, including without limitation, charitable gifts, insurance payments and settlements of litigation or other disputes.

9. **Sale or Transfer, Cessation of Use, Demolition, Liens or Leases –** if the University wishes to (i) sell or otherwise transfer ownership of any of the financed projects*, (ii) cease using for a time any of the financed projects, (iii) demolish any of the financed projects, (iv) place or permit the existence of any lien against any of the financed projects, or (v) lease any portion of the financed projects (except to students enrolled in the University, or leases for short periods of time for educational, cultural or public activities).

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* Note: The ownership and use of the 2013 Series A Project, the 2000 Series A Project, the 2005 Residence Halls Project and the June 2016 Dormitory Project, and the conveyance of same to the University (whether prior to or in connection with the Dissolution) shall not constitute Special Notice Events. However, prompt notice of consummation of the Dissolution shall be given pursuant to section 5.8(e) of this Agreement.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

BY AND BETWEEN

MONTCLAIR STATE UNIVERSITY

AND

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
AS DISSEMINATION AGENT

Dated as of April 3, 2024

Entered into with respect to the

New Jersey Educational Facilities Authority
$159,430,000 Revenue Refunding Bonds, Montclair State University Issue,
Series 2024 A

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement"), made and entered into as of April 3, 2024 by and between **MONTCLAIR STATE UNIVERSITY,** a public institution of higher education located in the State of New Jersey (the "Public University"), and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.,** a limited liability company organized and existing under the laws of the State of Florida (the "Dissemination Agent").

W I T N E S S E T H :

WHEREAS, on the date hereof the New Jersey Educational Facilities Authority, a body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter referred to as the "Authority") is issuing its Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A, dated April 3, 2024, in the aggregate principal amount of $159,430,000 (the "Bonds"); and

WHEREAS, the Bonds are being issued pursuant to the Authority's Bond Resolution adopted on February 27, 2024 (the "Resolution"), and a Trust Indenture dated as of April 1, 2024 (the "Trust Indenture") by and between the Authority and U.S. Bank Trust Company, National Association, as Trustee (the "Trustee"); and

WHEREAS, the Public University and the Authority have entered into a Loan Agreement dated as of April 1, 2024 (the "Loan Agreement"), whereby the Authority has loaned the proceeds of the Bonds to the Public University and the Public University has agreed to make loan repayments to the Authority; and

WHEREAS, the Trustee has duly accepted the trusts imposed upon it by the Trust Indenture as Trustee for the Holders (as defined herein) from time to time of the Bonds; and

WHEREAS, the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 15 U.S.C. 77 *et seq.*) (the "Securities Exchange Act"), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (codified at 17 C.F.R. §240.15c2-12) ("Rule 15c2-12") that generally prohibit a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and operating data, notices of the occurrence of certain disclosure events and notices of the failure to make a submission required by a continuing disclosure agreement to various information repositories; and

WHEREAS, the Authority and the Public University have determined that the Public University is an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12 and, in order to enable a "participating underwriter" (as such term is defined in Rule 15c2-12) to purchase the Bonds, is therefore required to cause the delivery of the information described in this Agreement to the municipal securities marketplace for the period of time specified in this Agreement; and

WHEREAS, the SEC has adopted amendments, effective July 1, 2009, to Rule 15c2-12 requiring that the annual financial information and operating data, notices of the occurrence of certain disclosure events and notices of the failure to make a submission required by a continuing disclosure agreement be provided to the Municipal Securities Rulemaking Board (the "MSRB") and not to the various information repositories, and requiring that such information be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB; and

WHEREAS, the SEC has adopted amendments, effective December 1, 2010, to Rule 15c2-12 revising the list of disclosure events and requiring that notices of such disclosure events be provided within ten (10) business days after the occurrence of the event; and

WHEREAS, the SEC has adopted amendments, effective February 27, 2019, to Rule 15c2-12 revising the list of disclosure events to include two (2) additional disclosure events that must be included in any continuing disclosure agreements entered into on or after February 27, 2019, and requiring that notices of such additional disclosure events be provided within ten (10) business days after the occurrence of the event; and

WHEREAS, on March 21, 2024, the Authority and the Public University entered into a Contract of Purchase with Goldman, Sachs & Co. LLC, on behalf of itself and the other underwriters named therein (collectively, the "Underwriter"), for the purchase of the Bonds; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the Public University and the Dissemination Agent, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the Public University and the Dissemination Agent are entering into this Agreement for the benefit of the Holders of the Bonds.

NOW, THEREFORE, for and in consideration of the promises and of the mutual representations, covenants and agreements herein set forth, the Public University and the Dissemination Agent, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1. Terms Defined in Recitals. All capitalized terms in the preambles hereof shall have the meanings set forth therein for all purposes of this Agreement.

Section 1.2. Additional Definitions. The following additional terms shall have the meanings specified below:

"Annual Report" means Financial Statements and Operating Data provided at least annually.

"Bondholder" or "Holder" or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any Outstanding Bond, including holders of beneficial interests in the Bonds.

"Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, the State or in the city or cities in which the designated corporate trust office of the Dissemination Agent is located are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

"Disclosure Event" means any event described in subsection 2.1(d) of this Agreement.

"Disclosure Event Notice" means the notice to the MSRB, as provided in subsection 2.1(d).

"Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Dissemination Agent under this Agreement, or any successor Dissemination Agent designated in writing by the Public University and which has filed a written acceptance of such designation.

"Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee or Dissemination Agent, or another method or system specified by the Trustee or Dissemination Agent, as available for use in connection with its services hereunder.

"EMMA" means the MSRB's Electronic Municipal Markets Access System, or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and certain other information.

"Final Official Statement" means the final Official Statement of the Authority dated March 21, 2024 pertaining to the Bonds.

"Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"Financial Statements" means the basic financial statements of the Public University (including its component units, if any) for each Fiscal Year and includes statements of net assets, statements of revenues, expenses, and changes in net assets and statements of cash flows or statements which convey similar information. The Annual Report shall contain audited Financial Statements, if audited Financial Statements are then available. If audited Financial Statements are not available at the time the Annual Report is filed, then the Annual Report shall contain unaudited Financial Statements, and audited Financial Statements shall thereafter be provided as required by Section 2.1(c) hereof.

"Fiscal Year" means the fiscal year of the Public University. As of the date of this Agreement, the Fiscal Year of the Public University begins on July 1 of each calendar year and closes on June 30 of the next succeeding calendar year.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America, consistently applied.

"GAAS" means generally accepted auditing standards as in effect from time to time in the United States of America, consistently applied.

"Operating Data" means the financial and statistical information of the Public University of the type included in Appendix A to the Final Official Statement under the headings "FACULTY, ENROLLMENT AND STUDENT DATA – Faculty Data" and " – Enrollment Data" (tables entitled "Undergraduate Enrollment", "Graduate Enrollment", "Degrees Conferred" and "Admissions Data for First-Time Freshmen" only), "TUITION, FEES AND CHARGES" (table entitled "Montclair State University Tuition, Fees and Charges" only), "STUDENT FINANCIAL AID" (table entitled "Financial Aid" only), "BUDGETING PROCEDURES OF MONTCLAIR STATE UNIVERSITY AND STATE APPROPRIATIONS – Legislative Appropriations" (second paragraph and table only), "CERTAIN FINANCIAL INFORMATION" (tables entitled "Statement of Revenues, Expenses and Changes in Net Position as of June 30" and "Statement of Net Position as of June 30" only), "CERTAIN FINANCIAL INFORMATION – Foundation" (tables entitled "Foundation Investment Portrfolio Market Value as of June 30" and "Foundation Annual Support to MSU for fiscal years ending June 30" only), and "CERTAIN FINANCIAL INFORMATION – Outstanding Indebtedness" (first paragraph only).

"Opinion of Counsel" means a written opinion of counsel who is an expert in federal securities law and acceptable to the Public University.

"State" means the State of New Jersey.

Section 1.3. Capitalized Terms Not Defined Herein. Capitalized terms not defined herein shall have the meanings assigned to them in Section 1.01 of the Trust Indenture or Article I of the Loan Agreement, as the case may be.

Section 1.4. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing Persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Agreement, refer to this Agreement as a whole unless otherwise expressly stated.

As the context shall require, all words importing the singular number shall include the plural number; the disjunctive term "or" shall be interpreted conjunctively as required to insure that the Public University performs any obligations, mentioned in the passage in which such term appears.

The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Continuing Disclosure Covenants of Public University. The Public University agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than March 31st following the end of each Fiscal Year, commencing with the Fiscal Year of the Public University ending June 30, 2024, an Annual Report to the MSRB through EMMA, to the Trustee and to the Authority. If the Fiscal Year of the Public University should change, then the Annual Report shall be due not later than the last day of the ninth (9th) month after the end of each Fiscal Year;

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a) as the date by which the Annual Report must be provided to the MSRB, a copy of the Annual Report to the Dissemination Agent;

(c) If not submitted as part of the Annual Report, then when and if available, to the MSRB through EMMA, to the Trustee and to the Authority, audited Financial Statements for the Public University;

(d) In a timely manner not in excess of ten (10) Business Days after the occurrence of the Disclosure Event (as defined herein), to the MSRB through EMMA, to the Trustee and to the

Authority, notice of any of the following events with respect to the Bonds (each, a "Disclosure Event"):

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances of the Bonds;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes relating to the Bonds;

(xii) Bankruptcy, insolvency, receivership or similar events of the Public University, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Public University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Public University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Public University;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Public University or the sale of all or substantially all of the assets of the Public University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee for the Bonds, or the change of name of a trustee for the Bonds, if material;

(xv) Incurrence of a Financial Obligation of the Public University, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect Holders of the Bonds, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Public University, if any such event reflects financial difficulties.

(e) In a timely manner, to the MSRB through EMMA, to the Trustee and to the Authority, notice of a failure by the Public University to provide the Annual Report within the period described in subsection 2.1(a) hereof.

Section 2.2. Continuing Disclosure Representations. The Public University represents and warrants that:

(a) Financial Statements shall be prepared according to GAAP.

(b) Any Financial Statements that are audited shall be audited by an independent certified public accountant in accordance with GAAS.

Section 2.3. Form of Annual Report. (a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items which must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the Public University or related public entities which are available to the public on the MSRB's Internet Web site or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB through EMMA. The Public University shall clearly identify each such other document so incorporated by reference.

(c) The Annual Report for any Fiscal Year containing any modified Operating Data or financial information (as contemplated by Sections 4.9 and 4.10 hereof) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such Fiscal Year.

Section 2.4. Documents to be Provided in Electronic Format and Accompanied by Identifying Information. The Public University agrees that each Annual Report, each Disclosure Event Notice and each notice pursuant to subsections 2.1(a), 2.1(c), 2.1(d) and 2.1(e) hereof shall be provided to the MSRB in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.5. Responsibilities, Duties, Immunities and Liabilities of the Dissemination Agent.

(a) If the Public University has determined it necessary to report the occurrence of a Disclosure Event, the Public University or Dissemination Agent (if the Dissemination Agent has received notice from the Public University of a Disclosure Event) shall in a timely manner not in excess of ten business days after the occurrence of the event, file a Disclosure Event Notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. The obligations of the Public University or the Dissemination Agent to provide the notices to the MSRB under this Agreement are in addition to, and not in substitution of, any of the obligations of the Trustee to provide notices of events of default to Holders under Section 7.01 of the Trust Indenture. The Public University or the Dissemination Agent shall file a copy of each Disclosure Event Notice with the Authority and the Trustee (if the Dissemination Agent is not the Trustee), for informational purposes only.

(b) If an Annual Report is received by it, the Dissemination Agent shall file a written report with the Public University, with a copy to the Authority, certifying that the Annual Report has been provided to the MSRB pursuant to this Agreement, stating the date it was provided to the MSRB.

(c) The Dissemination Agent (i) shall have no duty to review any Financial Statements or Annual Reports, (ii) is not considered to have notice of (A) the content of such Financial Statements or Annual Reports or (B) a default or Event of Default based on the content of such Financial Statements or Annual Reports, (iii) shall have no duty to verify the accuracy of such Financial Statements or Annual Reports and (iv) so long as the Trustee is not the Dissemination Agent, the Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the Bonds or any other party.

(d) In the event the Trustee shall serve as Dissemination Agent under this Agreement, then Article VIII of the Indenture, as it relates to the Trustee, is hereby made applicable to the responsibilities, duties, immunities and liabilities of the Trustee, in its capacity as Dissemination Agent, under this Agreement.

Section 2.6. Appointment, Removal and Resignation of Dissemination Agent.

(a) The Public University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, and appoint a successor Dissemination Agent, with written notice to the Authority, such discharge to be effective on the date of the appointment of a successor Dissemination Agent. The Public University hereby appoints Digital Assurance Certification, L.L.C. as Dissemination Agent and Digital Assurance Certification, L.L.C. hereby accepts such appointment.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and, to the extent permitted by law, the Public University agrees to indemnify and hold the Dissemination Agent and its officers, directors, employees and agents harmless against any loss, expense or liability it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liability due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Public University under this Section 2.6(b) shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Public University and the Authority. Such resignation shall take effect on the date specified in such notice.

ARTICLE 3

DEFAULTS AND REMEDIES

Section 3.1. Disclosure Default. The occurrence and continuation of a failure by the Public University to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Agreement and such failure shall remain uncured for a period of thirty (30) days after written notice thereof has been given to the Public University by the Trustee or any Bondholder shall constitute a disclosure default hereunder.

Section 3.2 Remedies on Default.

(a) The Trustee may (and shall, at the request of the Underwriter or the Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, and after provision of indemnity satisfactory to it), or any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may, take whatever action at law or in equity against the Public University and any of the officers, agents and employees of the Public University which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Public University under this Agreement and may compel the Public University or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties under this Agreement; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case the Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the Public University, the Trustee and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Public University, the Trustee and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Agreement shall not be deemed an event of default under either the Trust Indenture or the Loan Agreement, and the sole remedy under this Agreement in the event of any failure by the Public University to comply with this Agreement shall be as set forth in subsection 3.2(a) of this Agreement.

ARTICLE 4

MISCELLANEOUS

Section 4.1. Purposes of this Agreement. This Agreement is being executed and delivered by the Public University and the Dissemination Agent for the benefit of the Bondholders and in order to assist the Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. Third-Party Beneficiaries; Authority and Bondholders.

(a) The Authority is hereby recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder in favor of the Trustee or the Holders of the Bonds.

(b) Each Bondholder is hereby recognized as being a third-party beneficiary hereunder and each may enforce, for the equal benefit and protection of all Bondholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Trustee.

Section 4.3 No Recourse to Authority; Indemnified Parties. No recourse shall be had for the performance of any obligation, agreement or covenant of the Public University or the Dissemination Agent under this Agreement against the Authority or against any member, official, officer, employee, counsel, consultant and agent of the Authority or any person executing the Bonds.

To the extent permitted by law, the Public University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant and agent of the Authority (collectively called the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the Public University's failure to perform or observe any of its obligations, agreements or covenants under the terms of this Agreement but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such failure of the Public University to perform. In case any action shall be brought against the Indemnified Parties based upon this Agreement and in respect of which indemnity may be sought against the Public University, the Indemnified Parties shall promptly notify the Public University in writing; provided, however, that the failure on the part of the Indemnified Party to give such notification shall not relieve the Public University from its obligation under this Section 4.3. Upon receipt of such notification, the Public University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action, including any expenses incurred prior to such notification, and the right to negotiate and settle any such action on behalf of such party. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless the employment of such counsel has been specifically authorized by the Public University, or unless by reason of conflict of interest determined by the written opinion of counsel to any such Indemnified Party, in which case the fees and expenses of such separate counsel shall be borne by the Public University. The Public University shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the Public University or if there be a final judgment for the plaintiff in any such action with or without written consent, the Public University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this paragraph shall require or obligate the Public University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any negligence, recklessness or intentional misconduct of the Indemnified Parties in connection with the Public University's performance of its obligations, agreements and covenants under this Agreement; and further provided, with respect to the Dissemination Agent, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.* and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*

Section 4.4. Additional Information. Nothing in this Agreement shall be deemed to prevent the Public University from (a) disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Agreement. If the Public University chooses to include any information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Agreement, the Public University shall have no obligation under this Agreement to update such information or include it in any future Annual Report or any future Disclosure Event Notice. The Public University shall reimburse the Dissemination Agent for any expenses incurred by the Dissemination Agent in providing such additional information pursuant to this Section 4.4.

Section 4.5. Notices. All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by Electronic Means, in the case of the Trustee or Dissemination Agent) to, in the case of the Public University, addressed to it at the office of the Vice President for Finance and Treasurer, Montlcair State University, 1 Normal Avenue, Montclair, New Jersey 07043 (facsimile (973) 655-7643); in the case of the Dissemination Agent, addressed to it at its office at Digital Assurance Certification, L.L.C., 315 East Robinson Street, Suite 300, Orlando, Florida 32801 (facsimile (407) 515-6513); in the case of the Trustee, addressed to it at its designated corporate trust office at U.S. Bank Trust Company, National Association, 333 Thornall Street, 4th Floor, Edison, New Jersey 08837 (facsimile (732) 321-3982); and in the case of the Authority, addressed to it at its offices at 103 College Road East, Princeton, New Jersey 08540-6612 (facsimile (609) 987-0850) or such other address as the Authority may direct upon notice given to the parties named in this Section.

Section 4.6. Assignments. This Agreement may not be assigned by either party without the written consent of the other and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 4.7. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.8. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.9. Amendments, Changes and Modifications.

(a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Trust Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Dissemination Agent (with written notice to the Authority).

(b) Without the consent of any Bondholders, the Public University and the Dissemination Agent at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

(i) to add to covenants and agreements of the Public University hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Public University by this Agreement;

(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Public University or to reflect changes in the identity, nature or status of the Public University or in the business, structure or operations of the Public University or any mergers, consolidations, acquisitions or dispositions made by or affecting the Public University; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Agreement which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification; *provided, however,* that prior to approving any such amendment or modification, the Public University determines that such amendment or modification does not adversely affect the interests of the Holders of the Bonds in any material respect.

(c) Upon entering into any amendment or modification required or permitted by this Agreement, the Public University shall provide, or cause the Dissemination Agent to provide, to the MSRB through EMMA, written notice of any such amendment or modification.

(d) The Public University and the Dissemination Agent shall be entitled to rely exclusively upon an Opinion of Counsel to the effect that such amendments or modifications comply with the conditions and provisions of this Section.

Section 4.10. Amendments Required by Rule 15c2-12. The Public University and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable the Underwriter to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by the Underwriter of an Opinion of Counsel to the effect that such amendments shall be permitted or necessary to assure continued compliance by the Underwriter with Rule 15c2-12 as so amended or interpreted, then the Public University and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment to this Agreement to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.9(c) hereof.

Section 4.11. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State. The parties agree that the Public University may be sued, pursuant to Section 3.2 hereof, only in a State court in the County of Mercer in the State.

Section 4.12. Termination of Public University's Continuing Disclosure Obligations. The continuing obligation of the Public University under Section 2.1 hereof to provide the

Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section shall terminate if and when either (a) the Bonds are no longer Outstanding in accordance with the terms of the Trust Indenture or (b) the Public University no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10)) with respect to the Bonds and, in either event, only after the Public University provides, or causes the Dissemination Agent to provide, to the MSRB through EMMA written notice to such effect. This Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.13. Compliance with P.L. 2005, c. 271 Reporting Requirements. The Dissemination Agent hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to *N.J.S.A.* 19:44A-20.13 (P.L. 2005, c. 271, section 3) if the Dissemination Agent enters into agreements or contracts, such as this Agreement, with a New Jersey public entity, and receives compensation or fees in excess of $50,000 or more in the aggregate from New Jersey public entities, in a calendar year. It is the Dissemination Agent's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Section 4.14. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Public University and the Dissemination Agent and their respective successors and assigns.

Section 4.15. Prior Undertakings. Except as otherwise described in the Final Official Statement, the Public University has not failed during the previous five (5) years to comply in any material respect with any prior continuing disclosure undertaking made by it in accordance with Rule 15c2-12.

Section 4.16. Covenant. In accordance with P.L. 2005, c. 92, the Dissemination Agent covenants and agrees that all services performed under this Agreement shall be performed within the United States of America.

Section 4.17. Headings for Convenience Only. The descriptive headings in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

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IN WITNESS WHEREOF, MONTCLAIR STATE UNIVERSITY and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.** have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

MONTCLAIR STATE UNIVERSITY

By:______________________________________
Name: Benjamin Durant
Title: Chief Operating Officer and Senior Vice President, Finance & Administration

DIGITAL ASSURANCE CERTIFICATION, L.L.C., AS DISSEMINATION AGENT

By:______________________________________
Name:
Title:

Signature Page to CDA

APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

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An opinion in the following form shall be delivered at closing assuming no change in facts or law.

April __, 2024

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540

Re: New Jersey Educational Facilities Authority
$159,430,000 Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof by the New Jersey Educational Facilities Authority (the "Authority") of its Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A in the aggregate principal amount of $159,430,000 (the "Bonds"). The Bonds are issued under and pursuant to the provisions of the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the "Act"), a resolution entitled "Resolution Authorizing the Issuance of New Jersey Educational Facilities Authority Revenue Refunding Bonds, Montclair State University Issue, Series 2024 A", adopted by the Authority on February 27, 2024 (the "Bond Resolution"), and a Trust Indenture dated as of April 1, 2024 (the "Indenture") by and between the Authority and U.S. Bank Trust Company, National Association, as Trustee (the "Trustee").

Capitalized terms used in this opinion and not otherwise defined herein shall have the same meanings as are set forth in the Bond Resolution and the Indenture.

The Bonds will be initially issued in book-entry form only in the form of one certificate for each maturity of the Bonds, registered in the name of and held by Cede & Co. as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. The Bonds are dated the date of delivery and are issuable in the denominations set forth in the Indenture. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Trustee directly to Cede & Co., as nominee for DTC. Disbursement of such payments to the DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants.

The Bonds mature on the dates and in the amounts, bear interest at the rates and are subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture.

The Bonds are issued for the purpose of providing funds to: (i) pay the cost of refunding all of the principal, sinking fund installment and/or interest requirements in respect of the

Authority's outstanding Revenue Bonds, Montclair State University Issue, Series 2014 A maturing on and after July 1, 2025 (collectively, the "Series 2014 A Bonds to be Refunded"), (ii) pay the cost of refunding of all of the principal, sinking fund installment and interest requirements in respect of the Authority's outstanding Revenue Bonds, Bloomfield College and Seminary Issue, 2013 Series A (the "2013 Series A Bonds"), (iii) pay the cost of refunding of all of the outstanding principal balances of two outstanding bank loans (collectively, the "2016 Bank Loans") and (iv) pay certain costs incidental to the issuance, sale and delivery of the Bonds (such purposes are collectively the "Refunding Project").

A portion of the facilities refinanced by the proceeds of the Bonds will initially be owned and used by Bloomfield College of Montclair State University, Inc. (formerly known as Montclair-Bloomfield Merger Sub, Inc.) ("MSU-Bloomfield"), a nonprofit corporation of which the Public University is the sole member, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Public University has represented that it intends to legally dissolve MSU-Bloomfield upon satisfaction of certain regulatory approvals and other conditions (the "Dissolution"), whereupon the assets of MSU-Bloomfield, including a portion of the capital projects refinanced by the proceeds of the Bonds, will become the property of the Public University. The Public University has further represented that it expects the Dissolution to be consummated by no later than June 30, 2024.

Pursuant to a Loan Agreement dated as of April 1, 2024 (the "Agreement") by and between the Authority and the Public University, the Authority has loaned the proceeds of the Bonds to the Public University and the Public University has agreed to make certain loan repayments to the Authority, as evidenced by a note of the Public University of even date herewith (the "Note").

The Bonds are special and limited obligations of the Authority payable from and secured solely by the Pledged Property (as defined in the Indenture), which includes the Revenues (as defined in the Indenture) and the monies and earnings held in certain funds and accounts under the Indenture. Revenues include all Basic Loan Payments required to be made by the Public University under the Loan Agreement.

In connection with the issuance of the Bonds, the Authority has executed and delivered an Escrow Deposit Agreement dated the date of issuance of the Bonds (the "Escrow Deposit Agreement") with The Bank of New York Mellon, as Escrow Agent for the Series 2014 A Bonds to be Refunded (the "Escrow Agent"). Pursuant to the Escrow Deposit Agreement, a portion of the proceeds of the Bonds will be invested in certain Defeasance Securities (as defined in the Escrow Deposit Agreement) which are not subject to redemption prior to their maturity, the maturing principal of which and interest thereon, together with the uninvested cash, shall be used to make payments of the principal of and interest on Series 2014 A Bonds to be Refunded, if any, until July 1, 2024 (the "Redemption Date") and to pay the redemption price of the Series 2014 A Bonds to be Refunded on the Redemption Date. Causey Demgen & Moore P.C., Denver, Colorado, has, based on certain information provided to it by the underwriter for the Bonds, verified the mathematical computation of the adequacy of the cash deposited to the separate accounts held under the Escrow Deposit Agreement to make the payments described in this paragraph and the yield of both the Bonds and the investments in said funds and accounts purchased with proceeds of the Bonds. We have relied upon the verification of the sufficiency of the amounts to be held by the Escrow Agent in said accounts in concluding that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code. The 2013 Series A Bonds and the 2016 Bank Loans will be paid and retired on the date of issuance of the Bonds.

The Code imposes certain requirements which may have to be met or must be met on a continuing basis subsequent to the issuance of the Bonds in order for interest on the Bonds to be excluded from gross income for Federal income tax purposes under Section 103 of the Code. The Authority, the Public University and MSU-Bloomfield have covenanted to comply with the provisions of the Code applicable to the Bonds and have covenanted not to take any action or fail to take any action which would cause the interest on the Bonds to no longer be excludable from gross income for Federal income tax purposes under Section 103 of the Code. We have assumed continuing compliance by the Authority, the Public University and MSU-Bloomfield, with the above covenants in rendering our opinions with respect to the exclusion of interest on the Bonds from gross income for Federal income tax purposes and with respect to interest on the Bonds not constituting an item of tax preference.

The Authority, the Public University and MSU-Bloomfield have covenanted that they will comply with the requirements of Sections 141 and 148 of the Code pertaining to the private business use and arbitrage requirements. In addition, the Authority, by an Authorized Officer of the Authority responsible for issuing the Bonds, and an Authorized Officer of each of the Public University and MSU-Bloomfield have each executed a certificate stating the reasonable expectations of the Authority, the Public University and MSU-Bloomfield on the date of issue of the Bonds as to future events that are material for the purposes of such requirements of the Code. The Authority has also delivered to us for filing with the Internal Revenue Service a report or reports of the issuance of the Bonds as required by the Code as a condition of the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined a certified copy of the Bond Resolution, an executed copy of the Indenture, an executed copy of the Agreement and such matters of law, other agreements, proceedings, certificates, records, approvals, resolutions, documents and legal opinions as to various matters as we have deemed necessary or appropriate. We have also examined the executed and authenticated Bonds. As to matters of fact, we have assumed and relied upon the genuineness, accuracy and completeness of all the documents and other instruments which we have examined.

Based on the foregoing, we are of the opinion that:

1. The Authority is a body corporate and politic, duly created and validly existing under the laws of the State of New Jersey, with full power and authority under the Act to undertake the financing of the Refunding Project, to adopt or execute, as appropriate, and deliver

and perform its obligations under the Bond Resolution, the Indenture and the Agreement and to issue and sell the Bonds.

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 and no other authorization is required. The Indenture has been duly authorized by the Authority pursuant to law, has been properly executed by the Authority and, assuming the due authorization and proper execution by the Trustee, constitutes a valid and legally binding agreement of the Authority enforceable against the Authority in accordance with its terms. 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. The Bonds are payable from and secured by a valid and enforceable pledge of and lien on the Pledged Property, all as more particularly provided in the Indenture.

3. Each of the Agreement and the Note has been duly authorized pursuant to law and has been properly executed by the party or parties thereto. The Agreement constitutes a valid and legally binding agreement between the Authority and the Public University enforceable in accordance with its terms. The obligations of the Public University under the Agreement and the Note are general obligations, payable from any legally available funds of the Public University.

4. The sale and issuance of the Bonds have been duly authorized by the Authority. The Bonds have been duly executed and delivered by the Authority and are legal, valid and binding special and limited obligations of the Authority enforceable in accordance with their terms and entitled to the benefit and security of the Act, the Bond Resolution and the Indenture.

5. The Bonds are special and limited obligations of the Authority payable solely from the Pledged Property.

6. Assuming continuing compliance by the Authority, the Public University and MSU-Bloomfield with certain provisions of the Code applicable to the Bonds, and subject to certain provisions of the Code, under laws, regulations, rulings and judicial decisions existing on the date of original delivery of the Bonds, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In addition, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed by the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding any other federal income tax consequences arising with respect to the Bonds.

7. Under the laws of the State of New Jersey, as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and any gain from the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

We express no opinion herein with respect to the adequacy of the security for the Bonds or the sources of payment for the Bonds or with respect to the accuracy or completeness of any offering documents or other information pertaining to the offering for sale of the Bonds.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights, and by equitable principles, and the phrases "enforceable in accordance with its terms", "enforceable in accordance with their terms" and "enforceable against the Authority in accordance with its terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

We call to your attention the fact that the Bonds are special and limited obligations of the Authority payable only out of the Pledged Property, and that neither the Bonds, the Bond Resolution nor the Indenture pledge the credit or taxing power of the State of New Jersey or any political subdivision thereof. The Authority has no taxing power.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the United States of America as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the Authority with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

Very truly yours,
DILWORTH PAXSON LLP

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APPENDIX F

SUMMARY OF SERIES 2014 A BONDS TO BE REFUNDED

Maturity Date	Outstanding Par Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP No. *
7/01/2025	$4,790,000	5.000%	7/01/2024	100%	646066BA7
7/01/2026	4,695,000	5.000	7/01/2024	100	646066BB5
7/01/2027	5,035,000	5.000	7/01/2024	100	646066BC3
7/01/2028	2,075,000	5.000	7/01/2024	100	646066BD1
7/01/2029	2,175,000	5.000	7/01/2024	100	646066BE9
7/01/2030	2,285,000	5.000	7/01/2024	100	646066BF6
7/01/2031	1,000,000	3.750	7/01/2024	100	646066BG4
7/01/2032	2,535,000	5.000	7/01/2024	100	646066BH2
7/01/2033	3,365,000	5.000	7/01/2024	100	646066BJ8
7/01/2034	4,530,000	5.000	7/01/2024	100	646066BK5
7/01/2039	50,405,000	5.000	7/01/2024	100	646066BM1
7/01/2044	64,325,000	5.000	7/01/2024	100	646066BL3

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APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

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