



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540  
PHONE 609-987-0880 • FAX 609-987-0850 • www.njefa.com

**MINUTES OF THE MEETING OF THE  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY  
ON TUESDAY, SEPTEMBER 22, 2015**

The meeting was called to order at 9:06 a.m. by Chairman Jacobs. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 10, 2015, to The Star Ledger, The Times and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

**AUTHORITY MEMBERS PRESENT:**

Roger B. Jacobs, Esq., Chair (via phone)  
Rochelle Hendricks, Secretary of Higher Education, Vice Chair (represented by Gregg Edwards (via phone)  
Joshua Hodes, Treasurer (via phone)  
Ridgeley Hutchinson (via phone)  
Louis Rodriguez (via phone)  
Katherine Ungar (via phone)  
Robert Romano, Acting State Treasurer (represented by Steven Petrecca) (via phone)

**AUTHORITY MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Sheryl A. Stitt, Acting Executive Director  
Katherine A. Newell, Director of Risk Management  
Marie P. Mueller, Controller  
Steven Nelson, Project Manager  
Jamie O'Donnell, Project and Communications Specialist  
Debra Paterson, Senior Risk Manager  
Jacqueline McFadyen, Associate Project Manager  
Lisa Walker, Accountant  
Sheila Toles, Exec. Assistant/Human Resources Manager

## ALSO PRESENT:

Amy Herbold, Esq., Governor's Authorities Unit (via phone)  
Clifford Rones, Esq., Deputy Attorney General

## ITEMS OF DISCUSSION

### 1. Executive Director's Report

Ms. Stitt reported that August had been a very busy month that culminated in the pricing and closing of three public college transactions. She advised that Mr. Nelson would provide more detail in the report on pending projects.

Ms. Stitt reported that the State auditors had completed their field work at the Authority and had presented a confidential draft report that she hoped to make available to the Members in a few weeks. She reported that the Authority will have an opportunity to respond before the anticipated October 7, 2015 publication date.

### 2. Report on Pending Projects

Mr. Nelson reported that there are several projects for which various colleges and universities have requested Authority financing. Mr. Nelson briefly described the projects and reported that the projects are under review and at various stages of development.

A summary of the projects to be financed, together with estimated financing amounts and proposed sale dates, is appended as Exhibit I.

Mr. Nelson also reported on financings that have closed since the Authority's July meeting.

### 3. Resolution Authorizing Interest Rate Conversion and Remarketing of NJEFA Variable Rate Revenue Bonds, Institute for Defense Analyses Issue, 2000 Series D, In the Outstanding Principal Amount of \$11,070,000

Ms. Stitt gave a brief overview of the Institute for Defense Analyses (IDA). She explained that the Institute is a not-for-profit entity that operates three federally funded research and development centers. Ms. Stitt reported that IDA has a Systems and Analysis Center, a Science and Technology Policy Institute and a Center for Communications in Computing; the latter has research facilities located in Princeton. She advised that IDA is fully funded by the United States Government and provides numerous opportunities for service cadets in military academies as well as faculty at Universities throughout the Country.

Ms. Newell reported that the transaction is a remarketing and that IDA has five other bond issues with issuers in other States that are similar and that IDA has decided to convert the interest rate as permitted in their bond documents. The bonds are to be sold directly to Branch Banking & Trust company (BB&T) in a remarketing. She reported that IDA has decided to accept BB&T's proposal to buy the bonds with a ten-year term and a variable rate based ten-year term option pursuant to a predetermined formula. Ms. Newell explained that IDA is a 501(c)(3) organization and is treated as a private college under the Authority's statutes.

Ms. Newell invited Ruth Greenstein, Vice President for Finance and Administration at the Institute for Defense Analyses to comment. Ms. Greenstein explained some of the advantages of the remarketing.

Chuck Toto, Esq. of Hawkins, Delafield & Wood, bond counsel, described the resolution for the Members' consideration.

Mr. Hutchinson asked if IDA was considered an eligible institution for higher education for students in New Jersey. Mr. Toto explained that bond counsel concluded IDA was eligible when the bonds were originally issued in 2000 and that bond counsel is confident in their conclusion that IDA fits within the Authority's statute.

Mr. Ronces advised that the Authority had previously received an opinion from the Attorney General's Office as to this issue and Mr. Jacobs requested copies be distributed to the Members following the meeting.

Mr. Hodes joined the meeting during the discussion of the IDA transaction.

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

RESOLUTION AUTHORIZING THE INTEREST RATE CONVERSION  
AND REMARKETING OF AND DOCUMENT AMENDMENTS FOR:  
\$11,070,000 OUTSTANDING AGGREGATE PRINCIPAL AMOUNT  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY VARIABLE  
RATE REVENUE BONDS, INSTITUTE FOR DEFENSE ANALYSES  
ISSUE, 2000 SERIES D

The motion was seconded by Mr. Edwards and passed. The motion passed by a vote of 6 to 1.

The term sheet and adopted resolution are appended as Exhibit II.

4. **Resolution Authorizing a Change in the Project Scope for the Authority's Revenue Bonds, New Jersey City University Issue, Series 2015 A**

Ms. Newell reported that earlier this year, the Authority issued bonds to finance renovations and improvements to New Jersey City University's (NJCU's) science building; Margaret Williams Theatre; athletic and fitness center; school of business; and the construction of Stegman Boulevard. She reported that NJCU has experienced

increased costs for the science building, school of business and Stegman Boulevard and has certain other campus projects that have assumed priority. She reported that since the Theatre renovation had not yet begun, NJCU has asked the Authority to approve use of the allocated \$2.8 million cost of the Theatre renovation on the increased costs for the other approved 2015 projects and for facilities for NJCU's nursing center and public safety department. Ms. Newell advised that the resolution approves the changes and authorizes Authority Officers to take all necessary actions to implement the changes.

Aaron Aska, Vice President of Administration and Finance at New Jersey City University commented on the various projects.

John Cavaliere of McManimon, Scotland & Baumann, LLC, bond counsel, described the resolution for the Members' consideration.

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

RESOLUTION AUTHORIZING A CHANGE IN THE SCOPE OF THE  
PROJECT FOR THE AUTHORITY'S REVENUE BONDS, NEW JERSEY  
CITY UNIVERSITY ISSUE, SERIES 2015 A

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

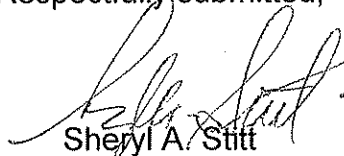
The adopted resolution is appended as Exhibit III.

**5. Next Meeting Date**

Mr. Jacobs gave closing remarks and reminded everyone that the next meeting would be on Tuesday, October 27, 2015 at 9:00 a.m. at the Authority offices. He then requested a motion to adjourn.

Mr. Hodes moved that the meeting be adjourned at 9:32 a.m.; the motion was seconded by Ms. Ungar and passed unanimously.

Respectfully submitted,

  
Sheryl A. Stitt  
Acting Secretary

# New Jersey Educational Facilities Authority

## Report on Pending Projects

### September 22, 2015

Institution	Project	Transaction Type	Expected Size	Expected PV Savings	Expected Closing
<u>Public Institutions</u>					
None	N/A	N/A	N/A	N/A	N/A
<u>Private Institutions</u>					
Stevens Institute of Technology	Various capital projects and current refund 1998 I Bonds	Negotiated	\$75 million	<\$1 million	1Q16

# New Jersey Educational Facilities Authority

## Report on Closed Projects

### September 22, 2015

Institution	Project	Transaction Type	Size	PV Savings	Closed
<u>Public Institutions</u>					
New Jersey City University	Science building renovation and addition, School of Business capital fit-out, construction of Stegman Boulevard and HVAC improvements to Fitness Center	Negotiated	\$34,340 million	N/A	January 26, 2015
Ramapo College of New Jersey	Refund 2006 D Bonds and \$15 million in New Money for improvements to housing/student center	Negotiated	\$45,180 million	\$1,297 million	May 19, 2015
Stockton University	Refund 2005 F Bonds	Direct Bank Purchase	\$18,831 million	\$2,038 million	June 12, 2015
Montclair State University	Refund 2003 E and 2006 A Bonds	Negotiated	\$73,770 million	\$6,705 million	July 1, 2015
William Paterson University	Refund 2003 E and 2008 C Bonds and \$20 million in New Money for renovation of two academic buildings	Negotiated	\$45,695 million	\$2,200 million	August 18, 2015
Kean University	Refund 1998 B, 2005 B and 2007 D Bonds	Negotiated	\$117,175 million	\$5,800 million	August 27, 2015
The College of New Jersey	Refund 2008 D Bonds	Negotiated	\$114,525 million	\$3,800 million	September 17, 2015
			<b>Total Public:</b>	<b>\$449,516 million</b>	<b>\$21,840 million</b>
<u>Private Institutions</u>					
Fairleigh Dickinson University	Refund 2004 C Bonds	Direct Bank Purchase	\$19,675 million	\$2,339 million	April 13, 2015
Princeton University	Refund 2005 A and 2005 B Bonds	Negotiated	\$156,790 million	\$34,125 million	May 15, 2015
Princeton University	Various capital projects	Competitive	\$150,000 million	N/A	May 15, 2015
Seton Hall University	Refund 2008 E Bonds	Negotiated	\$22,205 million	\$1,329 million	July 14, 2015
			<b>Total Private:</b>	<b>\$348,670 million</b>	<b>\$37,793 million</b>
			<b>Total Par:</b>	<b>\$798,186 million</b>	<b>\$59,633 million</b>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

---

**RESOLUTION**

---

**AUTHORIZING THE INTEREST RATE  
CONVERSION AND REMARKETING OF  
AND DOCUMENT AMENDMENTS FOR:**

**\$11,070,000  
OUTSTANDING AGGREGATE PRINCIPAL AMOUNT  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
VARIABLE RATE REVENUE BONDS,  
INSTITUTE FOR DEFENSE ANALYSES ISSUE,  
2000 SERIES D**

**Adopted September 22, 2015**

**RESOLUTION AUTHORIZING THE INTEREST RATE  
CONVERSION AND REMARKETING OF  
AND DOCUMENT AMENDMENTS FOR:  
\$11,070,000  
OUTSTANDING AGGREGATE PRINCIPAL AMOUNT  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
VARIABLE RATE REVENUE BONDS,  
INSTITUTE FOR DEFENSE ANALYSES ISSUE,  
2000 SERIES D**

**WHEREAS**, the New Jersey Educational Facilities Authority (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) (the "Act"); and

**WHEREAS**, the Authority did heretofore adopt and approve a resolution on July 20, 2000 (the "Series 2000 Resolution") authorizing and providing for the issuance of not to exceed \$20,000,000 New Jersey Educational Facilities Authority Variable Rate Revenue Bonds, Institute for Defense Analyses Issue, 2000 Series D (the "Bonds"); and

**WHEREAS**, the Bonds were issued on November 16, 2000 in an aggregate principal amount of \$16,695,000 for the purpose of, among other things, the acquisition of land and the constructing and equipping of a new research facility in Princeton, New Jersey for Institute for Defense Analyses (the "Borrower" or "IDA"), funding a debt service reserve fund and paying costs of credit enhancement and of issuing the Bonds (the "Original Project"); and

**WHEREAS**, the proceeds of the Bonds were loaned by the Authority to the Borrower pursuant to the Loan Agreement dated as of November 1, 2000, by and between the Authority and the Borrower (the "Original Loan Agreement"); and

**WHEREAS**, effective June 26, 2008, the then existing liquidity facility of Branch Banking and Trust Company ("BB&T") was cancelled and replaced by a direct pay letter of credit of BB&T (the "Letter of Credit") which Letter of Credit remains in effect, and on the effective date of the Letter of Credit, the Bonds were subject to mandatory tender and remarketing; and

**WHEREAS**, the Borrower desires to exercise its option under the Trust Agreement dated as of November 1, 2000, as amended and supplemented by the First Supplemental Trust Agreement dated as of June 1, 2008 (collectively, the "Original Indenture") between the Authority and Wells Fargo Bank Minnesota, National Association, now Wells Fargo Bank, National Association (the "Trustee") to convert all of the outstanding Bonds to the Alternate Rate (as such term is defined in the Original Indenture), such transaction referred to herein as the "Remarketing", which Remarketing will be effective on the date designated by an Authorized Officer (defined herein) of the Authority with the consent of the Borrower (the "Remarketing Date"); and

**WHEREAS**, the Remarketing will be effected pursuant to the Remarketing and Interest Services Agreement dated as of November 1, 2000, as supplemented (the "Remarketing



Agreement”) between IDA and Raymond James & Associates, Inc., successor to Shattuck Hammond Partners, as Remarketing Agent; and

**WHEREAS**, as of the date hereof, the Bonds are insured as to payment of principal and interest under a financial guaranty insurance policy issued by Ambac Assurance Corporation (the “Insurance Policy” and the “Insurer”, respectively) and are further supported by the Letter of Credit (collectively, the “Credit Enhancements”); and

**WHEREAS**, BB&T Community Holdings Co. (the “Bank Purchaser”) has proposed to purchase the Bonds under the terms and conditions set forth in a letter to the Borrower from the Bank Purchaser’s affiliate, BB&T, dated July 30, 2015, a copy of which is attached hereto as Exhibit A (the “Commitment Letter”); and

**WHEREAS**, the Borrower (a) deems is prudent (i) to convert the interest rate on the Bonds to the Alternate Rate and to effect a mandatory repurchase of the Bonds on the conversion date in accordance with the provisions of the Original Indenture (the “Conversion”), (ii) to remarket the Bonds to the Bank Purchaser or BB&T pursuant to the Remarketing following the Conversion, (iii) to cancel the Credit Enhancements, (iv) to release funds from the debt service reserve fund created under the Original Indenture (the “Debt Service Reserve Fund”) and apply such moneys to the redemption of Bonds and (v) to amend and restate the Bonds, to amend and restate the Original Indenture, and to amend and restate the Original Loan Agreement in connection with the Conversion and Remarketing; and (b) has requested that the Authority assist the Borrower in accomplishing the Conversion and Remarketing; and

**WHEREAS**, in connection with the Remarketing and Conversion, and the release of the Credit Enhancements, the Borrower has requested the Authority and the Trustee to release the Insurance Policy and the lien of the mortgaged property under the Mortgage dated as of November 1, 2000 from the Borrower as mortgagor to the Authority as mortgagee (as amended, the “Mortgage”) as assigned to the Trustee pursuant to the Assignment of Mortgage and Note by the Authority as assignor to the Trustee as assignee; and

**WHEREAS**, prior to releasing the Credit Enhancements, the Debt Service Reserve Fund and the Mortgage, the Authority shall have received the prior written consent of the Bank Purchaser, as holder of 100% in aggregate principal amount of the Bonds; and

**WHEREAS**, the Authority deems it necessary and in keeping with its authorized purposes to assist in the implementation of the Remarketing and the Conversion for the benefit of the Borrower.

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

**Section 1. Terms Defined in Recitals.** All of the terms defined in the preambles hereof shall have the respective meanings set forth therein for all purposes of this Resolution.

**Section 2. Authority for this Resolution.** This Resolution is adopted pursuant to and in accordance with the provisions of the Act.

**Section 3. Purpose of the Transaction.** The Authority hereby declares the Conversion and Remarketing to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice Chair, Executive Director, Treasurer, Director of Project Management, Director of Risk Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and any other person authorized by resolution of the Authority, and any of such officers designated as “acting” or “interim” (each an "Authorized Officer") to execute and deliver all documents necessary to enable the Authority, as permitted by the Act, to implement, on behalf of the Borrower, the Conversion and Remarketing.

**Section 4. Authorization and Form of Bonds.** The Authority hereby authorizes the Bonds to be converted, remarketed and issued to the Bank Purchaser or other affiliate of BB&T pursuant to the Remarketing Agreement in an aggregate principal amount not to exceed \$11,070,000. As of the date hereof, the Borrower has represented to the Authority that it expects to remarket approximately \$9,400,000 in aggregate principal amount of Bonds after release of the Debt Service Reserve Fund and application of approximately \$1,670,000 to redeem Bonds on the Conversion date. The Bonds as converted, remarketed and issued, shall be issued as registered bonds in substantially the form set forth in Exhibit A to the Trust Agreement (as defined herein), with such insertions, omissions or variations as may be necessary or appropriate; shall be dated the date of the Conversion, bear interest at a variable rate based on the London Interbank Offered Rate (LIBOR) as set forth in the Commitment Letter, mature on October 1, 2030, subject to earlier redemption, and have such other terms as set forth in the Commitment Letter and shall be executed and shall be authenticate as provided in this Resolution and in the Trust Agreement (as defined herein).

The Bonds shall be signed on behalf of the Authority by the manual or facsimile signature of an Authorized Officer and the official common seal of the Authority or a facsimile thereof shall be engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary, any Assistant Secretary, the Assistant Treasurer or other Authorized Officer. The authenticating certificate of the Trustee shall be manually signed on behalf of the Trustee. In case any Authorized Officer of the Authority whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery thereof, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until after such delivery.

Following execution of the Bonds, any Authorized Officer is hereby authorized to deliver the Bonds to the Trustee for authentication and, after authentication, to deliver the Bonds to the Bank Purchaser against receipt of the purchase price or unpaid balance thereof.

**Section 5. Approval of Loan Agreement.** The form of the Amended and Restated Loan Agreement (the “Loan Agreement”) presented to this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to, the Loan Agreement in substantially such form, with such changes therein (including, without limitation, the date thereof and the date on which payment obligations of the Borrower to the Authority commence thereunder) and any supplements thereto as such Authorized Officer executing the same may approve, in consultation with Bond Counsel and the Attorney General’s

Office, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

The Borrower, by its request for the Authority's assistance in accomplishing the Conversion and Remarketing, has agreed, and will agree in the Loan Agreement, to indemnify the Authority and to pay the Authority's fees, including without limitation any applicable administrative, application and discretionary fees. All costs and expenses of the Authority in connection with the Conversion and Remarketing and any other matters contemplated by this Resolution, including the fees and expenses of Bond Counsel, shall be paid by the Borrower. If for any reason the transactions authorized by this Resolution are not consummated, it is understood that all such expenses will be paid by the Borrower and that the Authority will have no responsibility therefor.

**Section 6. Approval of Trust Agreement.** The form of the Amended and Restated Trust Agreement (the "Trust Agreement") presented to this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to, the Trust Agreement in substantially such form, with such insertions and changes therein (including, without limitation, the date thereof, and the initial interest payment date contained therein) and any supplements thereto as such Authorized Officer executing the same may approve, in consultation with Bond Counsel and the Attorney General's Office, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

**Section 7. Conformance of Documents.** Any Authorized Officer is hereby authorized and directed to approve, as Bond Counsel and the Attorney General's Office may advise, such changes to the forms of the Agreement, the Trust Agreement and such other agreements or documents as may be necessary or appropriate with respect to the Bonds or to conform the same to the requirements of the Bank Purchaser.

**Section 8. Incidental Action.** The Authority hereby approves the Remarketing and Conversion and the transactions described herein. In connection therewith, Authorized Officers are hereby authorized and directed to execute and deliver such other documents, agreements, certificates, directions and notices, and to take such other action as may be necessary or appropriate, in order to effect the Remarketing and Conversion, including without limitation to (i) providing all consents, notices and directions as shall be necessary or desirable under the Original Indenture to effect the Remarketing and Conversion, (ii) effectuate the execution and delivery of the Loan Agreement, the Trust Agreement, the tax regulatory agreement, including a supplement to the tax regulatory agreement delivered in connection with the original issuance of the Bonds, documents releasing the Credit Enhancements or any other necessary or appropriate agreements, documents or certificates, (iii) effectuate the Remarketing and Conversion of the Bonds and the reissuance thereof for federal income tax purposes, (iv) maintain the tax-exempt status of the interest on the Bonds (including, without limitation, the execution and delivery of any tax regulatory agreement (including a supplement thereto) and the preparation and filing of any information reports or other documents with respect to the Bonds as may at any time be required under of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder), and (v) effectuate the release of (A) the Insurance Policy and (B) the

mortgaged property from the lien of the Mortgage upon satisfaction of all conditions thereto, including, but not limited to, delivery of such consents, reports and opinions as are required by the Insurer, the Insurance Policy or the Mortgage, or as the Authority, its Bond Counsel or the Attorney General's Office may deem necessary.

**Section 9. Effective Date.** This Resolution shall take effect in accordance with the Act.

\_\_\_\_ Mr. Petrecca \_\_\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_\_ Mr. Edwards \_\_ and upon roll call the following members voted:

**AYE:** Roger B. Jacobs  
Rochelle Hendricks (represented by Gregg Edwards)  
Joshua Hodes  
Katherine Ungar  
Louis Rodriguez  
Robert Romano (represented by Steven Petrecca)

**NAY:** Ridgeley Hutchinson

**ABSTAIN:** None

**ABSENT:** None

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

**Branch Banking and Trust Company**

Greater Washington Corporate Banking  
8200 Greensboro Drive, Suite 800  
McLean, VA 22102

July 30, 2015

Institute for Defense Analyses  
4850 Mark Center Drive  
Alexandria, Virginia 22311-1802  
Attention: C. Dean Graves, Jr.

Re: Commitment for Credit Facilities

Mr. Graves:

Branch Banking and Trust Company (the "Bank") is pleased to provide its commitment to Institute for Defense Analyses (the "Borrower") for a tax-exempt term loan to be purchased by the Bank or its designated affiliate (the "Purchaser") in the aggregate principal amount of up to \$100 million (the "Tax-Exempt Loan") and a term loan facility of up to \$15 million provided by the Bank (the "Term Loan" and together with the Tax-Exempt Loan, collectively, the "Credit Facilities") described in the summary of terms and conditions attached hereto as Exhibit A with respect to the Tax-Exempt Loan and Exhibit B with respect to the Term Loan (collectively, the "Term Sheet") to Institute for Defense Analyses (the "Borrower"), subject to the terms and conditions set forth in this letter and in the Term Sheet (collectively, this "Commitment Letter").

The commitment of the Bank (on behalf of itself and the Purchaser) hereunder is based upon the financial and other information regarding the Borrower previously provided to us. Accordingly, the commitment hereunder is subject to the satisfaction of each of the following conditions precedent in a manner acceptable to us in our sole discretion:

- (i) each of the terms and conditions set forth herein and in the Term Sheet;
- (ii) the absence of a material breach of any representation, warranty or agreement of the Borrower set forth herein;
- (iii) no change, occurrence or development that could, in the Bank's opinion, have a material adverse effect on the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower shall have occurred or become known to the Bank;
- (iv) the information concerning the Borrower shall not, in the Bank's judgment, differ in any material adverse manner from the information and other matters previously disclosed to the Bank prior to date hereof;
- (v) the completion, to our satisfaction, of all legal due diligence with respect to the business, assets, liabilities, operations, condition (financial or otherwise) and prospects of the Borrower in scope and determination satisfactory to the Bank in its sole discretion; and

(vi) the negotiation, execution and delivery of definitive documentation for the Credit Facilities consistent with the Term Sheet and otherwise satisfactory to the Bank.

This Commitment Letter and the Term Sheet do not summarize all of the terms, conditions, covenants, representations, warranties and other provisions which will be contained in the definitive credit documentation for the Credit Facilities and the transactions contemplated thereby. The Bank shall have the right to require that such credit documentation include, in addition to the provisions outlined herein and in the Term Sheet, provisions not inconsistent with the Term Sheet considered appropriate by the Bank for this type of financing transaction, as well as provisions not inconsistent with the Term Sheet that the Bank may deem appropriate after it is afforded the opportunity to conduct and complete, to the Bank's satisfaction, the due diligence review described above.

The commitment of the Bank (on behalf of itself and the Purchaser) to provide the Credit Facilities shall terminate on August 7, 2015, unless this Commitment Letter is accepted by the Borrower in writing and delivered to the Bank prior to such time. Following acceptance by you, the commitment of the Bank (on behalf of itself and the Purchaser) with respect to the Tax-Exempt Loan shall expire on October 31, 2015 unless the Tax-Exempt Loan is closed by such time and the commitment of the Bank with respect to the Term Loan shall expire on December 31, 2015 unless the Term Loan is closed by such time.

This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter transmitted by electronic means shall be effective as delivery of a manually executed counterpart hereof; provided that such electronic signature shall be promptly followed by the original thereof. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by the Bank and the Borrower. This Commitment Letter may not be assigned by the Borrower without the prior written consent of the Bank (and any purported assignment without such consent shall be null and void).

[Signature Page Follows]

Please indicate your acceptance of this Commitment Letter (and the Term Sheet) by signing in the space provided and returning the original copy to us. The Bank is pleased to have the opportunity to assist you in connection with this proposed financing transaction.

Very truly yours,

BRANCH BANKING AND TRUST COMPANY

By: Carolyne Pelton  
Carolyne Pelton  
Senior Vice President

Accepted and agreed to this 6<sup>th</sup>  
day of August, 2015.

INSTITUTE FOR DEFENSE ANALYSES

By: C. Dean Graves  
Name: C. Dean Graves  
Title: Treasurer

Exhibit A



**SUMMARY OF TERMS AND CONDITIONS  
(Tax-Exempt Loans)**

<b>Borrower:</b>	Institute for Defense Analyses.	
<b>Structure:</b>	One or more Tax-Exempt Non-Bank Qualified Private Placements (the " <u>Tax-Exempt Loans</u> ") to be purchased by Branch Banking and Trust Company or its designated affiliate (the " <u>Purchaser</u> ").	
<b>Commitment Amount:</b>	Up to \$100,000,000.	
<b>Purpose:</b>	To (i) refund or refinance the outstanding principal amount (net of any debt service reserve funds applied to reduce debt outstanding) of one or more of the City of Alexandria Series 2006 Bonds, the City of Alexandria Series 2000B Bonds, the City of Alexandria Series 2005 Bonds, the New Jersey Series 2000D Bonds, the California Series 2000 Bonds and the ABAG Series 2005 Bonds (collectively, the " <u>Refunded Bonds</u> ") and, (ii) if requested by the Borrower, finance the cost of issuing the Tax-Exempt Loans.	
<b>Repayment:</b>	Each Tax-Exempt Loan will amortize in accordance with the existing amortization schedule (adjusted for the release of any debt service reserve funds) for the Refunded Bonds. Accrued interest will be paid monthly.	
<b>Mandatory Tender Date:</b>	Each Tax-Exempt Loan will be subject to mandatory tender on the date five (5), seven (7) or ten (10) years from the closing date, as elected by the Borrower prior to closing. All outstanding principal and accrued but unpaid interest will be payable to the Purchaser on the Mandatory Tender Date.	
<b>Commitment Fee:</b>	None.	
<b>Interest Rate:</b>	<u>Mandatory Tender Date</u>	<u>Interest Rate</u>
	5-Years	(68% of 1-Month LIBOR) + 0.4875%
	7-Years	(68% of 1-Month LIBOR) + 0.52%
	10-Years	(68% of 1-Month LIBOR) + 0.585%



	The variable interest will be computed on the basis of a 360-day year for the actual number of days elapsed and will adjust monthly with changes in 1-Month LIBOR. The variable interest rate will be subject to increase in the event of a Determination of Taxability or decreases in the maximum statutory corporate marginal tax rate.
<b>Prepayment Terms:</b>	Each Tax-Exempt Loan can be prepaid in whole or in part at any time without penalty.
<b>Security:</b>	Unsecured.
<b>Financial Covenants:</b>	<p>The following financial covenants will apply:</p> <ul style="list-style-type: none"> <li>• Minimum ratio of (i) Unencumbered and Unrestricted Cash, Cash Equivalents and Investments to (ii) Long-Term Debt of 0.40 to 1.00, measured semi-annually.</li> <li>• Minimum Debt Service Coverage Ratio of 1.10 to 1.00, measured semi-annually (excluding losses representing write-offs of the unamortized portion of prior costs of issuance); provided that the failure to satisfy the Debt Service Coverage Ratio requirement on any measurement date shall not constitute an Event of Default so long as (i) the ratio of (a) Unencumbered and Unrestricted Cash, Cash Equivalents and Investments to (b) Long-Term Debt is at least 0.55 to 1.00 on such measurement date and (ii) the Borrower was in compliance with the Debt Service Coverage Ratio on the prior measurement date.</li> <li>• The Borrower will not incur, create, guarantee, assume or permit to exist any indebtedness (including guaranties or contingent obligations), however evidenced, other than: <ul style="list-style-type: none"> <li>(i) Long-Term Indebtedness; provided that, in each case, after giving effect to the incurrence of such Long-Term Indebtedness, (1) the Debt Service Coverage Ratio as of the most recent measurement date would have been at least 1.15 to 1.00 and (2) the Unrestricted Liquid Assets to Long-Term Debt Ratio as of the most recent measuring date would not have been less than 0.50 to 1.00;</li> <li>(ii) Short-Term Indebtedness;</li> <li>(iii) Subordinated Indebtedness;</li> <li>(iv) lines of credit not constituting Short-Term Indebtedness in an amount not to exceed 15% of the Borrower's Revenues as of the most recent fiscal year end preceding the incurrence of any such line of credit; provided, that the terms of any such line of credit require the balance of the line of credit to pay down to zero once each fiscal year;</li> </ul> </li> </ul>

	<p>(v) any new Rate Hedging Obligations; provided that no Rate Hedging Obligation between the Borrower and a swap counterparty other than the Bank or an affiliate of the Bank may include any additional financial covenants not otherwise applicable to the Tax-Exempt Loans or more restrictive than those financial covenants applicable to the Tax-Exempt Loans without the prior written consent of the Bank (which will not be unreasonably withheld) unless such covenants are incorporated into the Tax-Exempt Loan by reference;</p> <p>(vi) Indebtedness to the Purchaser;</p> <p>(vii) guarantees of the Borrower or any Subsidiary in respect of Indebtedness of the Borrower or any Subsidiary to the extent such Indebtedness is otherwise permitted hereunder; and</p> <p>(viii) Indebtedness under surety bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business.</p>
<b>Banking Relationship:</b>	The Borrower shall maintain its existing banking relationship with BB&T provided such services are offered on commercially reasonable and competitive terms.
<b>Conditions Precedent:</b>	<ol style="list-style-type: none"> <li>1. <b>Bond Counsel Opinion:</b> The Purchaser shall receive an unqualified tax-exempt opinion of bond counsel relating to the Bonds satisfactory to the Purchaser.</li> <li>2. <b>Borrower's Counsel Opinion:</b> The Purchaser shall receive an opinion of Borrower's counsel including opinions customary for transactions of this type acceptable to the Purchaser.</li> <li>3. <b>Lien Search:</b> The Purchaser shall receive a UCC search for the Borrower showing no liens other than Permitted Encumbrances.</li> <li>4. <b>Approvals:</b> Approval by all applicable local, state and federal authorities and our review and approval of the terms and conditions of the tax-exempt bond documents.</li> <li>5. <b>Documents:</b> All documentation, including, the bond documents and a Continuing Covenants Agreement, shall be in form and substance satisfactory to the Purchaser. The Continuing Covenants Agreement will contain terms, conditions, reporting requirements and covenants mutually satisfactory to the Borrower and the Purchaser that will be substantially similar to the terms set forth in the Letter of Credit and Reimbursement Agreements currently in place between the Borrower and BB&amp;T. The financial covenants in the Continuing Covenants Agreement will be those set forth above. Standard indemnification and increased costs/yield maintenance provisions will apply.</li> </ol>
<b>Expenses:</b>	The Borrower will pay the costs of the Bank associated with the Tax-Exempt Loan, including the Bank's legal counsel, plus such counsel's out-of-pocket expenses, whether or not the Tax-Exempt Loan is closed.

<p><b>Confidentiality:</b></p>	<p>The terms of this Term Sheet are confidential and, except for disclosure on a confidential basis to Borrower's financial advisors, accountants, attorneys and other professional advisors retained by the Borrower for use in connection with the proposed financing or as may be required by law, may not be disclosed in whole or in part by the Borrower or any such financial advisors, accountants, attorneys or other professional advisors to any other person or entity without Purchaser's prior written consent. If this Term Sheet is being delivered to a financial advisor or person other than the Borrower, by receipt and use by such advisor or other person in connection with the proposed transaction, such advisor or other person agrees to be bound by the confidentiality terms set forth above.</p>
<p><b>Municipal Advisor Disclosure:</b></p>	<p>The terms of the credit facility described herein have been prepared by the Purchaser solely for information purposes. The Purchaser is not recommending an action or providing any advice to the Borrower and is not acting as a municipal advisor or financial advisor. The Purchaser is not serving in a fiduciary capacity pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information and material contained in this communication. The Purchaser is acting in its own interest. The Borrower are expected to seek the advice of the IRMA and any other professional advisors which they deem appropriate for the credit facility described herein, especially with respect to any legal, regulatory, tax or accounting treatment.</p>

**Exhibit B**



**SUMMARY OF TERMS AND CONDITIONS  
(Taxable Loan)**

<b>Borrower:</b>	Institute for Defense Analyses.
<b>Structure and Purpose:</b>	Taxable Loan (the " <u>Taxable Loan</u> ") to finance (i) the purchase a lot for future development of an office building for the Borrower and (ii) the cost of issuing the Taxable Loan.
<b>Amount:</b>	Up to \$15,000,000.
<b>Repayment:</b>	Accrued interest will be paid monthly. All outstanding principal and accrued interest will be due seven (7) years from the closing date (the " <u>Balloon Date</u> ")
<b>Commitment Fee:</b>	None.
<b>Interest Rate:</b>	One-Month LIBOR <u>plus</u> 0.80% per annum.  The variable interest will be computed on the basis of a 360-day year for the actual number of days elapsed and will adjust monthly with changes in One-Month LIBOR.
<b>Prepayment Terms:</b>	The Taxable Loan can be prepaid in whole or in part at any time without penalty.
<b>Security:</b>	Unsecured.
<b>Financial Covenants:</b>	The following financial covenants will apply: <ul style="list-style-type: none"><li>• Minimum ratio of (i) Unencumbered and Unrestricted Cash, Cash Equivalents and Investments to (ii) Long-Term Debt of 0.40 to 1.00, measured semi-annually.</li><li>• Minimum Debt Service Coverage Ratio of 1.10 to 1.00, measured semi-annually (excluding losses representing write-offs of the unamortized portion of prior costs of issuance); provided that the failure to satisfy the Debt Service Coverage Ratio requirement on any measurement date shall not constitute an Event of Default so long as (i) the ratio of (a) Unencumbered and Unrestricted Cash, Cash Equivalents and Investments to (b) Long-Term Debt is at</li></ul>

	<p>least 0.55 to 1.00 on such measurement date and (ii) the Borrower was in compliance with the Debt Service Coverage Ratio on the prior measurement date.</p> <ul style="list-style-type: none"> <li>• The Borrower will not incur, create, guarantee, assume or permit to exist any indebtedness (including guaranties or contingent obligations), however evidenced, other than: <ul style="list-style-type: none"> <li>(i) Long-Term Indebtedness; provided that, in each case, after giving effect to the incurrence of such Long-Term Indebtedness, (1) the Debt Service Coverage Ratio as of the most recent measurement date would have been at least 1.15 to 1.00 and (2) the Unrestricted Liquid Assets to Long-Term Debt Ratio as of the most recent measuring date would not have been less than 0.50 to 1.00;</li> <li>(ii) Short-Term Indebtedness;</li> <li>(iii) Subordinated Indebtedness;</li> <li>(iv) lines of credit not constituting Short-Term Indebtedness in an amount not to exceed 15% of the Borrower's Revenues as of the most recent fiscal year end preceding the incurrence of any such line of credit; provided, that the terms of any such line of credit require the balance of the line of credit to pay down to zero once each fiscal year;</li> <li>(v) any new Rate Hedging Obligations; provided that no Rate Hedging Obligation between the Borrower and a swap counterparty other than the Bank or an affiliate of the Bank may include any additional financial covenants not otherwise applicable to the Tax-Exempt Loans or more restrictive than those financial covenants applicable to the Tax-Exempt Loans without the prior written consent of the Bank (which will not be unreasonably withheld) unless such covenants are incorporated in the Taxable Loan by reference;</li> <li>(vi) Indebtedness to the Bank;</li> <li>(vii) guarantes of the Borrower or any Subsidiary in respect of Indebtedness of the Borrower or any Subsidiary to the extent such Indebtedness is otherwise permitted hereunder; and</li> <li>(viii) Indebtedness under surety bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business.</li> </ul> </li> </ul>
<p><b>Banking Relationship:</b></p>	<p>The Borrower shall maintain its existing banking relationship with the Bank provided such services are offered on commercially reasonable and competitive terms.</p>

<p><b>Conditions Precedent:</b></p>	<ol style="list-style-type: none"> <li>1. <u>Borrower's Counsel Opinion:</u> The Bank shall receive an opinion of Borrower's counsel including opinions customary for transactions of this type acceptable to the Bank.</li> <li>2. <u>Lien Search:</u> The Bank shall receive a UCC search for the Borrower showing no liens other than Permitted Encumbrances.</li> <li>3. <u>Documents:</u> All documentation, including, a credit agreement and promissory note, shall be in form and substance satisfactory to the Bank. The credit agreement will contain terms, conditions, reporting requirements and covenants mutually satisfactory to the Borrower and the Bank that will be substantially similar to the terms set forth in the Letter of Credit and Reimbursement Agreements currently in place between the Borrower and BB&amp;T. The financial covenants in the credit agreement will be those set forth above. Standard indemnification and increased costs/yield maintenance provisions will apply.</li> </ol>
<p><b>Expenses:</b></p>	<p>The Borrower will pay the costs of the Bank associated with the Taxable Loan, including the Bank's legal counsel, plus such counsel's out-of-pocket expenses, whether or not the Taxable Loan is closed.</p>
<p><b>Confidentiality:</b></p>	<p>The terms of this Term Sheet are confidential and, except for disclosure on a confidential basis to Borrower's financial advisors, accountants, attorneys and other professional advisors retained by the Borrower for use in connection with the proposed financing or as may be required by law, may not be disclosed in whole or in part by the Borrower or any such financial advisors, accountants, attorneys or other professional advisors to any other person or entity without Bank's prior written consent. If this Term Sheet is being delivered to a financial advisor or person other than the Borrower, by receipt and use by such advisor or other person in connection with the proposed transaction, such advisor or other person agrees to be bound by the confidentiality terms set forth above.</p>



July 30, 2015

Institute for Defense Analyses  
4850 Mark Center Drive  
Alexandria, Virginia 22311-1802  
Attention: C. Dean Graves, Jr.

Re: Commitment for Credit Facilities

Mr. Graves:

Branch Banking and Trust Company (the "Bank") is pleased to provide its commitment to Institute for Defense Analyses (the "Borrower") for a tax-exempt term loan to be purchased by the Bank or its designated affiliate (the "Purchaser") in the aggregate principal amount of up to \$100 million (the "Tax-Exempt Loan") and a term loan facility of up to \$15 million provided by the Bank (the "Term Loan" and together with the Tax-Exempt Loan, collectively, the "Credit Facilities") described in the summary of terms and conditions attached hereto as Exhibit A with respect to the Tax-Exempt Loan and Exhibit B with respect to the Term Loan (collectively, the "Term Sheet") to Institute for Defense Analyses (the "Borrower"), subject to the terms and conditions set forth in this letter and in the Term Sheet (collectively, this "Commitment Letter").

The commitment of the Bank (on behalf of itself and the Purchaser) hereunder is based upon the financial and other information regarding the Borrower previously provided to us. Accordingly, the commitment hereunder is subject to the satisfaction of each of the following conditions precedent in a manner acceptable to us in our sole discretion:

- (i) each of the terms and conditions set forth herein and in the Term Sheet;
- (ii) the absence of a material breach of any representation, warranty or agreement of the Borrower set forth herein;
- (iii) no change, occurrence or development that could, in the Bank's opinion, have a material adverse effect on the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower shall have occurred or become known to the Bank;
- (iv) the information concerning the Borrower shall not, in the Bank's judgment, differ in any material adverse manner from the information and other matters previously disclosed to the Bank prior to date hereof;
- (v) the completion, to our satisfaction, of all legal due diligence with respect to the business, assets, liabilities, operations, condition (financial or otherwise) and prospects of the Borrower in scope and determination satisfactory to the Bank in its sole discretion; and

(vi) the negotiation, execution and delivery of definitive documentation for the Credit Facilities consistent with the Term Sheet and otherwise satisfactory to the Bank.

This Commitment Letter and the Term Sheet do not summarize all of the terms, conditions, covenants, representations, warranties and other provisions which will be contained in the definitive credit documentation for the Credit Facilities and the transactions contemplated thereby. The Bank shall have the right to require that such credit documentation include, in addition to the provisions outlined herein and in the Term Sheet, provisions not inconsistent with the Term Sheet considered appropriate by the Bank for this type of financing transaction, as well as provisions not inconsistent with the Term Sheet that the Bank may deem appropriate after it is afforded the opportunity to conduct and complete, to the Bank's satisfaction, the due diligence review described above.

The commitment of the Bank (on behalf of itself and the Purchaser) to provide the Credit Facilities shall terminate on August 7, 2015, unless this Commitment Letter is accepted by the Borrower in writing and delivered to the Bank prior to such time. Following acceptance by you, the commitment of the Bank (on behalf of itself and the Purchaser) with respect to the Tax-Exempt Loan shall expire on October 31, 2015 unless the Tax-Exempt Loan is closed by such time and the commitment of the Bank with respect to the Term Loan shall expire on December 31, 2015 unless the Term Loan is closed by such time.

This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter transmitted by electronic means shall be effective as delivery of a manually executed counterpart hereof; provided that such electronic signature shall be promptly followed by the original thereof. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by the Bank and the Borrower. This Commitment Letter may not be assigned by the Borrower without the prior written consent of the Bank (and any purported assignment without such consent shall be null and void).

[Signature Page Follows]



Please indicate your acceptance of this Commitment Letter (and the Term Sheet) by signing in the space provided and returning the original copy to us. The Bank is pleased to have the opportunity to assist you in connection with this proposed financing transaction.

Very truly yours,

BRANCH BANKING AND TRUST COMPANY

By: Carolyne Pelton  
Carolyne Pelton  
Senior Vice President

Accepted and agreed to this 6<sup>th</sup>  
day of August, 2015.

INSTITUTE FOR DEFENSE ANALYSES

By: C. Dean Graves  
Name: C. Dean Graves  
Title: Treasurer

Exhibit A



**SUMMARY OF TERMS AND CONDITIONS  
(Tax-Exempt Loans)**

<b>Borrower:</b>	Institute for Defense Analyses.	
<b>Structure:</b>	One or more Tax-Exempt Non-Bank Qualified Private Placements (the " <u>Tax-Exempt Loans</u> ") to be purchased by Branch Banking and Trust Company or its designated affiliate (the " <u>Purchaser</u> ").	
<b>Commitment Amount:</b>	Up to \$100,000,000.	
<b>Purpose:</b>	To (i) refund or refinance the outstanding principal amount (net of any debt service reserve funds applied to reduce debt outstanding) of one or more of the City of Alexandria Series 2006 Bonds, the City of Alexandria Series 2000B Bonds, the City of Alexandria Series 2005 Bonds, the New Jersey Series 2000D Bonds, the California Series 2000 Bonds and the ABAG Series 2005 Bonds (collectively, the " <u>Refunded Bonds</u> ") and, (ii) if requested by the Borrower, finance the cost of issuing the Tax-Exempt Loans.	
<b>Repayment:</b>	Each Tax-Exempt Loan will amortize in accordance with the existing amortization schedule (adjusted for the release of any debt service reserve funds) for the Refunded Bonds. Accrued interest will be paid monthly.	
<b>Mandatory Tender Date:</b>	Each Tax-Exempt Loan will be subject to mandatory tender on the date five (5), seven (7) or ten (10) years from the closing date, as elected by the Borrower prior to closing. All outstanding principal and accrued but unpaid interest will be payable to the Purchaser on the Mandatory Tender Date.	
<b>Commitment Fee:</b>	None.	
<b>Interest Rate:</b>	<u>Mandatory Tender Date</u>	<u>Interest Rate</u>
	5-Years	(68% of 1-Month LIBOR) + 0.4875%
	7-Years	(68% of 1-Month LIBOR) + 0.52%
	10-Years	(68% of 1-Month LIBOR) + 0.585%

	The variable interest will be computed on the basis of a 360-day year for the actual number of days elapsed and will adjust monthly with changes in 1-Month LIBOR. The variable interest rate will be subject to increase in the event of a Determination of Taxability or decreases in the maximum statutory corporate marginal tax rate.
<b>Prepayment Terms:</b>	Each Tax-Exempt Loan can be prepaid in whole or in part at any time without penalty.
<b>Security:</b>	Unsecured.
<b>Financial Covenants:</b>	<p>The following financial covenants will apply:</p> <ul style="list-style-type: none"> <li>• Minimum ratio of (i) Unencumbered and Unrestricted Cash, Cash Equivalents and Investments to (ii) Long-Term Debt of 0.40 to 1.00, measured semi-annually.</li> <li>• Minimum Debt Service Coverage Ratio of 1.10 to 1.00, measured semi-annually (excluding losses representing write-offs of the unamortized portion of prior costs of issuance); provided that the failure to satisfy the Debt Service Coverage Ratio requirement on any measurement date shall not constitute an Event of Default so long as (i) the ratio of (a) Unencumbered and Unrestricted Cash, Cash Equivalents and Investments to (b) Long-Term Debt is at least 0.55 to 1.00 on such measurement date and (ii) the Borrower was in compliance with the Debt Service Coverage Ratio on the prior measurement date.</li> <li>• The Borrower will not incur, create, guarantee, assume or permit to exist any indebtedness (including guaranties or contingent obligations), however evidenced, other than: <ul style="list-style-type: none"> <li>(i) Long-Term Indebtedness; provided that, in each case, after giving effect to the incurrence of such Long-Term Indebtedness, (1) the Debt Service Coverage Ratio as of the most recent measurement date would have been at least 1.15 to 1.00 and (2) the Unrestricted Liquid Assets to Long-Term Debt Ratio as of the most recent measuring date would not have been less than 0.50 to 1.00;</li> <li>(ii) Short-Term Indebtedness;</li> <li>(iii) Subordinated Indebtedness;</li> <li>(iv) lines of credit not constituting Short-Term Indebtedness in an amount not to exceed 15% of the Borrower's Revenues as of the most recent fiscal year end preceding the incurrence of any such line of credit; provided, that the terms of any such line of credit require the balance of the line of credit to pay down to zero once each fiscal year;</li> </ul> </li> </ul>

	<p>(v) any new Rate Hedging Obligations; provided that no Rate Hedging Obligation between the Borrower and a swap counterparty other than the Bank or an affiliate of the Bank may include any additional financial covenants not otherwise applicable to the Tax-Exempt Loans or more restrictive than those financial covenants applicable to the Tax-Exempt Loans without the prior written consent of the Bank (which will not be unreasonably withheld) unless such covenants are incorporated into the Tax-Exempt Loan by reference;</p> <p>(vi) Indebtedness to the Purchaser;</p> <p>(vii) guarantees of the Borrower or any Subsidiary in respect of Indebtedness of the Borrower or any Subsidiary to the extent such Indebtedness is otherwise permitted hereunder; and</p> <p>(viii) Indebtedness under surety bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business.</p>
<b>Banking Relationship:</b>	The Borrower shall maintain its existing banking relationship with BB&T provided such services are offered on commercially reasonable and competitive terms.
<b>Conditions Precedent:</b>	<ol style="list-style-type: none"> <li>1. <u>Bond Counsel Opinion</u>: The Purchaser shall receive an unqualified tax-exempt opinion of bond counsel relating to the Bonds satisfactory to the Purchaser.</li> <li>2. <u>Borrower's Counsel Opinion</u>: The Purchaser shall receive an opinion of Borrower's counsel including opinions customary for transactions of this type acceptable to the Purchaser.</li> <li>3. <u>Lien Search</u>: The Purchaser shall receive a UCC search for the Borrower showing no liens other than Permitted Encumbrances.</li> <li>4. <u>Approvals</u>: Approval by all applicable local, state and federal authorities and our review and approval of the terms and conditions of the tax-exempt bond documents.</li> <li>5. <u>Documents</u>: All documentation, including, the bond documents and a Continuing Covenants Agreement, shall be in form and substance satisfactory to the Purchaser. The Continuing Covenants Agreement will contain terms, conditions, reporting requirements and covenants mutually satisfactory to the Borrower and the Purchaser that will be substantially similar to the terms set forth in the Letter of Credit and Reimbursement Agreements currently in place between the Borrower and BB&amp;T. The financial covenants in the Continuing Covenants Agreement will be those set forth above. Standard indemnification and increased costs/yield maintenance provisions will apply.</li> </ol>
<b>Expenses:</b>	The Borrower will pay the costs of the Bank associated with the Tax-Exempt Loan, including the Bank's legal counsel, plus such counsel's out-of-pocket expenses, whether or not the Tax-Exempt Loan is closed.

<b>Confidentiality:</b>	The terms of this Term Sheet are confidential and, except for disclosure on a confidential basis to Borrower's financial advisors, accountants, attorneys and other professional advisors retained by the Borrower for use in connection with the proposed financing or as may be required by law, may not be disclosed in whole or in part by the Borrower or any such financial advisors, accountants, attorneys or other professional advisors to any other person or entity without Purchaser's prior written consent. If this Term Sheet is being delivered to a financial advisor or person other than the Borrower, by receipt and use by such advisor or other person in connection with the proposed transaction, such advisor or other person agrees to be bound by the confidentiality terms set forth above.
<b>Municipal Advisor Disclosure:</b>	The terms of the credit facility described herein have been prepared by the Purchaser solely for information purposes. The Purchaser is not recommending an action or providing any advice to the Borrower and is not acting as a municipal advisor or financial advisor. The Purchaser is not serving in a fiduciary capacity pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information and material contained in this communication. The Purchaser is acting in its own interest. The Borrower are expected to seek the advice of the IRMA and any other professional advisors which they deem appropriate for the credit facility described herein, especially with respect to any legal, regulatory, tax or accounting treatment.

Exhibit B



**SUMMARY OF TERMS AND CONDITIONS  
(Taxable Loan)**

<b>Borrower:</b>	Institute for Defense Analyses.
<b>Structure and Purpose:</b>	Taxable Loan (the " <u>Taxable Loan</u> ") to finance (i) the purchase a lot for future development of an office building for the Borrower and (ii) the cost of issuing the Taxable Loan.
<b>Amount:</b>	Up to \$15,000,000.
<b>Repayment:</b>	Accrued interest will be paid monthly. All outstanding principal and accrued interest will be due seven (7) years from the closing date (the " <u>Balloon Date</u> ")
<b>Commitment Fee:</b>	None.
<b>Interest Rate:</b>	One-Month LIBOR <u>plus</u> 0.80% per annum.  The variable interest will be computed on the basis of a 360-day year for the actual number of days elapsed and will adjust monthly with changes in One-Month LIBOR.
<b>Prepayment Terms:</b>	The Taxable Loan can be prepaid in whole or in part at any time without penalty.
<b>Security:</b>	Unsecured.
<b>Financial Covenants:</b>	The following financial covenants will apply: <ul style="list-style-type: none"><li>• Minimum ratio of (i) Unencumbered and Unrestricted Cash, Cash Equivalents and Investments to (ii) Long-Term Debt of 0.40 to 1.00, measured semi-annually.</li><li>• Minimum Debt Service Coverage Ratio of 1.10 to 1.00, measured semi-annually (excluding losses representing write-offs of the unamortized portion of prior costs of issuance); provided that the failure to satisfy the Debt Service Coverage Ratio requirement on any measurement date shall not constitute an Event of Default so long as (i) the ratio of (a) Unencumbered and Unrestricted Cash, Cash Equivalents and Investments to (b) Long-Term Debt is at</li></ul>

	<p>least 0.55 to 1.00 on such measurement date and (ii) the Borrower was in compliance with the Debt Service Coverage Ratio on the prior measurement date.</p> <ul style="list-style-type: none"> <li>• The Borrower will not incur, create, guarantee, assume or permit to exist any indebtedness (including guaranties or contingent obligations), however evidenced, other than: <ul style="list-style-type: none"> <li>(i) Long-Term Indebtedness; provided that, in each case, after giving effect to the incurrence of such Long-Term Indebtedness, (1) the Debt Service Coverage Ratio as of the most recent measurement date would have been at least 1.15 to 1.00 and (2) the Unrestricted Liquid Assets to Long-Term Debt Ratio as of the most recent measuring date would not have been less than 0.50 to 1.00;</li> <li>(ii) Short-Term Indebtedness;</li> <li>(iii) Subordinated Indebtedness;</li> <li>(iv) lines of credit not constituting Short-Term Indebtedness in an amount not to exceed 15% of the Borrower's Revenues as of the most recent fiscal year end preceding the incurrence of any such line of credit; provided, that the terms of any such line of credit require the balance of the line of credit to pay down to zero once each fiscal year;</li> <li>(v) any new Rate Hedging Obligations; provided that no Rate Hedging Obligation between the Borrower and a swap counterparty other than the Bank or an affiliate of the Bank may include any additional financial covenants not otherwise applicable to the Tax-Exempt Loans or more restrictive than those financial covenants applicable to the Tax-Exempt Loans without the prior written consent of the Bank (which will not be unreasonably withheld) unless such covenants are incorporated in the Taxable Loan by reference;</li> <li>(vi) Indebtedness to the Bank;</li> <li>(vii) guaranties of the Borrower or any Subsidiary in respect of Indebtedness of the Borrower or any Subsidiary to the extent such Indebtedness is otherwise permitted hereunder; and</li> <li>(viii) Indebtedness under surety bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business.</li> </ul> </li> </ul>
<p><b>Banking Relationship:</b></p>	<p>The Borrower shall maintain its existing banking relationship with the Bank provided such services are offered on commercially reasonable and competitive terms.</p>

<p><b>Conditions Precedent:</b></p>	<ol style="list-style-type: none"> <li>1. <u>Borrower's Counsel Opinion:</u> The Bank shall receive an opinion of Borrower's counsel including opinions customary for transactions of this type acceptable to the Bank.</li> <li>2. <u>Lien Search:</u> The Bank shall receive a UCC search for the Borrower showing no liens other than Permitted Encumbrances.</li> <li>3. <u>Documents:</u> All documentation, including, a credit agreement and promissory note, shall be in form and substance satisfactory to the Bank. The credit agreement will contain terms, conditions, reporting requirements and covenants mutually satisfactory to the Borrower and the Bank that will be substantially similar to the terms set forth in the Letter of Credit and Reimbursement Agreements currently in place between the Borrower and BB&amp;T. The financial covenants in the credit agreement will be those set forth above. Standard indemnification and increased costs/yield maintenance provisions will apply.</li> </ol>
<p><b>Expenses:</b></p>	<p>The Borrower will pay the costs of the Bank associated with the Taxable Loan, including the Bank's legal counsel, plus such counsel's out-of-pocket expenses, whether or not the Taxable Loan is closed.</p>
<p><b>Confidentiality:</b></p>	<p>The terms of this Term Sheet are confidential and, except for disclosure on a confidential basis to Borrower's financial advisors, accountants, attorneys and other professional advisors retained by the Borrower for use in connection with the proposed financing or as may be required by law, may not be disclosed in whole or in part by the Borrower or any such financial advisors, accountants, attorneys or other professional advisors to any other person or entity without Bank's prior written consent. If this Term Sheet is being delivered to a financial advisor or person other than the Borrower, by receipt and use by such advisor or other person in connection with the proposed transaction, such advisor or other person agrees to be bound by the confidentiality terms set forth above.</p>



**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**AND**

**INSTITUTE FOR DEFENSE ANALYSES**

---

**AMENDED AND RESTATED LOAN AGREEMENT**

---

**Dated as of November 1, 2000  
as Amended and Restated  
as of October 1, 2015**

---

The interest of the **NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY** (the "Authority") in this Amended and Restated Loan Agreement has been assigned (except for the "Reserved Rights of the Authority" defined in this Amended and Restated Loan Agreement) pursuant to the Amended and Restated Trust Agreement, dated as of the date hereof, from the Authority to **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers and having a corporate trust office in Pittsburgh, Pennsylvania and qualified to do business and to exercise trust powers in the State of New Jersey, as trustee (the "Trustee"), and is subject to the security interest of the Trustee thereunder.

**EXHIBIT A**

**DEFINITIONS**

“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 Public Laws of 1967, as amended and supplemented.

“Act of Bankruptcy” means the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) by or against the Borrower or any Affiliate of the Borrower under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

“Additional Payments” means the payments made by the Borrower in accordance with Section 4.2(b) of the Loan Agreement.

“Administrative Costs” means all costs, charges and reasonable fees and expenses incurred by the Authority with respect to the implementation and administration of the Bond Documents and any transaction or event to be effected by the Bond Documents, including without limitation attorneys’ fees and expenses; and also the compensation of, reimbursement of reasonable expenses to, the reasonable attorneys’ fees of, and advances payable to, the Trustee.

“Affiliate” means a Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, as applicable, (i) the Borrower or a Subsidiary of the Borrower, (ii) the Bank Holder or (iii) the Authority. For purposes of this definition, “control” means with respect to: (a) a nonprofit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the board of directors, trustees or other governing body of such corporation; and (b) any other entity, having the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect a majority of the members of the board of directors or other governing body of such entity.

“Ambac Release Agreement” means the Endorsement and Release Agreement, dated as of \_\_\_\_\_, 2015, among Ambac Assurance Corporation, the Borrower, the Trustee, Raymond James & Associates, Inc., Branch Banking and Trust Company, the Authority and the Bank Holder, and any amendments and supplements thereto.

“Authority” means the New Jersey Educational Facilities Authority and its successors and assigns.

“Authorized Officer” with respect to the Authority means, the Chair, Vice Chair, Executive Director, Treasurer, Director of Project Management, Director of Risk Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and any other person authorized by resolution of the Authority, and any of such officers designated as “acting” or “interim”, and with respect to the Borrower means the President, Chief Executive Officer,

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**AND**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**  
as Trustee

---

**AMENDED AND RESTATED TRUST AGREEMENT**

---

**Dated as of November 1, 2000,  
as previously amended,  
as Amended and Restated as of October 1, 2015**

**Relating to**

**\$11,070,000 Outstanding Aggregate Principal Amount of**

**New Jersey Educational Facilities Authority  
Variable Rate Revenue Bonds  
Institute for Defense Analyses Issue,  
2000 Series D**

---

---

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**RESOLUTION AUTHORIZING A CHANGE IN THE SCOPE OF THE  
PROJECT FOR THE AUTHORITY'S REVENUE BONDS, NEW JERSEY  
CITY UNIVERSITY ISSUE, SERIES 2015 A**

Adopted: September 22, 2015

---

---

**RESOLUTION AUTHORIZING A CHANGE IN THE SCOPE OF THE PROJECT FOR THE AUTHORITY'S REVENUE BONDS, NEW JERSEY CITY UNIVERSITY ISSUE, SERIES 2015 A**

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

**WHEREAS**, pursuant to a Resolution adopted by the Board of Trustees of the Authority on December 17, 2014 and a Trust Indenture dated as of January 1, 2015 (the "Indenture") by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), the Authority issued \$35,340,000 aggregate principal amount of its New Jersey Educational Facilities Authority Revenue Bonds, New Jersey City University Issue, Series 2015 A (the "2015 A Bonds") on behalf of New Jersey City University (the "University"); and

**WHEREAS**, the 2015 A Bonds financed, *inter alia*, a capital project for the University (the "New Money Project") consisting of: (i) the renovation of the existing Science Building and the construction of an addition thereto; (ii) the construction, equipping, redesign and renovation of the Margaret Williams Theater; (iii) HVAC improvements to the John J. Moore Athletics and Fitness Center; (iv) the capital fit-out of certain leased facilities for the School of Business; (v) the construction of Stegman Boulevard; (iv) the payment of capitalized interest; and (v) the payment of costs of issuance of the 2015 A Bonds; and

**WHEREAS**, the University has advised the Authority that since the issuance of the 2015 A Bonds, the estimated costs of certain components of the New Money Project have increased and priorities for the implementation of certain projects have changed resulting in the University's need to reevaluate and re-order its funding strategies; and

**WHEREAS**, the University has advised the Authority that the renovation of the Margaret Williams Theatre (the "Theatre Renovation") is the only component of the New Money Project that is not already in procurement, construction or completion and the University seeks to defer implementation of the Theatre Renovation and apply the proceeds of the 2015 A Bonds anticipated to be applied to the Theatre Renovation to certain other capital funding needs of the University; and

**WHEREAS**, the cost of the Theatre Renovation was estimated to be approximately \$2,800,000 and the University seeks to apply this amount to the renovation of the facilities for the University's Nursing Department and Public Safety Department and other campus facilities, including, without limitation, the Science Building, School of Business and Stegman Boulevard construction (the "2015 A New Money Project Modification"); and

**WHEREAS**, in connection with the issuance of the 2015 A Bonds, the New Money Project is subject to a Lease and Agreement dated as of January 1, 2015 by and between the Authority and the University (the "Lease"); and

**WHEREAS**, pursuant to Section 2.07 of the Lease, the scope of the New Money Project may be modified as mutually agreed by the Authority and the University; and

**WHEREAS**, pursuant to Section 12.05 of the Lease, the Lease may be amended with the written consent of the Authority and the Public University in accordance with the Indenture and Resolution; and

**WHEREAS**, pursuant to Section 10.01 of the Indenture, the Authority and the Trustee may, without the consent of or notice to the holders of the 2015 A Bonds, consent to the execution of any amendment to the Lease by the Authority and the University as may be required for the purpose of modifying the scope of the New Money Project in accordance with the Lease; and

**WHEREAS**, the University has requested the Authority to authorize and permit the 2015 A New Money Project Modification and to amend the provisions of the Lease, the Indenture and any other necessary documents related to the 2015 A Bonds to permit and effectuate the 2015 A New Money Project Modification; and

**WHEREAS**, the Authority has determined that undertaking the 2015 A New Money Project Modification will assist in serving the ongoing needs of the University's students and provide a benefit to the University; and

**WHEREAS**, the Authority has determined that it is necessary and desirable to approve and authorize the 2015 A New Money Project Modification; and

**WHEREAS**, in connection with the 2015 A New Money Project Modification, the Authority desires to authorize the execution and delivery of the (i) First Supplement to the Trust Indenture (the "First Supplement to Indenture") by and between the Authority and the Trustee, (ii) the First Amendment to Lease (the "First Amendment to Lease") by and between the Authority and the University, and (iii) any and all such other documents, amendments, certificates, agreements and instruments necessary to implement the 2015 A New Money Project Modification.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY, AS FOLLOWS:**

**ARTICLE I**  
**AUTHORIZATION; APPROVAL OF DOCUMENTS**

**1.1 Authorization.**

The Authority hereby authorizes the 2015 A New Money Project Modification as requested by the University, provided that all costs and expenses directly or indirectly relating to the implementation of the 2015 A New Money Project Modification in excess of the amounts available therefor in the Construction Fund (as defined in the Indenture) shall be borne by the University and that the Authority receives an opinion of bond counsel that the 2015 A New Money Project Modification does not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Series 2015 A Bonds and that the First Supplement to Indenture and the First Amendment to Lease are authorized by the Indenture and constitute the lawful and binding obligations of the Authority in accordance with their terms.

**1.2 Approval, Execution and Delivery of Documents.**

In connection with the 2015 A New Money Project Modification, the Chair, Vice Chair, Executive Director, Deputy Executive Director, Secretary, any Assistant Secretary, Director of Project Management and Director of Risk Management and/or any other person authorized by resolution of the Authority, and any of such officers designated as “acting” or “interim” of the Authority (each an “Authorized Officer”), are hereby authorized and directed to execute and deliver any or all of the following documents (collectively, the “Modification Documents”), all in such forms presented to the meeting at which this Resolution is adopted (copies of which shall be filed with the records of the Authority), which forms are hereby approved, together with such insertions and changes therein (including, without limitation, the date thereof) and any supplements thereto as the Authorized Officer executing same shall approve with the advice of bond counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer’s execution thereof:

- (i) First Supplement to Indenture (amending the Indenture to reflect the 2015 A New Money Project Modification);
- (ii) First Amendment to Lease (amending the Lease to reflect the 2015 A New Money Project Modification); and
- (iii) any and all such other documents, amendments, certificates, agreements and/or notices as may be necessary or desirable in the effectuation and implementation of the 2015 A New Money Project Modification and the execution of the Modification Documents.

**ARTICLE II  
MISCELLANEOUS**

**2.1 Incidental Action.**

The Authorized Officers of the Authority are hereby authorized and directed to execute and deliver any and all such other documents, certificates, agreements, directions and notices, and to take such other action as may be necessary or appropriate in order to implement the 2015 A New Money Project Modification and effectuate the execution and delivery of the Modification Documents.

**2.2 Contingent Approval.**

This Resolution is contingent upon the adoption of a resolution by the University approving the 2015 A New Money Project Modification.

**2.3 Prior Resolutions.**

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

**2.4 Effective Date.**

This Resolution shall take effect in accordance with the Act.



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

**AYE:** Roger B. Jacobs  
Rochelle Hendricks (represented by Gregg Edwards)  
Joshua Hodes  
Ridgeley Hutchinson  
Katherine Ungar  
Louis Rodriguez  
Robert Romano (represented by Steven Petrecca)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** None

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

**FIRST AMENDMENT TO LEASE AGREEMENT**

**BY AND BETWEEN**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**AND**

**NEW JERSEY CITY UNIVERSITY**

**DATED AS OF**

**[CLOSING DATE]**

**RELATING TO THE SERIES 2015 A PROJECT**