

FIRST AMENDMENT TO LOAN AGREEMENT

BY AND BETWEEN

MORRIS COUNTY IMPROVEMENT AUTHORITY

AND

DREW UNIVERSITY

DATED AS OF DECEMBER 1, 2020

RELATING TO

MORRIS COUNTY IMPROVEMENT AUTHORITY
SCHOOL FACILITIES REVENUE BONDS
(DREW UNIVERSITY PROJECT), SERIES 2017

FIRST AMENDMENT TO LOAN AGREEMENT

This **FIRST AMENDMENT TO LOAN AGREEMENT**, dated as of December 1, 2020 (this "*First Amendment to Loan Agreement*"), is made by and between the **MORRIS COUNTY IMPROVEMENT AUTHORITY** (the "*Authority*"), a public 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 County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "*Act*"), and **DREW UNIVERSITY**, a New Jersey non-profit corporation (together with its successors and assigns, hereinafter called the "*University*"), duly organized and validly existing under the laws of the State.

WHEREAS, the Authority and the University have previously entered into a Loan Agreement, dated as of December 1, 2017 (the "*Original Loan Agreement*"), relating to the issuance of the Authority's \$83,515,000 School Facilities Revenue Bonds (Drew University Project), Series 2017 (the "*Bonds*"); and

WHEREAS, the Bonds were issued pursuant to a Trust Indenture, dated as of December 1, 2017 (the "*Original Indenture*"), by and between the Authority and U.S. Bank National Association, as trustee (the "*Trustee*"); and

WHEREAS, Preston Hollow Capital, LLC, a Delaware limited liability company (the "*Bondholder Representative*"), is currently the holder of 100% of the Bonds outstanding; and

WHEREAS, pursuant to Sections 12.02 and 12.05 of the Original Indenture, the Authority and the Trustee may enter into an indenture supplemental to the Original Indenture and the Authority and the University may enter into an amendment to the Original Loan Agreement, each with the consent of the Bondholder Representative, for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Original Indenture or in the Original Loan Agreement; and

WHEREAS, pursuant to Section 12.06 of the Original Indenture, before the Authority and the Trustee shall enter into any supplemental indenture, or before the Authority and the University shall enter into any amendment to the Original Loan Agreement, there shall have been delivered to the Trustee: (i) an opinion of Bond Counsel to the effect that (a) the action proposed to be taken is authorized or permitted by the Original Indenture and the Original Loan Agreement and complies with their respective terms, and (b) such action will not adversely affect the exemption of interest on the Bonds from federal income taxation and the validity of the Bonds; and (ii) the consent, in writing, of the Bondholder Representative; and

WHEREAS, the University has requested that the Authority amend the Original Indenture and the Original Loan Agreement to remove the requirement that moneys held in the Project Fund under the Original Indenture that are not spent within three years from the date of issuance of the Bonds be transferred to the Bond Redemption Fund and used to redeem the Bonds (the "*Bond Modification*"); and

WHEREAS, the University has requested the Authority to authorize and permit the Bond Modification and to further amend the provisions of the Original Loan Agreement, the Original Indenture and any other necessary documents related to the Bonds to permit and effectuate the Bond Modification; and

WHEREAS, in connection with the Bond Modification, the Authority adopted a resolution on December 16, 2020 authorizing the execution and delivery of (i) the First Supplement to Trust Indenture, dated as of December 1, 2020 (the "*First Supplement to Trust Indenture*"), by and between the Authority and the Trustee, (ii) this First Amendment to Loan Agreement and (iii) any and all such other documents, amendments, certificates, agreements and instruments necessary to implement the Bond Modification.

NOW, THEREFORE, the Authority and the University hereby mutually covenant and agree as follows:

Section 1. Definitions.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Original Loan Agreement, as amended by this First Amendment to Loan Agreement, and in Section 1.01 of the Original Indenture, as amended by the First Supplement to Trust Indenture.

Section 2. Amendments to Original Loan Agreement.

The third paragraph of Section 3.07 of the Original Loan Agreement is hereby amended in its entirety to read as follows:

Interest and other income received on Permitted Investments in the Bond Proceeds Account shall, within the later of (i) three (3) years from the date of issuance of the Bonds or (ii) one (1) year after receipt of such investment income, be used to pay interest accruing on the Bonds, as applicable, or spent on other costs of the Project as directed by Requisition by the Borrower and as further described in Article IV of the Indenture.

Section 3. Other Incidental Actions.

(a) Simultaneously with the execution and delivery of this First Amendment to Loan Agreement, the Authority and the Trustee are entering into the First Supplement to Trust Indenture providing for an amendment to Section 4.03 of the Original Indenture.

(b) The Authority and the University hereby mutually agree that hereafter all references in the Original Loan Agreement to (i) the "Loan Agreement" shall be deemed to refer to the Original Loan Agreement, as amended by this First Amendment to Loan Agreement, and (ii) the "Indenture" shall be deemed to refer to the Original Indenture, as amended by the First Supplement to Trust Indenture.

Section 4. Representations and Warranties of University.

(a) The University represents that the execution and delivery of this First Amendment to Loan Agreement has been duly authorized by the Board of Trustees of the University and has been duly executed and delivered by the University. Assuming the due authorization, execution and delivery by the Authority, this First Amendment to Loan Agreement is a valid and binding obligation of the University, enforceable against the University in accordance with its terms.

(b) The University hereby confirms its representations, covenants and agreements set forth in the Original Loan Agreement as if made on the date hereof, and it confirms and acknowledges that its representations, covenants and agreements apply and shall apply to the Project.

(c) The University hereby represents, warrants and agrees that the Original Loan Agreement, as amended by this First Amendment to Loan Agreement, and the Note remain valid and binding obligations of the University, enforceable against the University in accordance with their respective terms.

Section 5. Other Provisions of Original Loan Agreement Unaffected.

Except as expressly amended hereby, all provisions of the Original Loan Agreement shall remain in full force and effect, notwithstanding the execution and delivery of this First Amendment to Loan Agreement.

Section 6. Execution in Counterparts.

This First Amendment to Loan 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.

Section 7. Governing Law.

This First Amendment to Loan Agreement shall be governed by the laws of the State, without regard to conflict of laws principles thereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their proper respective authorized officers.

**MORRIS COUNTY IMPROVEMENT
AUTHORITY**

By: _____
John Bonanni
Executive Director

ATTEST:

By: _____
Ellen M. Sandman
Secretary

DREW UNIVERSITY

By: _____
John Vitali
**Vice President for Finance
and Administration**

ATTEST:

By: _____
Kathleen B. Sutherland
Assistant Secretary