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SHERYL A. STITT
Executive Director

MINUTES OF THE MEETING OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY HELD REMOTELY ON TUESDAY, OCTOBER 28, 2025

The meeting was called to order at 10:02 a.m. by Board Chair Joshua Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via email on June 6, 2025 to the *Asbury Park Press*, *The Record*, and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey and on the Authority's website. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT (VIA ZOOM):

Joshua Hodes, Chair
Louis Rodriguez, Vice-Chair
Erik Yngstrom, Esq.
Elizabeth Maher Muoio, State Treasurer, Treasurer (represented by designee Ryan Feeney)
Dr. Brian Bridges, Secretary of Higher Education

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT (VIA ZOOM):

Sheryl Stitt, Executive Director
Steven Nelson, Deputy Executive Director
Ellen Yang, Esq., Director of Compliance Management
Brian Sootkoos, Director of Finance/Controller
Edward DiFiglia, Senior Communications and Legislative Affairs Manager
Carl MacDonald, Senior Project Manager
Kristen Middleton, Assistant Controller
Jamie O'Donnell, Senior Grant Compliance Manager
Sheila Toles, Senior Human Resources Manager
Gary Vencius, Accounting Manager
Lynne Accisano, Confidential Executive Assistant

ALSO PRESENT (VIA ZOOM):

Sam Kovach-Orr, Esq., Associate Counsel, Governor's Authorities Unit
Brian McGarry, Esq., Deputy Attorney General
Bernard Davis, Esq., Assistant Attorney General
Stephanie Gibson, Esq., Deputy Attorney General
Samantha Guzman, Esq., Deputy Attorney General
Angela Bethea, Assistant Secretary and Chief Financial Officer, Office of the Secretary of Higher Education
Sandra Gilot-West, Chief of Staff, Office of the Secretary of Higher Education
Kevin Kobylowski, Director of Finance, Office of the Secretary of Higher Education
Dorit Kressel, Esq., Bond Counsel, Chiesa, Shahinian & Giantomasi

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of August 26, 2025

The minutes of the meeting of August 26, 2025 were sent electronically and via FedEx to Governor Philip Murphy under the date of August 26, 2025. Dr. Bridges moved that the minutes of the meeting be approved as presented. The motion was seconded by Mr. Hodes. Mr. Yngstrom abstained. Mr. Hodes, Mr. Rodriguez, Dr. Bridges, and Mr. Feeney voted aye. The motion passed.

2. Executive Director's Report

Ms. Stitt reminded the Board that the State's FY 2026 budget, P.L. 2025, c. 74, which was passed by the Legislature and signed into law by Governor Murphy provides that no less than \$250 million be made available for a new round of grant funding under the Higher Education Capital Facilities grant programs. These are the programs for which the Authority issues bonds to fund the grants and provides administrative support to the Office of the Secretary of Higher Education (OSHE).

Since passage of the State budget, the Authority and OSHE have engaged in implementation of a new grant cycle, the 2025 Summer Cycle, under two programs: \$110 million will be made available under the Higher Education Capital Improvement Fund (CIF) and \$140 million under the Higher Education Facilities Trust Fund (HEFT).

Ms. Stitt explained that the Board would be presented with a resolution approving a Memorandum of Understanding between the Authority and OSHE. The MOU provides the framework for how and under what conditions the Authority provides

administrative support to OSHE in implementation of various grant cycles under the Higher Education Capital Facilities grant programs.

Ms. Stitt pointed out that in a related matter, the MOU resolution was on the agenda at the Authority's August 26, 2025 meeting but tabled pending consideration at a later date due to a lack of quorum for the intended vote. With two long-term Authority board vacancies, occasional recusals, and/or absences, the Authority's board operates on a very thin margin to meet quorum requirements set forth in its Statute and By-Laws.

To address this long-term challenge, Authority staff is pursuing technical amendments to its statute for the purpose of clarifying that a quorum of its members for purposes of holding meetings and taking official action, is based on the current, as opposed to authorized, composition of the Board.

Ms. Stitt explained that the Authority had been working with the Attorney General's Office in developing amendment language to achieve the change, which had been submitted to the Governor's Authorities Unit for consideration. The Authority believes that such amendments will help enable continuity of governance and operations while helping to ensure that the Authority can continue to fulfill its mission.

Ms. Stitt concluded her report by discussing the agenda's resolution to adopt the Authority's Operating and Capital budgets for Calendar Year 2026. Ms. Stitt noted the following in the proposed 2026 Budget:

- Due to continued cost containment strategies, the Authority has proposed a modest 2% Year-over-Year increase in expenditures.
- Revenues are estimated at \$5.4 million, representing an 8.8% increase Year-over-Year.
- Surplus revenues over expenses are estimated at \$1.4 million, a 33% increase Year-over-Year.

Ms. Stitt explained that the Authority, like many other local government entities that participate in the State Health Benefits Program, has seen sharp rises in employer and employee health insurance premiums. The budgeted salary and benefits line items are at a level to help defray the impact of 37% increases in healthcare premiums for the 2026 plan year as approved by the State Health Benefits Commission, which follows 22% increases in 2025.

Authority staff will continue to analyze healthcare coverage for its employees and explore ways to offset the unsustainable impact such increases have had, both on Authority employees and operations in recent years.

3. **Resolution of the New Jersey Educational Facilities Authority Approving and Authorizing the Execution of a Memorandum of Understanding by and between the Office of the Secretary of Higher Education and the New Jersey Educational Facilities Authority Relating to Bonds Issued and Grants Funded Pursuant to the Higher Education Capital Improvement Fund Act and the Higher Education Facilities Trust Fund Act**

Secretary Bridges recused himself due to his involvement in the drafting and preparing of the Memorandum of Understanding. Sandra Gilot-West served as Secretary Bridges' designee on this matter.

Ms. Stitt explained that pursuant to the FY 2026 State Budget, P.L. 2025, c. 74, signed into law by Governor Murphy, no less than \$250 million in funding had been made available for a new round of funding of the Higher Education Capital Facilities grant programs.

Funding for the Summer 2025 Cycle would be provided through issuance of Authority bonds, authorized under the Higher Education Capital Improvement Fund Act and the Higher Education Facilities Trust Fund Act.

Ms. Stitt explained that the Office of the Secretary of Higher Education (OSHE) wished to continue its partnership with the Authority for administration of the Higher Education Capital Facilities grant programs.

The Resolution requested that the Members of the Authority approve and authorize the execution of a Memorandum of Understanding between the Authority and OSHE pursuant to which the Authority would assist OSHE in carrying out certain activities relating to the CIF and HEFT grant programs for the 2025 Summer Cycle, as outlined in the MOU attached to the Resolution as EXHIBIT 1.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPROVING AND AUTHORIZING THE EXECUTION OF A
MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE
OFFICE OF THE SECRETARY OF HIGHER EDUCATION AND THE NEW
JERSEY EDUCATIONAL FACILITIES AUTHORITY RELATING TO
BONDS ISSUED AND GRANTS FUNDED PURSUANT TO THE HIGHER

EDUCATION CAPITAL IMPROVEMENT FUND ACT AND THE HIGHER EDUCATION FACILITIES TRUST FUND ACT

The motion was seconded by Mr. Yngstrom. Ms. Gilot West abstained. Mr. Hodes, Mr. Rodriguez, Mr. Yngstrom, and Mr. Feeney voted aye. The motion passed.

The adopted resolution is appended as Exhibit I.

Secretary Bridges resumed his role on the Board.

4. **Resolution of the New Jersey Educational Facilities Authority Declaring, for Purposes of Federal Tax Law, its Official Intent to Reimburse Expenditures for Project Costs from Proceeds of Revenue Bonds Issued Pursuant to the New Jersey Higher Education Capital Improvement Fund Act**

Ms. Yang reported that the next two resolutions also relate to the 2025 Summer Cycle Grant Program as described by Ms. Stitt in her executive director's report.

Ms. Yang explained that after completion of the approval and authorization process by the Secretary of Higher Education and the State Legislature, the Authority anticipated issuing tax-exempt bonds in 2026 to fund the costs of these grant programs.

The HEFT Reimbursement Resolution and the CIF Reimbursement Resolution express the "official intent" of the Authority, for purposes of federal tax law, to issue tax-exempt bonds to fund the HEFT and CIF Grant Programs.

Ms. Yang further explained that by adopting these Reimbursement Resolutions, the Authority would make it possible for the grantees to be reimbursed for eligible project costs incurred after the Secretary submits the certified list of projects and award amounts to the Legislature but before the date bonds are issued.

Ms. Yang introduced Ms. Kressel, bond counsel to the Authority, who presented each of the HEFT and CIF Reimbursement Resolutions to the Board. In response to a question by Mr. Rodriguez, Ms. Kressel explained that grantees are required to pay a portion of the debt service under the CIF program while the HEFT program is a pure grant program.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY DECLARING, FOR PURPOSES OF FEDERAL TAX LAW, ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR PROJECT COSTS FROM PROCEEDS OF REVENUE BONDS ISSUED PURSUANT TO THE NEW JERSEY HIGHER EDUCATION CAPITAL IMPROVEMENT FUND

The motion was seconded by Dr. Bridges and passed unanimously.

The adopted resolution is appended as Exhibit II.

5. **Resolution of the New Jersey Educational Facilities Authority Declaring, for Purposes of Federal Tax Law, its Official Intent to Reimburse Expenditures for Project Costs from Proceeds of Revenue Bonds Issued Pursuant to the New Jersey Higher Education Facilities Trust Fund Act**

Dr. Bridges moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY DECLARING, FOR PURPOSES OF FEDERAL TAX LAW, ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR PROJECT COSTS FROM PROCEEDS OF REVENUE BONDS ISSUED PURSUANT TO THE NEW JERSEY HIGHER EDUCATION FACILITIES TRUST FUND ACT

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

The adopted resolution is appended as Exhibit III.

6. **Resolution of the New Jersey Educational Facilities Authority Approving Forms of Grant Agreements to be Entered into in Connection with the Authority's Higher Education Capital Improvement Fund Program**

Ms. O'Donnell reported that the next two resolutions relate to the 2025 Summer Cycle Grant Program.

Ms. O'Donnell reported that applications were due on September 22, 2025 and were undergoing the statutorily required evaluation and scoring process.

The final phase of the evaluation and scoring process involves the Secretary of Higher Education sending a written certification of the approval of each grant, including the approved amount, to the Authority and to the Legislature. After

approval of the grants by the Secretary and the Legislature, successful grantees will enter into grant agreements with the Authority.

Ms. O'Donnell continued, explaining that these two Resolutions approved the forms of grant agreements, which were developed in consultation with bond counsel, the Attorney General's Office, and the Office of the Secretary of Higher Education, to be entered into between the Authority and the grantees.

Ms. O'Donnell re-introduced Ms. Kressel, who presented each the Resolutions to the Board.

Dr. Bridges moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPROVING FORMS OF GRANT AGREEMENTS TO BE
ENTERED INTO IN CONNECTION WITH THE AUTHORITY'S HIGHER
EDUCATION CAPITAL IMPROVEMENT PROGRAM

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

The adopted resolution is appended as Exhibit IV.

7. **Resolution of the New Jersey Educational Facilities Authority Approving Forms of Grant Agreements to be Entered into in Connection with the Authority's Higher Education Facilities Trust Fund Program**

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPROVING FORMS OF GRANT AGREEMENTS TO BE
ENTERED INTO IN CONNECTION WITH THE AUTHORITY'S HIGHER
EDUCATION FACILITIES TRUST PROGRAM

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

The adopted resolution is appended as Exhibit V.

8. **Resolution of the New Jersey Educational Facilities Authority Adopting the Operating and Capital Budgets for Calendar Year 2026**

Mr. Feeney reminded the Members that the Authority annually prepares the operating and capital budgets for the following calendar year. Pursuant to the Authority's By-Laws, the Finance Committee, comprised of the Chair, the

Treasurer, and the Executive Director, reviews the budget and recommends the annual budget to the Board for adoption.

Mr. Feeney reported that on October 16, 2025, the Finance Committee composed of the Chair, the Executive Director, and Mr. Feeney met to discuss and consider the Authority's proposed 2026 operating and capital budgets. The proposed operating and capital budgets in summary form were included in the meeting materials.

Mr. Feeney concluded that the Finance Committee recommended the Board's approval of the Authority's 2026 Operating and Capital Budgets as had been presented.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ADOPTING THE OPERATING AND CAPITAL BUDGETS
FOR CALENDAR YEAR 2026

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

The adopted resolution is appended as Exhibit VI.

9. Resolution of the New Jersey Educational Facilities Authority Increasing Compensation for the Executive Director and Deputy Executive Director for Calendar Year 2026

Chair Hodes explained that the Executive Director is an Officer of the Authority, appointed by the Authority, with general supervision and administrative authority over the Authority's activities.

Further, Chair Hodes explained that the Deputy Executive Director is an Officer of the Authority, appointed by the Authority, and has all the powers and duties of the Executive Director in the absence of the Executive Director, and other such duties and powers conferred upon the Deputy Executive Director by the By-Laws, by any resolution adopted by the Authority, or by the Executive Director.

The resolution authorized a 7% increase in compensation for the Executive Director and Deputy Executive Director, effective January 1, 2026.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY INCREASING COMPENSATION FOR THE EXECUTIVE

DIRECTOR AND DEPUTY EXECUTIVE DIRECTOR FOR CALENDAR
YEAR 2026

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

The adopted resolution is appended as Exhibit VII.

10. **Resolution of the New Jersey Educational Facilities Authority Authorizing an Extension of the Appointment of a Pool of Financial Advisors**

Mr. MacDonald reported that the Authority was seeking Board approval to grant a twelve-month extension of the Authority's pool of Financial Advisors to serve as Financial Advisors to the Authority.

On October 6, 2023, the Authority had distributed a Request for Qualifications to various firms for the selection of Financial Advisors for the Authority. At its December 19, 2023 meeting, the Authority had appointed the Pool of five Financial Advisors for a twenty-four month period from December 19, 2023 to December 18, 2025 with the option to extend the term of the Pools for two additional successive periods of twelve months each in the sole discretion of the Authority.

Mr. MacDonald reported that Authority staff recommended exercising the first option to extend the appointment of the Pool for an additional twelve-month period from December 19, 2025 to December 18, 2026.

Dr. Bridges moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING AN EXTENSION OF THE APPOINTMENT
OF A POOL OF FINANCIAL ADVISORS

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

The adopted resolution is appended as Exhibit VIII.

11. **Resolution of the New Jersey Educational Facilities Authority Authorizing an Extension of the Appointment of the Authority's Financial Printer**

Mr. MacDonald reported that the Authority was seeking Board approval to grant a twelve-month extension of the appointment of ImageMaster as the Authority's Financial Printer.

On October 20, 2023, the Authority had distributed a Request for Proposals to various firms for the selection of a Financial Printer for the Authority. At its December 19, 2023 meeting, the Authority had appointed ImageMaster as the Authority's Financial Printer for a twenty-four-month period from January 25, 2024 to January 24, 2026 with the option to extend the term of the Pools for two additional successive periods of twelve months each at the sole discretion of the Authority.

Mr. MacDonald reported that Authority staff recommended exercising the first option to extend the appointment of ImageMaster for an additional twelve-month period from January 25, 2026 to January 24, 2027.

Dr. Bridges moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING AN EXTENSION OF THE APPOINTMENT
OF THE AUTHORITY'S FINANCIAL PRINTER

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

The adopted resolution is appended as Exhibit IX.

12. Report on Operating Fund and Construction Fund Statements and Disbursements for August 2025 and September 2025

Mr. Sootkoos reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for August 2025 and September 2025.

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

The reports are appended as Exhibit X.

13. Next Meeting Date

Mr. Hodes reminded everyone that the next regular meeting was scheduled for Tuesday, November 18, 2025 at 10:00 a.m. and requested a motion to adjourn.

Dr. Bridges moved that the meeting be adjourned at 10:34 a.m. The motion was seconded by Mr. Yngstrom and passed unanimously.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Sheryl A. Stitt".

Sheryl A. Stitt,
Secretary

Exhibit I

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE OFFICE OF THE SECRETARY OF HIGHER EDUCATION AND THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY RELATING TO BONDS ISSUED AND GRANTS FUNDED PURSUANT TO THE HIGHER EDUCATION CAPITAL IMPROVEMENT FUND ACT AND THE HIGHER EDUCATION FACILITIES TRUST FUND ACT

Adopted: October 28, 2025

- WHEREAS:** The New Jersey Educational Facilities Authority (the “Authority”) is a public body corporate and politic of the State of New Jersey (the “State”) and was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A. 18A:72A-1 et seq.*, as amended and supplemented (the “Act”); and
- WHEREAS:** Pursuant to the Higher Education Capital Improvement Fund Act, *N.J.S.A. 18A:72A-72 et seq.* (“CIF”); the Higher Education Equipment Leasing Fund Act, *N.J.S.A. 18A:72A-40 et seq.* (“ELF”); the Higher Education Technology Infrastructure Fund Act, *N.J.S.A. 18A:72A-59 et seq.* (“HETI”); and the Higher Education Facilities Trust Fund Act, *N.J.S.A. 18A:72A-49 et seq.* (“HEFT”, and together with CIF, ELF, and HETI, the “State-Backed Grant Programs”), the Secretary is authorized to establish procedures to solicit applications from New Jersey’s public and private institutions of higher education (the “Institutions”) for grants that are eligible for funding under the State-Backed Grant Programs (the “Grants”), and to establish procedures for the review and approval of, and eligibility criteria, for the Grants; and
- WHEREAS:** Funding for the Grants is provided through issuance by the Authority of bonds payable by the State of New Jersey (the “State”) subject to appropriation pursuant to applicable Grant Programs (the “Bonds”); and
- WHEREAS:** The Authority finances capital projects at the State’s public and private institutions of higher education through the issuance of bonds, and is responsible for disbursing the proceeds of such bonds and overseeing compliance of the expenditure of such bond proceeds with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”); and
- WHEREAS:** Pursuant to *N.J.S.A. 52:14-1 et seq.*, departments are authorized to work collaboratively in matters germane to the duties of said departments through a memorandum of understanding; and
- WHEREAS:** The Parties entered into an Amended and Restated Memorandum of Understanding dated as of June 13, 2016, (the “Original MOU”) and an Amendment No. 1 to the Original MOU dated as of June 1, 2017 (the “Amendment No. 1”, and together with

the Original MOU, the “2016 MOU”), for prior grants awarded under the State-Backed Grant Programs and the Building Our Future Bond Act during the Spring 2013 Cycle and the Fall 2015 Cycle (the “2013/2015 Prior Grants”), which 2016 MOU, shall remain in effect for such 2013/2015 Prior Grants; and

WHEREAS: The Parties also entered into a Memorandum of Understanding dated as of June 28, 2022 (the “2022 MOU”) for prior grants awarded under the State-Backed Grant Programs during the 2022 Solicitation Cycle (the “2022 Prior Grants”), which 2022 MOU, shall remain in effect for such 2022 Prior Grants; and

WHEREAS: The Office of the Secretary of Higher Education of the State of New Jersey (“OSHE”) wishes to continue its partnership with the Authority to benefit from the experience and expertise of the Authority to assist in fulfilling certain obligations with respect to the grants to be awarded under the CIF and HEFT Grant Programs (the “2025 Grant Programs”), commencing with the next solicitation, anticipated to occur in 2025 (the “2025 Summer Cycle”); and

WHEREAS: The Authority is willing and able to provide such assistance; and

WHEREAS: OSHE and the Authority wish to enter into a memorandum of understanding (the “MOU”) relating to Grants to be awarded under the Grant Programs for the 2025 Summer Cycle, which MOU is attached hereto and incorporated herein as **EXHIBIT 1**; and

WHEREAS: The Authority’s staff has advised the Members of the Authority that the Authority’s staff is willing and able to provide the assistance to OSHE as outlined in the MOU; and

WHEREAS: The Members of the Authority have determined that it is necessary and advisable for the Authority to provide the requested assistance and to enter into the MOU.

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

SECTION 1. The Members of the Authority hereby approve and authorize the execution of the MOU by the Authority’s Executive Director or Deputy Executive Director, including any such officers serving in an interim or acting capacity, as attached hereto and incorporated herein as **EXHIBIT 1**.

SECTION 2. The Chair, Vice Chair, Executive Director, or Deputy Executive Director, including any such officers serving in an interim or acting capacity (each an “Authorized Officer”), is hereby authorized to take all appropriate and necessary actions to implement the MOU consistent with reporting obligations to the Members of the Authority.

SECTION 3. This Resolution shall take effect immediately in accordance with the Act.

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

AYE: Joshua Hodes
Louis Rodriguez
Erik Yngstrom
Elizabeth Maher Muoio (represented by Ryan Feeney)

NAY: None

ABSTAIN: Brian Bridges (represented by Sandra Gilot West)

RECUSED: None

ABSENT: None

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

EXHIBIT 1

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE OFFICE OF THE SECRETARY OF HIGHER EDUCATION OF THE STATE OF NEW JERSEY AND THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY RELATING TO BONDS ISSUED AND GRANTS FUNDED PURSUANT TO THE HIGHER EDUCATION CAPITAL IMPROVEMENT FUND ACT AND THE HIGHER EDUCATION FACILITIES TRUST FUND ACT

This Memorandum of Understanding (this “MOU”) by and between the Office of the Secretary of Higher Education of the State of New Jersey (“OSHE”) under the direction of the New Jersey Secretary of Higher Education (the “Secretary”) and the New Jersey Educational Facilities Authority (the “Authority” or “NJEFA”) (each a “Party,” and collectively, the “Parties”) will confirm the mutual understanding and intention of the Parties hereto as to the following:

WHEREAS, pursuant to *N.J.S.A. 52:14-1 et seq.*, departments are authorized to work collaboratively in matters germane to the duties of said departments through a memorandum of understanding; and

WHEREAS, pursuant to the Higher Education Capital Improvement Fund Act, *N.J.S.A. 18A:72A-72 et seq.* (“CIF”); the Higher Education Equipment Leasing Fund Act, *N.J.S.A. 18A:72A-40 et seq.* (“ELF”); the Higher Education Technology Infrastructure Fund Act, *N.J.S.A. 18A:72A-59 et seq.* (“HETI”); and the Higher Education Facilities Trust Fund Act, *N.J.S.A. 18A:72A-49 et seq.* (“HEFT”, and together with CIF, ELF, and HETI, the “State-Backed Grant Programs”), the Secretary is authorized to establish procedures to solicit applications from New Jersey’s public and private institutions of higher education (the “Institutions”) for grants that are eligible for funding under the State-Backed Grant Programs (the “Grants”), and to establish procedures for the review and approval of, and eligibility criteria, for the Grants; and

WHEREAS, the Secretary is authorized to certify and submit to the New Jersey State Legislature (the “Legislature”), with a copy to the Authority, a list of eligible projects for the CIF and HEFT grant programs along with the amount of the grant for each project that becomes approved for funding when reviewed by the Legislature and/or applicable committee thereof without adverse action; and

WHEREAS, funding for the Grants is provided through issuance by the Authority of bonds payable by the State of New Jersey (the “State”) subject to appropriation pursuant to the applicable State-Backed Grant Programs (the “Bonds”); and

WHEREAS, the Authority finances capital projects at the State’s public and private institutions of higher education through the issuance of bonds and is responsible for disbursing the proceeds of such bonds and overseeing compliance of the expenditure of

such bond proceeds with certain requirements of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Parties entered into an Amended and Restated Memorandum of Understanding dated as of June 13, 2016 (the “Original MOU”), and an Amendment No. 1 to the Original MOU dated as of June 1, 2017 (the “Amendment No. 1”, and together with the Original MOU, the “2016 MOU”), for prior grants awarded under the State-Backed Grant Programs and the Building Our Future Bond Act during the Spring 2013 Cycle and the Fall 2015 Cycle (the “2013/2015 Prior Grants”), which 2016 MOU shall remain in effect for such 2013/2015 Prior Grants; and

WHEREAS, the Parties also entered into a Memorandum of Understanding dated as of June 28, 2022 (the “2022 MOU”) for prior grants awarded under the State-Backed Grant Programs during the 2022 Solicitation Cycle (the “2022 Prior Grants”), which 2022 MOU shall remain in effect for such 2022 Prior Grants; and

WHEREAS, OSHE wishes to continue its partnership with the Authority to benefit from the experience and expertise of the Authority to assist in fulfilling certain obligations with respect to grants to be awarded under the CIF and HEFT Grant Programs (the “2025 Grant Programs”), commencing with the Higher Education Capital Facilities Programs Joint Solicitation for Grant Applications – Summer 2025 Cycle (the “2025 Solicitation”), posted to OSHE’s website on August 11, 2025; and

WHEREAS, the Authority is willing and able to provide such assistance; and

WHEREAS, the Parties wish to enter into this MOU relating to Grants to be awarded under the 2025 Grant Programs during the 2025 Solicitation.

NOW THEREFORE, the Parties agree as follows:

Section 1. Administrative Matters.

1.1 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties for the implementation of certain provisions of the 2025 Grant Programs and the regulations for the 2025 Grant Programs, found at *N.J.A.C. 9A:12-1.1 et seq.* for CIF and *N.J.A.C. 9A:15-1.1 et seq.* for HEFT (the “Regulations”).

1.2 The Parties acknowledge and agree that there is no delegation of duties to the Authority under this MOU by the Secretary under the 2025 Grant Programs which are reserved for the Secretary’s discretion; and that the Authority is assisting OSHE solely in the performance of certain ministerial duties under the 2025 Grant Programs as provided in this MOU.

1.3 In consideration for the responsibilities undertaken by the Authority, pursuant to this MOU, including but not limited to all work performed in advance of the execution of this MOU; and for all work performed up to and including through the date of issuance of the first series of the Bonds; and for all work performed in the administration of the 2025 Grant Programs through the completion of each grant agreement, the Authority shall be paid as follows:

1.3.1 The Authority shall be paid in accordance with the terms set forth below:

The Authority's total administration fee for Grants to be awarded under the 2025 Grant Programs in calendar year 2025 is one percent (1.00%) of par value of Bonds issued to be split between an initial fee and an ongoing annual fee. The initial fee will be calculated at twenty (20) basis points of par value issued to be recognized at the closing of the transaction. The annual fee will be calculated at eighty (80) basis points of par value issued to be recognized equally over a ten (10) year period beginning in calendar year 2026.

1.3.2 Funding for payments to the Authority in accordance with the terms of this MOU is as follows:

a. CIF

Initial Fee – Twenty (20) basis points per series of par value issued; paid at closing from costs of issuance.

Annual Fees – Eighty (80) basis points of par value issued; paid equally over a ten (10) year period on a per grant basis paid by the institutions as part of their semi-annual debt service payments.

b. HEFT

Initial Fee – Twenty (20) basis points per series of par value issued; paid at closing from costs of issuance.

Annual Fees – Eighty (80) basis points of par value issued; paid equally over a ten (10) year period from interest earnings, excess costs of issuance, premium and/or any stranded project funds.

1.4 The Authority shall not be responsible for any fees associated with legal services provided by bond counsel or the Attorney General's Office in connection with the issuance of the Bonds. Neither shall the Authority be responsible for any fees associated with legal services provided by bond counsel or the Attorney General's Office in connection with any post-issuance compliance matters relating to the Grants or any other matter relating to issuance of the Bonds or grant awards that arise after the grant agreements are executed. The Parties agree that the Authority shall not be liable for any costs or expenses not agreed to in writing between the Parties in advance of any such expense.

1.5 The Parties acknowledge that they are public entities of the State. Therefore, the Parties agree that each entity shall be liable for its own conduct and any claims against it arising out of its own conduct, without indemnification from the other Party.

1.6 This MOU may be executed in counterparts, each of which shall be an original and all of which together shall be considered one instrument.

1.7 The 2016 MOU and the 2022 MOU shall remain in effect for the 2013/2015 Prior Grants and the 2022 Prior Grants, respectively.

Section 2. Responsibilities of the Parties.

2.1 The Parties agree that the Secretary has sole responsibility and authority to solicit applications pursuant to the 2025 Grant Programs.

2.2 The Authority shall assist the Secretary with drafting a notice of funding availability, development of the 2025 Solicitation and related documents, and if requested, a technical assistance webinar or PowerPoint presentation and a Question and Answer period.

2.3 The Authority shall assist the Secretary with administrative duties in connection with the receipt of grant applications.

2.4 For the CIF grant program, the Parties agree that the Secretary, in accordance with *N.J.S.A. 18A:72A-77*, has sole responsibility and authority:

2.4.1 To establish a list of grant criteria and specify the information to be included in a grant application;

2.4.2 To approve or disapprove a grant;

2.4.3 When a grant is approved, to establish the amount and send a written certification of the approval of the grant and the grant amount to the Authority; and

2.4.4 To submit to the Legislature a copy of the written certification of the approval of the grant and the grant amount.

2.5 For the HEFT program, the Parties agree that the Secretary, in accordance with *N.J.S.A. 18A:72A-54*, has sole responsibility and authority:

2.5.1 To establish a list of grant criteria and specify the information to be included in a grant application;

2.5.2 To approve or disapprove a grant;

- 2.5.3 When a grant is approved, to establish the amount and send a written certification of the approval of the grant and the grant amount to the Authority; and
- 2.5.4 To submit to the Legislature a copy of the written certification of the approval of the grant and the grant amount.
- 2.6 The Parties agree that OSHE shall advise the Authority in writing of any reductions in the amount of any Grant award and/or re-allocation of any portion of any Grant award amount.
- 2.7 The Authority will, in consultation with OSHE, the Attorney General's Office, and bond counsel, and as requested by OSHE, coordinate the development of documents for the 2025 Grant Programs, including, but not limited to: the 2025 Solicitation; grant agreements; due diligence requests and tax questionnaires; and closing and tax certificates. The Authority shall coordinate the dissemination and execution of these documents to the grant applicants.
- 2.8 The Authority shall, in consultation with OSHE, develop the requisition form and procedures to be utilized for disbursement of Grant funds for projects that are approved under the 2025 Grant Programs ("Approved Projects").
- 2.9 The Authority will review requisitions to ensure that: (a) proceeds of the Bonds are only disbursed for approved requisitions and only for allowable costs of Approved Projects; and (b) the Grantee has satisfied any obligation to match grant funding. The Authority shall be responsible for directing the trustee to release the funds to pay the grant requisitions following the Authority's review of the grant requisition submitted by a Grantee.
- 2.10 In the event that the Authority believes that a requisition requests a disbursement for a cost that is not an allowable cost of an Approved Project, the Authority shall consult with the Secretary on the propriety of the request and/or whether the requisition does, in fact, include (an) allowable cost(s).
- 2.11 The Authority shall maintain a separate database of all requisitions and recommendations for payment. The Authority shall not pay any requisition that would cause a Grant amount for any Approved Project to be exceeded nor shall the Authority knowingly pay any requisition that would adversely affect the tax-exempt status of the Bonds.
- 2.12 The Authority will implement Post-Issuance Compliance Tax Procedures for the Bonds and will engage arbitrage and rebate service specialists to calculate rebate liability, if any, to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.
- 2.13 The Authority will conduct the annual compliance reporting process with Grantees pursuant to the requirements of the grant agreements for the 2025 Grant Programs.

2.14 In the event that a Grantee requests a change to an Approved Project, the Authority, in consultation with the Secretary, shall respond to such requests in accordance with the terms and conditions of the grant agreement, the applicable Regulations, and any and all applicable federal and state laws.

Section 3. General Provisions

3.1 This MOU may be modified or extended only by prior written agreement by the Parties. This MOU may be terminated by either Party upon thirty (30) days prior written notice to the other Party.

3.2 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

3.3 There are no third-party beneficiaries of this MOU.

3.4 This MOU shall be administered consistent with *N.J.S.A. 52:14-1 et seq.*

3.5 The Effective Date of this MOU shall be August 26, 2025. The term of this MOU shall remain in effect until the Bonds or any bonds issued to refund the Bonds are no longer outstanding unless extended by written agreement of the Parties.

3.6 The Authority and the Secretary shall retain all the powers, obligations and immunities provided by law.

3.7 The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.

3.8 The recitals appearing before Section 1 are made part of this MOU and are specifically incorporated herein by reference.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives, each acting in its official capacity, have caused this Memorandum of Understanding to be executed and delivered as of the Effective Date.

**SECRETARY OF HIGHER EDUCATION
OF THE STATE OF NEW JERSEY**

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

BY: _____

BY: _____

Name: Brian K. Bridges
Title: Secretary of Higher Education

Name: Sheryl A. Stitt
Title: Executive Director

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY DECLARING, FOR PURPOSES OF FEDERAL TAX LAW,
ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR
PROJECT COSTS FROM PROCEEDS OF REVENUE BONDS ISSUED
PURSUANT TO THE NEW JERSEY HIGHER EDUCATION CAPITAL
IMPROVEMENT FUND ACT**

Adopted: October 28, 2025

- WHEREAS:** The New Jersey Educational Facilities Authority (the “Authority”) is authorized pursuant to the New Jersey Higher Education Capital Improvement Fund Act, N.J.S.A. 18A:72A-72 et seq. (the “CIF Act”) to issue bonds (the “CIF Bonds”) to finance the cost, or a portion of the cost, of the renewal, renovation, improvement, expansion, construction, and reconstruction of instructional, laboratory, communication, research, and administrative facilities, or technology infrastructure (each, a “CIF Project”) at New Jersey’s four-year public and private institutions of higher education (the “Institutions”); and
- WHEREAS:** Institutions have submitted applications for grant funding for CIF Projects pursuant to the Higher Education Capital Facilities Program, Summer 2025 Cycle, issued by the Office of the Secretary of Higher Education (the “Joint Solicitation”); and
- WHEREAS:** Pursuant to the CIF Act, the Secretary of Higher Education of New Jersey (the “Secretary”) is required to submit to the New Jersey Legislature (the “Legislature”) a certified list of approved CIF Projects and their respective award amounts; and
- WHEREAS:** The Authority reasonably expects to finance costs of approved CIF Projects through the issuance, in one or more series, of CIF Bonds, the interest on which is expected to be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”); and
- WHEREAS:** The Authority reasonably expects to issue CIF Bonds in a maximum principal amount not to exceed \$110,000,000 to provide grant funding for costs of CIF Projects under the Joint Solicitation and approved pursuant to the CIF Act and other applicable law; and
- WHEREAS:** Pursuant to the CIF Act, the Authority maintains and administers the Higher Education Capital Improvement Fund (the “CIF Fund”) to carry out the provisions and purposes of the CIF Act; and
- WHEREAS:** Proceeds received from the issuance by the Authority of the CIF Bonds will be deposited in the CIF Fund; and
- WHEREAS:** Pursuant to and in accordance with the provisions of the CIF Act, the Authority is authorized to make grants (each, a “CIF Grant”) to the Institutions from the proceeds of the CIF Bonds, for the purpose of providing financing for costs of approved CIF Projects being undertaken by the Institutions; and

WHEREAS: In connection with the issuance of the CIF Bonds, and with respect to each approved CIF Project, the Authority reasonably expects to enter into a grant agreement (each, a “CIF Grant Agreement”) with the respective Institution undertaking such CIF Project (each such Institution, a “Grantee”), pursuant to which such Grantee will agree to comply with the provisions of the CIF Act and the applicable provisions of the Code with respect to such CIF Project; and

WHEREAS: In accordance with the CIF Act and pursuant to the respective CIF Grant Agreements, each Grantee will be required to pay one-third, in the case of public institutions of higher education, or one-half, in the case of private institutions of higher education, of the debt service on the CIF Bonds allocable to such Grantee’s respective CIF Project; and

WHEREAS: The Authority reasonably expects that, prior to the issuance of the CIF Bonds, there may be expenditures for approved CIF Projects that are originally paid from funds other than the proceeds of the CIF Bonds (“Prior Expenditures”); and

WHEREAS: The Authority reasonably expects that Grantees may request reimbursement from the proceeds of the CIF Bonds for certain Prior Expenditures; and

WHEREAS: As used herein, “Qualifying Prior Expenditures” shall mean Prior Expenditures that comply with Treasury Regulations Section 1.150-2; and

WHEREAS: The Authority desires to preserve the ability to treat the allocation of proceeds of the CIF Bonds to the reimbursement of Qualifying Prior Expenditures as a proper expenditure of the proceeds of CIF Bonds pursuant to the Code and Treasury Regulations promulgated thereunder, including in particular Treasury Regulations Section 1.150-2; and

WHEREAS: In accordance with Treasury Regulations Section 1.150-2, and for the purpose of compliance therewith, the Authority desires to declare its official intent to apply a portion of the proceeds of the CIF Bonds to reimbursement of Qualifying Prior Expenditures; and

WHEREAS: Pursuant to the terms of the Joint Solicitation and other applicable State law and policy (collectively, the “Joint Solicitation Reimbursement Requirements”), the application of a portion of the proceeds of CIF Bonds to the reimbursement of Qualifying Prior Expenditures must comply not only with federal tax law but also with the Joint Solicitation Reimbursement Requirements.

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

Section 1. The recitals set forth above are incorporated herein by reference as if set forth at length herein.

Section 2. The Authority reasonably expects to reimburse Qualifying Prior Expenditures with proceeds of the CIF Bonds.

- Section 3.** Pursuant to and in accordance with Treasury Regulations Section 1.150-2, the Authority hereby declares its official intent to apply a portion of the proceeds of the CIF Bonds to reimbursement of Qualifying Prior Expenditures.
- Section 4.** The maximum principal amount of CIF Bonds that the Authority expects to issue to finance the CIF Projects, including amounts, if any, to be used to reimburse Qualifying Prior Expenditures, is \$110,000,000.
- Section 5.** All Qualifying Prior Expenditures must qualify for reimbursement pursuant to Treasury Regulations Section 1.150-2, which provides that costs to be reimbursed, if originally paid prior to the date of adoption of the declaration of official intent, were either originally paid not more than sixty (60) days prior to such date of adoption or, if originally paid earlier than that, meet the requirements of Treasury Regulations Section 1.150-2(f). In addition, each Qualifying Prior Expenditure originally paid by a Grantee must be a “capital expenditure” as defined in Treasury Regulations Section 1.150-1(b) or otherwise permitted to be reimbursed pursuant to Treasury Regulations Sections 1.150-2(d)(3) and (f).
- Section 6.** The Authority shall allocate or cause to be allocated proceeds of the CIF Bonds to the reimbursement of Qualifying Prior Expenditures by making each such reimbursement allocation on the books and records maintained by the Authority with respect to the CIF Bonds. Each reimbursement allocation shall specifically identify the actual original expenditure to be reimbursed. Each reimbursement allocation shall be made not later than eighteen (18) months after the later of (i) the date on which the original expenditure was paid, or (ii) the date the related CIF Project was “placed in service” (within the meaning of Treasury Regulations Section 1.150-2) or abandoned; provided, however, that no reimbursement allocation shall be made more than three (3) years after the date that the original expenditure was paid.
- Section 7.** The Authority shall not make any reimbursement allocation that is an “abusive arbitrage device” under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions of the Code or to avoid the restrictions under Sections 142 through 147 of the Code. No proceeds of the CIF Bonds that are used to reimburse Qualifying Prior Expenditures, and no funds corresponding to such amounts, shall be used, within one (1) year after the reimbursement allocation, in a manner that results in the creation of “replacement proceeds,” including “sinking funds,” “pledged funds,” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations Section 1.148-1) with respect to either the CIF Bonds or any other issue of debt obligations, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations Section 1.148-1).
- Section 8.** This Resolution is intended to be and is a declaration of intent made pursuant to, and for the purpose of compliance with, Treasury Regulations Section 1.150-2. This Resolution is a declaration of intent only and does not obligate the Authority to reimburse Qualifying Prior Expenditures with the proceeds of the CIF Bonds.
- Section 9.** Notwithstanding anything herein to the contrary, all Qualifying Prior Expenditures must also qualify for reimbursement pursuant to the Joint Solicitation

Reimbursement Requirements, and the Authority shall not allocate any proceeds of the CIF Bonds to reimburse any Qualifying Prior Expenditure unless such expenditure is an approved cost of an approved CIF Project, qualifies for funding from the CIF Fund, is a capital expenditure, and, except in the discretion of and upon approval by the Secretary, such expenditure was originally paid after the date that the Secretary submitted the certified list of CIF Projects and CIF Grants to the Legislature.

Section 10. This Resolution does not authorize the Authority to issue the CIF Bonds. The issuance of the CIF Bonds may only be authorized by subsequent resolution of the Authority adopted in accordance with the CIF Act and other applicable law.

Section 11. This Resolution shall take effect in accordance with the provisions of N.J.S.A. 18A:72A-1 et seq.

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

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

NAY: None

ABSTAIN: None

RECUSED: None

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY DECLARING, FOR PURPOSES OF FEDERAL TAX LAW,
ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR
PROJECT COSTS FROM PROCEEDS OF REVENUE BONDS ISSUED
PURSUANT TO THE NEW JERSEY HIGHER EDUCATION FACILITIES
TRUST FUND ACT**

Adopted: October 28, 2025

- WHEREAS:** The New Jersey Educational Facilities Authority (the “Authority”) is authorized pursuant to the New Jersey Higher Education Facilities Trust Fund Act, N.J.S.A. 18A:72A-49 et seq. (the “HEFT Act”) to issue bonds (the “HEFT Bonds”) to finance the cost, or a portion of the cost, of the construction, reconstruction, development, extension and improvement of instructional, laboratory, communication, and research facilities (each, a “HEFT Project”) at New Jersey’s public and private institutions of higher education (the “Institutions”); and
- WHEREAS:** Institutions have submitted applications for grant funding for HEFT Projects pursuant to the Higher Education Capital Facilities Program, Summer 2025 Cycle, issued by the Office of the Secretary of Higher Education (the “Joint Solicitation”); and
- WHEREAS:** Pursuant to the HEFT Act, the Secretary of Higher Education of New Jersey (the “Secretary”) is required to submit to the New Jersey Legislature (the “Legislature”) a certified list of approved HEFT Projects and their respective award amounts; and
- WHEREAS:** The Authority reasonably expects to finance costs of approved HEFT Projects through the issuance, in one or more series, of HEFT Bonds, the interest on which is expected to be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”); and
- WHEREAS:** The Authority reasonably expects to issue HEFT Bonds in a maximum principal amount not to exceed \$140,000,000 to provide grant funding for costs of HEFT Projects under the Joint Solicitation and approved pursuant to the HEFT Act and other applicable law; and
- WHEREAS:** Pursuant to the HEFT Act, the Authority maintains and administers the Higher Education Facilities Trust Fund (the “HEFT Fund”) to carry out the provisions and purposes of the HEFT Act; and
- WHEREAS:** Proceeds received from the issuance by the Authority of the HEFT Bonds will be deposited in the HEFT Fund; and
- WHEREAS:** Pursuant to and in accordance with the provisions of the HEFT Act, the Authority is authorized to make grants (each, a “HEFT Grant”) to the Institutions from the proceeds of the HEFT Bonds, for the purpose of providing financing for costs of approved HEFT Projects being undertaken by the Institutions; and

WHEREAS: In connection with the issuance of the HEFT Bonds, and with respect to each approved HEFT Project, the Authority reasonably expects to enter into a grant agreement (each, a “HEFT Grant Agreement”) with the respective Institution undertaking such HEFT Project (each such Institution, a “Grantee”), pursuant to which such Grantee will agree to comply with the provisions of the HEFT Act and the applicable provisions of the Code with respect to such HEFT Project; and

WHEREAS: The Authority reasonably expects that, prior to the issuance of the HEFT Bonds, there may be expenditures for approved HEFT Projects that are originally paid from funds other than the proceeds of the HEFT Bonds (“Prior Expenditures”); and

WHEREAS: The Authority reasonably expects that Grantees may request reimbursement from the proceeds of the HEFT Bonds for certain Prior Expenditures; and

WHEREAS: As used herein, “Qualifying Prior Expenditures” shall mean Prior Expenditures that comply with Treasury Regulations Section 1.150-2; and

WHEREAS: The Authority desires to preserve the ability to treat the allocation of proceeds of the HEFT Bonds to the reimbursement of Qualifying Prior Expenditures as a proper expenditure of the proceeds of HEFT Bonds pursuant to the Code and Treasury Regulations promulgated thereunder, including in particular Treasury Regulations Section 1.150-2; and

WHEREAS: In accordance with Treasury Regulations Section 1.150-2, and for the purpose of compliance therewith, the Authority desires to declare its official intent to apply a portion of the proceeds of the HEFT Bonds to reimbursement of Qualifying Prior Expenditures; and

WHEREAS: Pursuant to the terms of the Joint Solicitation and other applicable State law and policy (collectively, the “Joint Solicitation Reimbursement Requirements”), the application of a portion of the proceeds of HEFT Bonds to the reimbursement of Qualifying Prior Expenditures must comply not only with federal tax law but also with the Joint Solicitation Reimbursement Requirements.

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

Section 1. The recitals set forth above are incorporated herein by reference as if set forth at length herein.

Section 2. The Authority reasonably expects to reimburse Qualifying Prior Expenditures with proceeds of the HEFT Bonds.

Section 3. Pursuant to and in accordance with Treasury Regulations Section 1.150-2, the Authority hereby declares its official intent to apply a portion of the proceeds of the HEFT Bonds to reimbursement of Qualifying Prior Expenditures.

- Section 4.** The maximum principal amount of HEFT Bonds that the Authority expects to issue to finance the HEFT Projects, including amounts, if any, to be used to reimburse Qualifying Prior Expenditures, is \$140,000,000.
- Section 5.** All Qualifying Prior Expenditures must qualify for reimbursement pursuant to Treasury Regulations Section 1.150-2, which provides that costs to be reimbursed, if originally paid prior to the date of adoption of the declaration of official intent, were either originally paid not more than sixty (60) days prior to such date of adoption or, if originally paid earlier than that, meet the requirements of Treasury Regulations Section 1.150-2(f). In addition, each Qualifying Prior Expenditure originally paid by a Grantee must be a “capital expenditure” as defined in Treasury Regulations Section 1.150-1(b) or otherwise permitted to be reimbursed pursuant to Treasury Regulations Sections 1.150-2(d)(3) and (f).
- Section 6.** The Authority shall allocate or cause to be allocated proceeds of the HEFT Bonds to the reimbursement of Qualifying Prior Expenditures by making each such reimbursement allocation on the books and records maintained by the Authority with respect to the HEFT Bonds. Each reimbursement allocation shall specifically identify the actual original expenditure to be reimbursed. Each reimbursement allocation shall be made not later than eighteen (18) months after the later of (i) the date on which the original expenditure was paid, or (ii) the date the related HEFT Project was “placed in service” (within the meaning of Treasury Regulations Section 1.150-2) or abandoned; provided, however, that no reimbursement allocation shall be made more than three (3) years after the date that the original expenditure was paid.
- Section 7.** The Authority shall not make any reimbursement allocation that is an “abusive arbitrage device” under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions of the Code or to avoid the restrictions under Sections 142 through 147 of the Code. No proceeds of the HEFT Bonds that are used to reimburse Qualifying Prior Expenditures, and no funds corresponding to such amounts, shall be used, within one (1) year after the reimbursement allocation, in a manner that results in the creation of “replacement proceeds,” including “sinking funds,” “pledged funds,” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations Section 1.148-1) with respect to either the HEFT Bonds or any other issue of debt obligations, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations Section 1.148-1).
- Section 8.** This Resolution is intended to be and is a declaration of intent made pursuant to, and for the purpose of compliance with, Treasury Regulations Section 1.150-2. This Resolution is a declaration of intent only and does not obligate the Authority to reimburse Qualifying Prior Expenditures with the proceeds of the HEFT Bonds.
- Section 9.** Notwithstanding anything herein to the contrary, all Qualifying Prior Expenditures must also qualify for reimbursement pursuant to the Joint Solicitation Reimbursement Requirements, and the Authority shall not allocate any proceeds of the HEFT Bonds to reimburse any Qualifying Prior Expenditure unless such expenditure is an approved cost of an approved HEFT Project, qualifies for funding from the HEFT Fund, is a capital expenditure, and, except in the discretion of and

upon approval by the Secretary, such expenditure was originally paid after the date that the Secretary submitted the certified list of HEFT Projects and HEFT Grants to the Legislature.

Section 10. This Resolution does not authorize the Authority to issue the HEFT Bonds. The issuance of the HEFT Bonds may only be authorized by subsequent resolution of the Authority adopted in accordance with the HEFT Act and other applicable law.

Section 11. This Resolution shall take effect in accordance with the provisions of N.J.S.A. 18A:72A-1 et seq.

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

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

NAY: None

ABSTAIN: None

RECUSED: None

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPROVING FORMS OF GRANT AGREEMENTS TO BE
ENTERED INTO IN CONNECTION WITH THE AUTHORITY'S HIGHER
EDUCATION CAPITAL IMPROVEMENT FUND PROGRAM**

Adopted: October 28, 2025

- WHEREAS:** The New Jersey Educational Facilities Authority (the “Authority”) is a public body corporate and politic of the State of New Jersey (the “State”) established 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:** The Authority is authorized pursuant to the New Jersey Higher Education Capital Improvement Fund Act, N.J.S.A. 18A:72A-72 et seq. (the “CIF Act”) to issue bonds (“CIF Bonds”) to finance the cost, or a portion of the cost, of the renewal, renovation, improvement, expansion, construction, and reconstruction of instructional, laboratory, communication, research, and administrative facilities, or technology infrastructure, at New Jersey’s four-year public and private institutions of higher education (“Institutions”); and
- WHEREAS:** The Secretary of Higher Education (the “Secretary”) promulgated regulations to provide the mechanism by which Institutions may apply for and receive grants under the CIF Act, set forth at N.J.A.C. 9A:12-1.1 to -1.8; and
- WHEREAS:** In accordance with the CIF Act, the Authority intends to issue CIF Bonds to finance grants (each, a “CIF Grant”) to be made to Institutions to pay all or a portion of the costs of projects approved for funding pursuant to the CIF Act; and
- WHEREAS:** Pursuant to N.J.S.A. 18A:72A-77, Institutions may apply for CIF Grants, and the Secretary shall review the applications, shall approve or disapprove each grant, shall establish the amount of each approved grant, and shall send a written certification of the approval and amount of each approved grant to the Authority; and
- WHEREAS:** Pursuant to N.J.S.A. 18A:72A-77, the Secretary shall submit to the New Jersey Legislature (the “Legislature”) a copy of the written certification of each approved grant and the amount thereof; and
- WHEREAS:** Pursuant to N.J.S.A. 18A:72A-77 and N.J.A.C. 9A:12-1.6(c), if the Legislature does not disapprove a grant by the adoption of a concurrent resolution within 45 days of receipt from the Secretary of the written certification, the grant shall be deemed to be approved by the Legislature and by the Secretary; and
- WHEREAS:** Pursuant to N.J.S.A. 18A:72A-78 and N.J.A.C. 9A:12-1.6(d), upon authorization of a CIF Grant, an Institution shall enter into a grant agreement (each, a “CIF Grant Agreement”) with the Authority, which agreement shall be approved by a

resolution of the Authority, and which agreement shall set forth the terms of the award of the CIF Grant in accordance with the provisions of the CIF Act and other applicable law; and

WHEREAS: Pursuant to N.J.S.A. 18A:72A-78, the Authority shall include in the CIF Grant Agreements such provisions as may be necessary to ensure that the Institutions shall provide one-third, in the case of public institutions of higher education, or one-half, in the case of private institutions of higher education, of the debt service on the CIF Bonds allocable to finance the Institution's CIF Grant; and

WHEREAS: The Authority now wishes to approve the forms only of the CIF Grant Agreements to be entered into with Institutions in connection with the CIF Grants to be approved by the Secretary and the Legislature pursuant to the CIF Act.

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

Section 1. The recitals set forth above are incorporated herein by reference as if set forth at length herein. For the purposes hereof, "Authorized Authority Representatives" shall mean the Chair, the Vice Chair, the Secretary, any Assistant Secretary, the Executive Director, the Deputy Executive Director or the Director of Compliance Management of the Authority and any such officers designated as "acting" or "interim".

Section 2. The CIF Grant Agreements to be entered into with Institutions that are New Jersey four-year public institutions of higher education shall be substantially in the form presented to this meeting (a copy of which shall be filed with the records of the Authority), and such form is hereby approved, provided that the Authorized Authority Representatives are hereby authorized, with the advice of Bond Counsel and the State Attorney General, to make such changes, insertions and deletions to and omissions from such form as may be necessary or appropriate (including, without limitation, the inclusion of additional representations, warranties and/or covenants on the part of the Institutions, and any other provision that may be necessary or convenient).

Section 3. The CIF Grant Agreements to be entered into with Institutions that are New Jersey four-year private institutions of higher education shall be substantially in the form presented to this meeting (a copy of which shall be filed with the records of the Authority), and such form is hereby approved, provided that the Authorized Authority Representatives are hereby authorized, with the advice of Bond Counsel and the State Attorney General, to make such changes, insertions and deletions to and omissions from such form as may be necessary or appropriate (including, without limitation, the inclusion of additional representations, warranties and/or covenants on the part of the Institutions, and any other provision that may be necessary or convenient).

Section 4. The execution and delivery of the CIF Grant Agreements shall be authorized by

subsequent resolution of the Authority following approval of the CIF Grants by the Legislature and the Secretary pursuant to N.J.S.A. 18A:72A-77 and N.J.A.C. 9A:12-1.6(c).

Section 5. This Resolution shall take effect in accordance with the provisions of the Act.

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

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

NAY: None

ABSTAIN: None

RECUSED: None

ABSENT: None

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

GRANT AGREEMENT

Between the

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY,
as Grantor

and

[NAME OF INSTITUTION],
as Grantee

Dated as of _____, 2026

HIGHER EDUCATION CAPITAL IMPROVEMENT FUND

Grant Amount: \$ _____

Application #: _____

THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

HIGHER EDUCATION CAPITAL IMPROVEMENT FUND

GRANT AGREEMENT

[Institution]

THIS GRANT AGREEMENT, is executed as of _____, 2026 (the “Effective Date”) by and between the New Jersey Educational Facilities Authority (the “Authority”), a public body corporate and politic of the State of New Jersey (the “State”) and [NAME OF INSTITUTION] (the “Institution”), a private institution of higher education as defined in N.J.S.A. 18A:72A-3 (collectively, the “Parties”), pursuant to the provisions of the Higher Education Capital Improvement Fund Act, N.J.S.A. 18A:72A-72 et seq., as amended (the “Act”), for the purpose of providing funds for the renewal, renovation, improvement, expansion, construction and/or reconstruction of certain facilities, or technology infrastructure, at the Institution, in accordance with the Act and as further described herein.

ARTICLE I: THE GRANT

SECTION 1.1: Grant Amount.

(a) The Institution is hereby awarded a grant (the “Grant”) in the amount of _____ dollars (\$_____) (the “Grant Amount”) to be used to finance the costs of the project described in the attached Exhibit A (the “Project”), as approved by the Secretary of Higher Education (the “Secretary”). A description of the Project as so approved is attached hereto and incorporated herein by reference. The Grant Amount will be funded with the proceeds of one or more series of tax-exempt revenue bonds issued or to be issued by the Authority pursuant to the Act (the “Bonds”); provided, however, that the payment of the Grant Amount is expressly conditioned upon the issuance of the Bonds, if, when, and as issued, in an amount sufficient to fund the Grant Amount, and also upon the Institution’s execution and delivery of all documents, certificates, opinions and other items as may be required by the Authority in connection with the issuance of the Bonds and the making of the Grant. The issuance of the Bonds is subject to the approval of the Authority’s Board and the funding of the Grant Amount is subject to final review by the Authority’s bond counsel as to the eligibility of the Project for financing with tax-exempt Bonds.

(b) The term “Allocable Bonds,” when used herein, shall mean the portion of the Bonds allocable to the Grant (i.e., the amount of Bonds issued to finance the Grant Amount and a proportionate share of the costs of issuance of the Bonds and the Authority’s administrative costs associated with the approval process for the projects financed by the Bonds).

SECTION 1.2: Institution's Financing Requirements.

In exchange for receipt of the Grant Amount, the Institution agrees to pay to the Authority an amount equal to one-half of the amount necessary to pay the principal of and interest on the Allocable Bonds and any refunding bonds (collectively the "Debt Service Requirement"), plus the Institution's share of any Fees (defined below) allocable to the Institution. "Fees" shall mean any fees, costs or expenses, including without limitation, the Annual Administrative Fee of the Authority (defined below), fees of the Bond Trustee (as hereinafter defined), swap termination fees, remarketing agent fees, annual rating agency fees, escrow agent fees, other fees or amounts payable under or in connection with a swap agreement or variable rate debt, amounts payable in connection with any agreement authorized under N.J.S.A. 18A:72A-78(e), any fees otherwise relating to the Allocable Bonds, and reasonable legal fees incurred by the Authority in connection with any default, anticipatory breach, and/or amendment to this Grant Agreement and/or modification to the Project. "Annual Administrative Fee of the Authority" shall mean the annual fee for the general administrative services of the Authority, which shall be payable by the Institution at the same time as the Institution's semi-annual debt service payments, in an aggregate amount equal to eighty (80) basis points of par value of the Allocable Bonds, to be paid in equal installments over a ten (10) year period or, if applicable, over such shorter period that ends on the last maturity date of the Allocable Bonds. Upon or following the issuance of the Allocable Bonds (and any refunding bonds) a schedule reflecting the amounts in respect of the principal of and interest on the Allocable Bonds (or refunding bonds) payable by the Institution shall be attached hereto as Schedule I, "Institutional Debt Service Schedule" and shall be incorporated herein, and such schedule shall be binding upon the Institution. Such amounts shall be payable to the Authority at such time and place that may be specified by the Authority, not more than thirty (30) days nor less than fifteen (15) days prior to the payment dates listed on the Institutional Debt Service Schedule. The Authority expects to invoice the Institution on a semi-annual basis, each January and July, for amounts due with respect to the Debt Service Requirement, the Annual Administrative Fee of the Authority, and fees of the Bond Trustee; any other Fees will be invoiced as incurred. The State Treasurer may retain from State aid or an appropriation payable to the Institution an amount sufficient to satisfy any amount that such Institution fails or is unable to make to pay principal and interest on the Allocable Bonds (or refunding bonds) under this Grant Agreement and such retention shall not obligate the State to make, nor the Institution to receive, any additional appropriation or apportionment.

The obligation of the Institution to provide funding as described in this Section 1.2 and to perform its obligations under this Grant Agreement shall be absolute and unconditional, and such funds shall be required without any rights of set off, recoupment or counterclaim it might have against the Secretary, the State, the Authority, or any other person and whether or not the Project is used by the Institution or available for use by the Institution.

SECTION 1.3: Reduction or Cancellation of Grant Amount.

The Institution acknowledges and agrees that the Secretary may reduce or cancel the Grant Amount (a) if the Institution determines not to undertake the Project, (b) if the Bonds are not issued for any reason whatsoever, (c) to adjust for actual Project expenses in a manner consistent with the Grant Amount, or (d) if the Project is not substantially completed and the Grant Amount is not substantially disbursed six (6) months after the estimated construction completion date set forth in the Institution's Grant application, as adjusted for any actual delay to the Institution entering into the contract(s) specified in Section 4.1 hereof; provided, however, that no adjustment or reduction pursuant to clause (d) will be made if (i) the delays are the result of federal, State, or local governmental approvals or regulatory requirements and such delays are not attributable to any action or inaction of the Institution; (ii) the delays are the result of delays in the availability of funding under this Grant Agreement; or (iii) other compelling and documentable reasons exist as determined by the Secretary.

SECTION 1.4: Eligibility for Reimbursement of Expenditures.

The Institution agrees that the Grant Amount may not be used to reimburse expenditures incurred by the Institution prior to October __, 2025 (the "Reimbursement Eligibility Date"). As used herein, the term "incurred" as applied to any expenditure shall mean the earlier to occur of (i) the date services were provided or goods were delivered, or (ii) the date that the Institution expended funds to pay (or prepay) for the expenditure. Only expenditures incurred on or after the Reimbursement Eligibility Date may be reimbursed. All such reimbursements shall be subject to approval by the Authority and, upon the request of the Authority, review by its bond counsel. No financing costs or interest expense of any interim debt shall be reimbursed, and no liens in respect of any interim debt shall be permitted to exist at the time of issuance of the Bonds.

SECTION 1.5: Sufficient Funding.

The Institution represents and warrants that it has or reasonably expects to have sufficient funding to complete the Project, including to pay the Debt Service Requirement and any Fees allocable to the Institution. The Institution also acknowledges that any Project costs exceeding the costs of the Project approved by the Secretary shall be the responsibility of the Institution.

SECTION 1.6: Use of Grant Amount; Disbursement Pursuant to Requisitions.

The Institution has committed, by resolution of its governing board, to use the Grant Amount to finance costs of the Project, and to operate and maintain the Project. All costs to be funded or reimbursed from the Grant Amount shall be subject to the State prevailing wage requirements of N.J.S.A. 18A:72A-5.1 et seq.

The Institution covenants that not more than twenty percent (20%) of the Grant Amount shall be used for renewal and renovation or improvement, expansion,

construction and reconstruction with respect to “student-support facilities” (as defined in the Act).

The Authority shall disburse, or cause the trustee for the Bonds (the “Bond Trustee”) to disburse, from time to time, the Grant Amount to the Institution, but only upon receipt and approval of requisitions submitted to and approved by the Authority. Each requisition shall be executed by an authorized representative of the Institution and shall be in the form set forth in Exhibit C attached hereto, or in such other form as the Authority may require. The Institution shall not alter, retype, reformat, or otherwise modify or revise the approved form of requisition. The Authority will not accept any requisition that does not conform to the Authority’s approved form.

The Institution shall submit requisitions promptly and shall comply with any time constraints for the submission of requisitions that the Authority or the Secretary may impose.

SECTION 1.7: No Assignment; No Pledge.

This Grant Agreement may not be assigned by the Institution, nor may it be pledged as collateral for any purpose.

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 2.1: Existence.

The Institution is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State, and has the necessary power and authority to execute and deliver this Grant Agreement and any other documents to which the Institution is a party, and to perform its obligations hereunder and thereunder.

SECTION 2.2: Eligible Institution; Accuracy of Grant Application.

(a) For the purposes hereof, an “eligible institution” is a duly accredited four-year “private institution of higher education” as defined in N.J.S.A. 18A:72A-3, meaning that it is an independent college or university incorporated and located in New Jersey, which by virtue of law or character or license is a nonprofit educational institution authorized to grant academic degrees and which provides a level of education which is equivalent to the education provided by the State’s public institutions of higher education as attested by the receipt of and continuation of regional accreditation by the Middle States Association of Colleges and Schools, and which is eligible to receive State aid. The Institution represents and warrants that it is an eligible institution.

(b) The Institution represents and warrants that all of the statements and representations made in its application for the Grant were on the date made, are on the Effective Date hereof, and shall continue to be, true and correct in all material respects.

SECTION 2.3: Authorization and Validity.

The execution, delivery and performance of this Grant Agreement by the Institution shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or a breach of any provision contained in its certificate of formation or authorizing legislation (as applicable), or contained in any agreement, instrument, document, bond indenture, law, rule, regulation, order, decree, writ, judgment, injunction, or award to which it is now a party or by which it or any of its assets is bound.

The execution and delivery by the Institution of this Grant Agreement and any other documents to which the Institution is a party related to the execution and delivery of this Grant Agreement (including, without limitation, the application for the Grant submitted to the Secretary, resolutions adopted by the Institution and any Tax Representation Certificates, as defined below (collectively, the “Other Grant Documents”)) have been or will be as of their date of execution duly authorized by proper proceedings of the Institution, and no further approval, authorization or consents are required by law or otherwise. This Grant Agreement and the Other Grant Documents constitute or shall, upon their execution and delivery, constitute the legal, valid and binding obligations of the Institution 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.

SECTION 2.4: Reporting; Inspection; Disclosure; Recordkeeping.

(a) Annual Financial Reporting. By not later than May 31 of each year, or by such other date as shall be determined by the Secretary, commencing in calendar year 202_ and continuing until the expiration of the Term (as defined in Section 3.1 hereof) of this Grant Agreement, the Institution shall provide the following to the Authority: copies of the Institution’s annual financial statements and auditor’s reports for the prior fiscal year, prepared in compliance with applicable State and federal law and policy, as may be amended from time to time, including but not limited to the provisions of any State policies applicable to the receipt of grants from the State.

(b) Annual Compliance Reporting. By not later than May 31 of each year, or by such other date as shall be determined by the Secretary, commencing in calendar year 202_ and continuing until the expiration of the Term of this Grant Agreement, the Institution shall provide the following information and certifications to the Authority in response to the Authority’s annual compliance questionnaire or in such other format as may be requested by the Authority:

(i) A detailed description of any use of the Project by any person or entity other than the Institution (A) during the prior calendar year, and (B) during the current calendar year up to the date of submission of the Institution’s response;

(ii) A detailed description of the receipt by the Institution of any previously undisclosed contribution or other amount earmarked for the Project (A) during

the prior calendar year, and (B) during the current calendar year up to the date of submission of the Institution's response;

(iii) If the Grant Amount has not yet been fully disbursed, (A) a detailed report of all expenditures for the Project during the prior calendar year and during the current calendar year up to the date of submission of the Institution's response (including the amount and purpose of each expenditure), and (B) a detailed description of the amounts or estimated amounts expected to be spent on the Project during the current calendar year (including the timing, amount, and purpose of each such expenditure);

(iv) If a Completion Certificate (as defined in Section 4.2 hereof) has not yet been submitted to the Authority, a statement regarding the status and progress of the Project, including the estimated percentage of completion of the Project;

(v) Written confirmation that the Institution has used all disbursements of the Grant Amount for approved Project costs, in the amounts and for the purposes stated on the related requisitions, such confirmation to be made as of the date of submission of the Institution's response, or, if the Institution cannot provide such confirmation, a detailed description and explanation of the use of any amounts of the Grant Amount for which the Institution cannot so confirm;

(vi) Written confirmation that the Institution is in compliance with the Written Procedures (as defined in Section 5.6 hereof), has conducted an annual review for compliance with federal tax requirements during the prior calendar year, and has determined that the Project and the use of the Grant Amount are in compliance with federal tax requirements;

(vii) Written confirmation that there have been no material changes to the Project or to the use of the Grant Amount during the prior calendar year or during the current calendar year up to the date of submission of the Institution's response;

(viii) Written confirmation that the Institution has procured and is maintaining the Required Insurance (as defined in Section 4.8 hereof); and

(ix) Such other information and certifications relating to the use of the Project and the use of the Grant Amount as may be reasonably requested by the Authority for the purpose of confirming the Institution's compliance with applicable State and federal law and policy.

(c) Reporting of Special Notice Events. The Institution shall provide prompt written notice to the Authority of the occurrence of any Special Notice Event, as described in Section 5.7.

(d) Inspection. The Institution agrees to permit inspection of the Project and the Institution's books and records pertaining thereto by the Authority and the Secretary upon written request during normal business hours.

(e) Disclosure. The Institution agrees that, whenever requested by the Authority, it shall provide and certify, in form satisfactory to the Authority, such information concerning the Institution and the Project, the operations and finances of the Institution and such other matters that the Authority considers to be necessary in order to enable the Authority to prepare and publish an official statement or other similar disclosure document relating to the sale of the Bonds or any refunding bonds or to enable the Authority to make any reports which are required by any law or governmental regulations in connection with the Bonds.

(f) Recordkeeping. The Institution shall retain until three (3) years after the retirement of the Bonds and any refunding bonds, adequate records with respect to the use of the Project and the expenditure of the proceeds of the Grant, as described in Section 5.8.

SECTION 2.5: Disclaimer of Warranties; Indemnification.

(a) The Institution acknowledges and agrees that (i) neither the Authority nor the Secretary makes any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Authority or the Secretary or their respective agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Grant Agreement or the Project or the existence, furnishing, functioning or use of the Project or any item or products or services provided for in this Grant Agreement; and (iii) the Institution shall indemnify and hold the Authority and the Secretary harmless against, and the Institution shall pay any and all, liability, loss, cost, damage, claim, judgment or expense of any and all kinds or nature and however arising and imposed by law, which the Authority and the Secretary may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Institution, the Institution's ownership of the Project, or the acquisition, construction or installation of the Project.

(b) To the fullest extent of the law, the Institution shall at all times protect and hold the State, the Secretary, the Department of the Treasury, the Authority, the Bond Trustee and each of their assigns, directors, officers, agents, contractors and employees (collectively, the "Indemnified Parties") harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses (including, without limitation, attorneys' fees) and liabilities for losses, damage and injury, resulting from or arising out of: (1) any claim for the non-delivery of the Grant Amount in the event that the Bonds are not issued, (2) the financing of the costs of the Project, (3) the ownership, planning, design, acquisition, site preparation, transportation, construction, renovation, equipping, installation, maintenance, repair, replacement or completion of the Project or any part thereof or the effecting of any work done as part of the Project, (4) any defects (whether latent or patent) in the Project or any part thereof, (5) the maintenance, repair,

replacement, restoration, rebuilding, demolition, upkeep, use, occupancy, ownership, leasing, subletting or operation of the Project or any portion thereof, (6) any act of negligence of the Institution or of any of its agents, contractors, servants, employees or licensees at the Project, (7) any act of negligence of any assignee or sublessee of the Institution at the Project, (8) any violation of or failure to comply by the Institution with any legal requirement applicable to the Project, including environmental laws, or any cost imposed upon any of the Indemnified Parties by any legal requirement applicable to the Project, (9) any action or inaction of the Institution that may adversely affect the tax-exempt status of the Bonds or any refunding bonds (assuming for this purpose that the Bonds consist only of the Allocable Bonds), and (10) any claim, suit or action based upon personal injury, death, or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Institution, the Institution's ownership of the Project, or the acquisition, construction or installation of the Project. The Institution shall reimburse any such Indemnified Party for any reasonable legal or other expenses incurred by it in investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the Project. The indemnification required pursuant hereto shall be binding upon the Institution for any and all claims, demands, expenses, liabilities and taxes set forth herein. No Indemnified Party shall be liable for any damage or injury to the person or property of the Institution or its assigns, directors, officers, agents, contractors or employees, or persons under the control or supervision of the Institution or any other person who may be involved with the Project in any way, due to any action, inaction, or negligence of any person. The provisions of this paragraph shall survive the expiration or earlier termination of this Grant Agreement.

SECTION 2.6: Litigation.

There is no action or proceeding pending, or to the best knowledge of the Institution, threatened by or against it by or before any court or administrative agency that might adversely affect the ability of the Institution to perform its obligations under this Grant Agreement.

SECTION 2.7: Compliance with Laws and Regulations.

To the best of its knowledge, the Institution is in compliance with all applicable statutes, regulations or ordinances of governmental agencies and authorities having jurisdiction over it and the Project, including without limitation, those of the United States of America, the State and any municipal or local government entity with jurisdiction over the Project, including but not limited to those relating to the procurement and any and all environmental laws.

The Institution agrees to comply with the Act, all State and federal laws, all rules and regulations, and any other requirements imposed by law, including but not limited to those relating to the procurement of contracts to effectuate the Project.

Except as set forth on Exhibit B attached hereto and made a part hereof, the Institution has obtained, and is in material compliance with respect to, all government approvals, permits, certificates, inspections, consents and franchises necessary to

complete the Project, to conduct its business, and to own or lease and operate its properties, and all such government approvals, permits and certificates are in full force and effect.

ARTICLE III: TERM OF THE GRANT AGREEMENT

SECTION 3.1: Term.

The term of this Grant Agreement shall commence on the Effective Date and continue in effect until such time as all of the Bonds and any refunding bonds have been paid (the “Term”).

This Grant Agreement shall not terminate prior to the end of the Term (other than such termination as is provided for elsewhere herein) for any cause including, without limitation, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Project, or the failure of the Secretary or the Authority to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Grant Agreement.

ARTICLE IV: THE PROJECT

SECTION 4.1: The Project; Project Acquisition or Construction.

The Institution acknowledges and agrees that, except for modifications to the Project as expressly permitted by the Authority pursuant to the terms of this Grant Agreement, the Institution is required to undertake and complete the Project described in Exhibit A.

Except as set forth on Exhibit B attached hereto and made a part hereof, the Institution has provided the Authority with a certified copy of the resolution(s) of the Institution’s Board of Trustees (collectively, the “Project Resolutions”) approving the undertaking and completion of the Project as so described in Exhibit A. The Institution acknowledges and agrees that no requisition shall be paid to the Institution for costs of any portion of the Project unless the Institution has provided the Authority with certified copies of all Project Resolutions.

The Institution agrees to enter into contract(s) for the acquisition or construction of the Project no later than twelve (12) months after the Effective Date. Additional requirements with respect to carrying out the Project will be set forth in the Institution’s Tax Representation Certificate(s) (as defined in Section 5.1 hereof).

SECTION 4.2: Completion of Project.

Completion of the Project shall be evidenced by delivery to the Authority of a completion certificate (the “Completion Certificate”) in the form set forth in Exhibit E attached hereto, or in such other form as the Authority may require, certifying (a) the date of completion of the Project, (b) that the Institution has received and delivered to the

Authority a copy of the permanent or temporary certificate of occupancy for the Project, if applicable, and (c) that the Institution has required in each construction contract with respect to the Project that wages paid to workers employed in the performance of such construction contract be paid, or has determined that such workers were paid, at a rate not less than the State prevailing wage rate, in compliance with N.J.S.A. 18A:72A-5.1 et seq.

**SECTION 4.3: Title to Project; No Sale, Lease or Other Disposition of Project;
Prior Approval Required for Financing Leases.**

(a) With respect to the property or facility comprising the Project and in or on which the Project is to be constructed, located, affixed, and/or installed, the Institution represents, warrants, and covenants that it has either (i) good, indefeasible and marketable title to and fee simple ownership of such property or facility, or (ii) the legal and enforceable right to use and occupy such property or facility, and to construct, locate, affix, and/or install the Project therein or thereon, pursuant to a written agreement, the term of which extends or can be renewed at the Institution's option for so long as the Project is located therein or thereon.

(b) The Institution shall not sell, lease, abandon, or otherwise dispose of the Project or any portion thereof prior to the expiration of the Term without the prior written approval of the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.

- i. Notwithstanding the receipt of any such prior written approval, the Institution acknowledges and agrees that if the Institution sells, leases, abandons or otherwise disposes of the Project or any portion thereof, the Institution shall be required to repay the Grant Amount, or such portion thereof as shall be determined by the Authority and the Secretary, in consultation with the Attorney General, in accordance with Section 6.3 hereof.
- ii. The Institution acknowledges and agrees that if it does not obtain such prior written approval for such sale, lease, abandonment, or other disposition of the Project or any portion thereof as required pursuant to subsection (b) above, such sale, lease, abandonment, or other disposition of the Project or any portion thereof shall constitute an Event of Default as set forth in Section 6.1(d) hereof.

(c) The Institution shall not enter into any financing lease or similar arrangement that transfers, or could result in the transfer of, ownership of the Project or any portion thereof to another entity prior to the expiration of the Term, without the prior written approval of the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.

- i. Notwithstanding the receipt of any such prior written approval, the Institution acknowledges and agrees that if, prior to the expiration of the Term, the Institution's ownership or control of the Project or

any portion thereof is terminated or substantially impaired as a result of such financing lease or arrangement, the Institution shall be required to repay the Grant Amount, or such portion thereof as shall be determined by the Authority and the Secretary, in consultation with the Attorney General, in accordance with Section 6.3 hereof.

- ii. The Institution acknowledges and agrees that if it does not obtain such prior written approval for any such arrangement as required pursuant to subsection (c) above, such arrangement shall constitute an Event of Default as set forth in Section 6.1(e) hereof.
- iii. The Institution further acknowledges and agrees that any such arrangement must expressly acknowledge in writing the existence of this Grant Agreement, including the Institution's covenants and requirements hereunder and the Authority's rights and remedies hereunder.

(d) The Authority, in consultation with the Secretary and the Attorney General, reserves the right to file a deed restriction in customary form against the property or facility in or on which the Project is constructed, located, affixed, and/or installed, at the sole cost and expense of the Institution. Such deed restriction shall provide that, in the event of a disposition of such property or facility together with the Project or any portion thereof, all or a portion of the proceeds of such disposition, if any, shall be required to be applied to the repayment of the Grant Amount, in accordance with either Section 6.2(g) or Section 6.3, as applicable. In the event that the Authority determines to file such deed restriction, the Institution agrees to cooperate with the Authority and to execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such documents, and to do all such things and acts, necessary to enable the Authority to effectuate the filing of such deed restriction.

SECTION 4.4: Default in Contractors', Vendors' or Suppliers' Performance.

In the event of a default of any contractor, subcontractor, vendor or supplier under the terms of any contract made in connection with the Project, the Institution will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Institution against the contractor, subcontractor, vendor or supplier in default and against each surety for the performance of such contractor, subcontractor, vendor or supplier. The Institution agrees to advise the Authority, in writing, of the steps it intends to take in connection with any such default. The Authority, after notifying the Institution in writing, in good faith and in its own name, may but shall not be required under any circumstances to, prosecute or defend any action or proceeding or take any other action which the Authority deems reasonably necessary, and in such event the Institution hereby agrees to cooperate fully with the Authority. Such action may be taken in the sole discretion of the Authority. Any amounts which are recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, net of expenses

incurred by the Authority to obtain such recovery, shall be paid to the Institution, and applied to payment of the costs of the Project.

SECTION 4.5: Maintenance of the Project.

The Institution covenants that at all times during the Term hereof, including during and after the completion of the Project, it shall cause the same to be maintained, preserved and kept properly, with the appurtenances and every part and parcel thereof in good repair, working order and condition.

SECTION 4.6: Covenant Against Waste.

The Institution covenants not to cause, suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Project.

SECTION 4.7: Damage or Destruction.

The Institution agrees to immediately notify the Authority in the event of damage to or destruction of all or a portion of the Project resulting from fire or other casualty. The Institution agrees to promptly repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction and the Institution will apply the net proceeds of any insurance relating to such damage or destruction received by the Institution to the payment or reimbursement of the costs of such repair and restoration, except as expressly authorized by the Authority in its sole discretion upon the advice of its bond counsel.

SECTION 4.8: Insurance.

Prior to the receipt of any portion of the Grant Amount, the Institution shall provide evidence to the Authority that the Institution has procured the insurance required by this Section 4.8 and is in compliance with this Section 4.8.

Except as otherwise provided in this Section 4.8:

(a) The Institution shall procure and maintain, or cause to be procured and maintained, sufficient coverage under its commercial general liability insurance policy and, if applicable, builder's risk insurance policy to cover not only its own liability but also any liability which might arise against the Indemnified Parties (as defined in Section 2.5(b)) to the extent such liability is insurable under a commercial general liability insurance policy or a builder's risk insurance policy. The Institution shall include or cause to be included the Indemnified Parties as additional insureds in any liability insurance coverage for the Project, including insurance obtained by the Institution's general contractor and subcontractors performing work on the Project.

(b) The Institution shall procure and maintain, or cause to be procured and maintained, to the extent reasonably obtainable, at the expense of the Institution, such insurance as is customarily maintained on facilities and equipment similar to the facilities

and equipment comprising the Project. The Authority, the State, the Secretary, the Department of the Treasury and the Bond Trustee shall be named as additional insureds on such insurance.

(c) All insurance required by paragraphs (a) and (b) of this Section 4.8 (collectively, the “Required Insurance”) 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.

Upon the Authority’s request from time to time, the Institution shall provide evidence to the Authority that the Institution has procured the Required Insurance in accordance with this Section 4.8. In addition, pursuant to Section 2.4 hereof, the Institution shall annually confirm to the Authority in writing that the Institution has procured and is maintaining the Required Insurance.

The Institution shall promptly notify the Authority and the Secretary in writing in the event of any change in the insurance coverage being maintained by the Institution.

Notwithstanding the foregoing, nothing herein shall be deemed to prohibit the Institution from participating in a program of self-insurance, a cooperative insurance purchasing program, or a similar insurance program, and such programs may, upon review by the Authority, be deemed to meet the requirements of this Section 4.8. The procurement of insurance shall not relieve the Institution from its obligations under Section 2.5 hereof.

SECTION 4.9: Mechanics’ Liens.

The Institution covenants to keep the Project, and the fixtures and equipment thereof, free and clear of mechanics’ liens and other liens of like nature, at all times during the Term of this Grant Agreement, and the Institution shall at all times duly protect the State, the Secretary, the Authority, the Department of the Treasury and their respective directors, officers, and employees against any and all legal fees, costs and expenses which may accrue, grow out of or be incurred by reason of or on account of any such liens or claims.

SECTION 4.10: Modification of Project.

Pursuant to N.J.A.C. 9A:12-1.6(i), in the event that the Institution requires a modification to the Project, the Institution shall submit a formal written request to the Secretary, prior to the Institution taking any action to modify the Project, in order to allow the Secretary to evaluate the merits of the proposed modification against the objectives set forth at N.J.A.C. 9A:12-1.5(b). The formal written request must be submitted on the Institution’s letterhead, must be signed by an authorized representative of the Institution, and must include the following information, at a minimum: (i) a detailed description of the proposed modification; (ii) the reason for the proposed modification; (iii) a detailed description of how the proposed modification demonstrates consistency with the scope, intent, and objectives of the original project; (iv) a budget and

timeline for completion of the proposed modification; and (v) a certified copy of the resolution of the Institution's Board of Trustees approving the proposed modification. The Secretary may exercise discretion to allow the Institution to modify the Project if such modification is reasonable and consistent with the scope, objectives, purpose, and intent of the originally approved project and if such modification does not constitute a material change. Project modifications will be reviewed on a case-by-case basis and must be authorized under the terms and conditions of the Grant Agreement, the Tax Representation Certificate(s), any other applicable Bond documents, and applicable State and federal law.

SECTION 4.11: No Use of Project for Religious Instruction or Worship.

The Institution covenants and agrees that the Project shall be used solely for the approved purposes of the Grant and as permitted under the Act. The Institution further covenants and agrees that at no time shall the Project, 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.

SECTION 4.12: Additional Covenants.

(a) The Institution covenants, represents and agrees that the Institution is, and during the full Term of this Grant Agreement will be, in compliance with the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1, et seq.

(b) The use of the Project, the admission of students to the Institution, and the provision of services to students, are not, and shall at no time be, restricted on racial or religious grounds, nor shall there be a religious test for such use, admission, or provision of services.

(c) There is not, and shall at no time be, a requirement that individuals gaining admission to or receiving services from the Institution, or otherwise using the Project, receive instruction in the tenets of a particular faith, nor shall religious instruction be mandatory.

SECTION 4.13: Condemnation of Project.

The Institution shall immediately notify the Authority upon the occurrence of either of the following circumstances: (i) the Institution enters into or plans to enter into discussions or negotiations regarding the voluntary condemnation of the Project or any portion of the Project, or (ii) the Institution receives notice that all or any portion of the Project is or may be subject to involuntary condemnation. The condemnation of the Project or any portion thereof shall constitute an Event of Default as set forth in Section 6.1(e) hereof.

ARTICLE V: TAX COVENANTS

SECTION 5.1: Tax Status; Tax Representation Certificate.

(a) The Institution represents that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code” or the “Code”) that is not a private foundation. The Institution covenants that, for as long as the Bonds and any refunding bonds are outstanding, it will take all actions necessary to remain an organization described in Code Section 501(c)(3) that is not a private foundation.

(b) The Institution covenants and represents that it has executed or will execute one or more Tax Representation Certificates (each, a “Tax Representation Certificate”) as to compliance with the Code and the Treasury Regulations promulgated thereunder or made applicable thereto (the “Treasury Regulations”) relating to the Grant, the Project and the Bonds (and any refunding bonds), in the form required by the Authority’s bond counsel. The provisions of each such Tax Representation Certificate shall be incorporated herein by reference and shall be binding upon the Institution. The Institution represents, and covenants that the representations and covenants of the Institution set forth in the Institution’s Tax Representation Certificate(s) are and will be true, correct and complete as of the date of issuance of the Bonds, and, in the case of any Tax Representation Certificate delivered in connection with refunding bonds, as of the date of issuance of the refunding bonds. The Institution understands that the statements, covenants and undertakings made in the Tax Representation Certificate(s) and this Grant Agreement shall be relied upon by the Authority and its bond counsel in connection with the issuance of the Bonds and any refunding bonds, and that any misstatement or failure to comply with any such undertaking on the part of the Institution may result in adverse consequences affecting a significantly greater principal amount of Bonds (or refunding bonds) than the amount of the Grant Amount.

SECTION 5.2: No Change in Use of Grant Amount or Project.

The Institution acknowledges and agrees that the Grant Amount is or will be funded from Bonds issued or to be issued by the Authority pursuant to the Act, and that such Bonds have been or are expected to be issued on a tax-exempt basis. In order to ensure the continued compliance of the Project with applicable State law and policy, and to ensure the continued tax-exempt status of the Bonds and any bonds issued to refund the Bonds, the Institution shall (i) use the Grant Amount and the Project as described in Section 1.1 hereof and in the Institution’s Tax Representation Certificate(s), (ii) not permit or cause any material change in the use of the Grant Amount or the Project, and (iii) not permit or cause any non-material change in the use of Grant Amount or the Project unless (a) such change in use consists of non-material modifications to the Project and/or a decrease in the Grant Amount required for the Project, (b) such change in use has been approved by the Secretary, (c) such change in use has been approved by the Authority, in consultation with the Attorney General, (d) such change in use would not be in violation of the Act or the regulations promulgated thereunder, and (e) if required, as determined by the Authority in consultation with the Attorney General, the Authority shall have received an opinion from nationally recognized bond counsel that such change in use will not adversely affect the tax-exempt status of the Bonds and any bonds issued

to refund such Bonds. The Institution shall pay any and all costs and expenses, including legal fees, incurred by the Authority to obtain such opinion(s).

SECTION 5.3: No Arbitrage Bonds.

(a) The Institution does not anticipate any fundraising campaigns or the receipt of any charitable contributions or other sources of funding for the Project that would result in having such other sources of funds and the proceeds of the Allocable Bonds available for the same costs of the Project. Without limiting the foregoing, the Institution hereby covenants that it will make no use of the proceeds of the Allocable Bonds or the proceeds of any refunding bonds if such use would cause the Bonds or the refunding bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable Treasury Regulations.

(b) The Authority and the Institution covenant and agree that the Authority shall calculate or cause to be calculated the amount of “rebate” payable with respect to or arising out of the investment of the “gross proceeds” of the Allocable Bonds (within the meaning of Treasury Regulations Section 1.148-1) (the “Rebate Amount”) at the times and in the manner required pursuant to Code Section 148(f) and Treasury Regulations Section 1.148-3 and shall pay or direct the Bond Trustee to pay the Rebate Amount to the United States at the times and in the manner required by the Code and Treasury Regulations.

(c) Notwithstanding any other provision of this Grant Agreement, to the extent that funds and accounts held by the Bond Trustee are less than the amount required to be deposited by the Authority in the Rebate Fund for the Allocable Bonds (and any refunding bonds), the Institution will pay to the Authority the amount equal to the Rebate Amount for the Allocable Bonds.

SECTION 5.4: Use of Proceeds.

The Institution covenants and agrees that unless the Institution obtains advance written consent of the Authority, which consent shall be based upon the advice of bond counsel to the Authority, other than the Authority’s costs of issuing the Allocable Bonds, none of the proceeds of the Allocable Bonds (and any refunding bonds) will be used directly or indirectly in any trade or business carried on by any person other than the Institution or a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code) and none of the proceeds of the Allocable Bonds (and any refunding bonds) will be used in an unrelated business activity of the Institution. None of the proceeds of the Allocable Bonds (and any refunding 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). No portion of the proceeds will be used with respect to any output facility (other than a water facility) or used to acquire non-governmental output property (within the meaning of Section 141 of the Code). The Institution acknowledges that these limitations are more stringent than the requirements of Section 141 of the Code and Section 145 of

the Code, and the respective accompanying Treasury Regulations, all of which the Authority has elected to apply on an aggregate versus individual basis.

SECTION 5.5: Covenant Not to Purchase Bonds.

The Institution covenants and agrees that neither it nor any party related to it, within the meaning of Treasury Regulation 1.150-1(b), pursuant to an arrangement, formal or informal, shall purchase bonds of the Authority issued to finance or refinance the Grant or the Project in an amount related to the amount of the principal payments to be made pursuant to this Grant Agreement.

SECTION 5.6: Written Procedures as to Post-Issuance Tax Compliance.

The Institution acknowledges and agrees that the Authority has adopted written post-issuance compliance procedures (the “Authority Written Procedures”) to monitor compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations. Unless the Institution has already adopted its own written post-issuance compliance procedures with respect to bond-financed facilities to monitor compliance with the applicable provisions of the Code and Treasury Regulations, then, within ninety (90) days after the Effective Date of this Grant Agreement or within ninety (90) days after the date of issuance of the Bonds, whichever is earlier, the Institution shall adopt written post-issuance compliance procedures (collectively, the “Institution Written Procedures” and, together with the Authority Written Procedures, the “Written Procedures”) to monitor compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations. The Institution shall provide a copy of the Institution Written Procedures to the Authority upon adoption thereof. The Institution agrees to comply with the Written Procedures and, at least once each year, the Institution shall review the use of the Institution’s facilities that have been financed or refinanced with proceeds of the Allocable Bonds and/or proceeds of any other outstanding bonds of the Authority (“Other Authority Bonds”) in order to determine whether the use of such facilities complies with all federal tax requirements applicable to the Allocable Bonds and the Other Authority Bonds. Pursuant to Section 2.4 hereof, the Institution shall annually confirm to the Authority in writing that the Institution is in compliance with the Written Procedures and this Section 5.6.

SECTION 5.7: Special Notice Events.

The Institution shall provide prompt written notice to the Authority of the occurrence of any of the acts or events described in Exhibit D attached hereto and made a part hereof (each, a “Special Notice Event”). The Institution acknowledges and agrees that the occurrence of any of such acts or events may jeopardize the tax-exempt status of the Bonds (and any refunding bonds). The Institution will use its best efforts to provide advance notice of any such occurrence, but will in any event provide notice no later than thirty (30) days after the occurrence of any such Special Notice Event, whether the Institution 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 shall have occurred, or otherwise. The Institution agrees that, in consultation with the Authority, and at the sole cost and expense of the Institution, the Institution shall take such actions, if any, as may be necessary or appropriate to remediate such Special Notice Event, or it shall assist the Authority in the Authority's taking of such actions, including without limitation such actions as may be required pursuant to Treasury Regulations Section 1.141-12 or a closing agreement with the Internal Revenue Service, and shall provide to the Authority an opinion of nationally recognized bond counsel as to such plan of remediation and whether or not the tax-exempt status of the Bonds will be preserved. Without limiting the foregoing, the Authority shall have the right, upon prior written notice to the Institution, to conduct its own investigation of any Special Notice Event and, at the sole cost and expense of the Institution, retain bond counsel to determine any and all actions required to remediate such Special Notice Event including but not limited to the delivery of an opinion of bond counsel.

SECTION 5.8: Records Retention.

The Institution covenants and agrees to create and maintain records with respect to the Grant and the Project which, in the judgment of the Authority, are sufficient to determine the compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations, including but not limited to records with respect to (i) the allocation and use of the proceeds of the Allocable Bonds, (ii) the ownership and use of all property financed with proceeds of the Allocable Bonds, (iii) the existence or creation of any "replacement proceeds" (as defined in the Institution's Tax Representation Certificate), and (iv) any information necessary to establish any exception to the arbitrage rebate requirement (as defined in the Institution's Tax Representation Certificate) with respect to the Allocable Bonds, as such records are further described in the Institution's Tax Representation Certificate with respect to the Allocable Bonds. The Institution covenants to retain all of such records until the expiration of three (3) years after the later of (i) the last scheduled maturity date or earlier retirement of the Bonds, and (ii) if any of the Bonds have been refunded, the last scheduled maturity date or earlier retirement of any refunding bonds. Such records of the Institution shall be provided to the Authority upon written request.

SECTION 5.9: Right to Obtain Bond Counsel Opinion.

In the sole discretion of the Authority, the Institution shall not be required to comply with any one or more requirements of this Article V to the extent that the Authority obtains an opinion of nationally recognized bond counsel to the effect that failure to comply with such requirements, or compliance with other requirements in lieu thereof, will not impair the exclusion from gross income of interest on the Bonds (or any refunding bonds) for purposes of federal income taxation under Section 103 of the Code.

ARTICLE VI: EVENTS OF DEFAULT AND REMEDIES

SECTION 6.1: Events of Default.

The occurrence of any one or more of the following events (whether such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree, or order of any court, or any order, rule or regulation of any administrative or governmental body) shall constitute an “Event of Default”:

- (a) Any representation or warranty, statement, report, financial statement or certificate made by the Institution in its application or in this Grant Agreement is false, misleading, or inaccurate in any material respect.
- (b) Failure by the Institution to observe and perform in any material respect any term, covenant, or condition imposed on it under this Grant Agreement and such failure shall have continued for thirty (30) days after the earlier of (i) delivery to the Institution of written notice thereof from the Authority, or (ii) Institution’s actual or constructive knowledge of such failure, however, if such failure is capable of cure, but cannot be cured by payment of money or by diligent efforts within such thirty (30) day period, but such diligent efforts are properly commenced within the cure period and the Institution is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional period of time, not to exceed an additional forty-five (45) days and in no case to extend beyond the expiration of the Term of this Grant Agreement.
- (c) Failure to make the payments required under Section 1.2, when due.
- (d) Failure of the Institution to comply with Section 4.3(b) hereof.
- (e) Failure of the Institution to comply with Section 4.3(c) hereof.
- (f) Condemnation of all or any portion of the Project or the Institution’s failure to comply with Section 4.13 hereof.

SECTION 6.2: Remedies.

- (a) Upon the occurrence of any Event of Default, following applicable notice and cure periods, the Authority shall have the right, at its sole and absolute discretion, upon thirty (30) days written notice to the Institution, to terminate this Grant Agreement, at which time any obligation of the Authority to make any further disbursements as contemplated by this Grant Agreement shall immediately terminate. The Authority shall also have any remedies at law or equity, including specific performance.

- (b) If, after thirty (30) days written notice is sent, the Institution has failed to make payments required under Section 1.2 hereof or if there are disallowed costs, or if there has been payment of a Grant Amount in excess of eligible Project costs, then the State Treasurer is authorized to withhold and/or intercept any State aid or appropriation payable to the Institution, in an amount sufficient to satisfy any default or failure of the Institution, including return of the Grant Amount to the Authority.
- (c) Upon the occurrence of an Event of Default, the amount of the Grant Amount that has been disbursed as of the date of such Event of Default may, upon demand of the Authority, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, be required to be repaid to the Authority by the Institution. In the event repayment is required, the Institution will receive a credit for the portion of any previous payments made by the Institution to the Authority under Section 1.2 hereof attributable to the principal amount of the Allocable Bonds, but shall not be entitled to a credit for those payments attributable to interest on the Allocable Bonds or attributable to any Fees. The Authority shall determine whether repayment of the Grant Amount is required, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, based on the facts and circumstances related to the Event of Default and whether there exists the need to redeem or defease Allocable Bonds to ensure the continued tax-exempt status of the Bonds and any refunding bonds. The Institution will be responsible for the payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.
- (d) No remedy conferred herein upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Grant Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Section 6.2, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.
- (e) Notwithstanding anything herein to the contrary, in the case of an Event of Default described in Section 6.1(d) or 6.1(f), the Institution shall be required to promptly repay the Grant Amount in full (or such portion thereof as has been disbursed to the Institution) in such amount and on such terms as shall be determined by the Authority in consultation with the Secretary and the Attorney General. In such event, the Institution will receive a credit for the portion of any previous payments made by the

Institution to the Authority under Section 1.2 hereof attributable to the principal amount of the Allocable Bonds, but shall not be entitled to a credit for those payments attributable to interest on the Allocable Bonds or attributable to any Fees. The Authority shall determine, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, whether there exists the need to redeem or defease the Allocable Bonds to ensure the continued tax-exempt status of the Bonds and any refunding bonds. The Institution will be responsible for the payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.

SECTION 6.3: Disposition of Project or Portion Thereof, or Termination or Impairment of Ownership or Control of Project or Portion Thereof.

If the Institution disposes of all or a portion of the Project with the prior written approval of the Authority and the Secretary given pursuant to Section 4.3(b), or if the Institution enters into an arrangement described in Section 4.3(c) which results in the termination or impairment of the Institution's ownership or control of the Project or any portion thereof, the Institution shall be required to promptly repay the Grant Amount (or such portion thereof as has been disbursed to the Institution), in full or in part, on such terms as shall be determined by the Authority in consultation with the Secretary and the Attorney General; provided, however, that, if the Authority and the Secretary, in consultation with the Attorney General and the Authority's bond counsel, determine that such disposition or such arrangement is de minimis in its impact on the Institution's ownership and use of the Project and will have no adverse tax impact on the Allocable Bonds, then the Authority and the Secretary, in consultation with the Attorney General, may determine that repayment of the Grant Amount allocable to such disposition or arrangement is not required. In the event that the Grant Amount (or such portion thereof as has been disbursed to the Institution) is required to be repaid in full or in part, the Institution will receive a credit for a portion of any previous payments made by the Institution to the Authority under Section 1.2 hereof attributable to the principal amount of the Allocable Bonds, such portion to be determined by the Authority in consultation with the Secretary and the Attorney General, but the Institution shall not be entitled to a credit for those payments attributable to interest on the Allocable Bonds or attributable to any Fees. The Authority shall determine, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, whether it is necessary to redeem or defease Allocable Bonds to ensure the continued tax-exempt status of any outstanding Bonds and/or any refunding bonds. The Institution will be responsible for the payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.

SECTION 6.4: Determination of Repayment Amount.

- (a) If, pursuant to any provision of this Grant Agreement, the Institution shall be required to repay all or a portion of the Grant Amount, the determination of such amount (the "Repayment Amount") and the terms of such repayment shall be

determined by the Authority, in consultation with the Secretary and the Attorney General.

- (b) The determination of the Repayment Amount may take into account the following factors, in addition to any other factors that the Authority, in consultation with the Secretary and the Attorney General, determine to be appropriate under the circumstances: (i) the remaining useful life of the Project; (ii) the remaining Term; (iii) the remaining debt service on the Allocable Bonds; (iv) whether any portion of the Project will continue to be owned and controlled by the Institution; (v) whether the Project (or the portion thereof that will no longer be owned or controlled by the Institution) will be owned and controlled by another “eligible institution”, as defined herein, that agrees in writing to take ownership and control of the Project subject to the terms and conditions of this Grant Agreement, and (vi) whether the Project (or the portion thereof that will no longer be owned or controlled by the Institution) will continue to be used for a use and purpose that is determined by the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, to be in compliance with the requirements of the Act and all other applicable State and federal law and policy with respect to the use of the Project.

ARTICLE VII: MISCELLANEOUS

SECTION 7.1: No Additional Waiver Implied by One Waiver.

In the event any agreement, covenant, warranty, or representation contained in this Grant Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 7.2: Severability.

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

SECTION 7.3: Successors and Assigns.

This Grant Agreement shall inure to the benefit of and shall be binding upon the Institution, the Authority and their respective successors and assigns.

SECTION 7.4: Governing Law.

This Grant Agreement shall be governed by and construed in accordance with the laws of the State, without giving effect to its choice of law rules thereof. The Institution hereby consents to the jurisdiction of the Superior Court of the County of Mercer, New

Jersey and agrees that any lawsuits of any nature pertaining to this Grant Agreement shall be brought in that Court in the first instance.

SECTION 7.5: Non-Waiver.

It is understood and agreed that nothing contained in this Grant Agreement shall be construed as a waiver on the part of the Parties, or any of them, of any right not explicitly waived in this Grant Agreement.

SECTION 7.6: Tort Claims Act and Contractual Liability Act.

The liability of the Secretary, the Authority, the Department of the Treasury and their respective directors, officers and employees shall be subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 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 is not applicable by its terms to the Authority, the Institution hereby agrees that such statute (except for N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority under this Grant Agreement.

SECTION 7.7: Headings.

The Section headings in this Grant Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Grant Agreement.

SECTION 7.8: Notices.

All notices required to be given or authorized to be given by the Parties pursuant to this Grant Agreement shall be in writing and shall be sent to the main offices of the respective Parties by registered or certified mail or by email with confirmation of receipt.

SECTION 7.9: Amendments.

Any amendments or modifications to this Grant Agreement shall be in writing and signed by each of the Parties. This Grant Agreement shall not be amended or modified in any manner without the written consent of the Secretary. In addition, the Institutional Debt Service Schedule set forth in Schedule I hereto shall not be modified in any manner without the written consent of the State Treasurer. Material changes to this Grant Agreement will not be allowed.

SECTION 7.10: Rights Cumulative.

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.

SECTION 7.11: Third Party Beneficiary.

The Parties agree that the State is intended to be and shall be a third party beneficiary of this Grant Agreement.

SECTION 7.12: Additional Representations and Covenants.

Upon or prior to the issuance of the Bonds, a schedule reflecting additional representations, undertakings and covenants applicable to the Project and the Grant may be attached hereto as a condition to this Grant Agreement. Any such additional provisions shall be incorporated herein and shall be binding upon the Institution.

SECTION 7.13: Electronic Signatures

Pursuant to N.J.S.A. 12A:12-1 et seq., the “Uniform Electronic Transactions Act,” electronic signatures to a contract shall be binding upon agreement of all parties. The Parties hereto agree that this Grant Agreement, and all documents, certificates, opinions and requisitions delivered pursuant to the terms hereof, may be executed with electronic signatures.

SECTION 7.14: Counterparts.

This Grant Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives, each acting in their official capacities, have caused this Grant Agreement to be executed and delivered as of the Effective Date.

[NAME OF INSTITUTION]

NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY

By: _____
Name:
Title:

By: _____
Name:
Title:

List of Exhibits:

Exhibit A: Description of Project

Exhibit B: Compliance Exceptions Under Sections 2.7 and 4.1

Exhibit C: Form of Requisition

Exhibit D: Special Notice Events

Exhibit E: Form of Completion Certificate

List of Schedules:

Schedule I: Institutional Debt Service Schedule

EXHIBIT A

DESCRIPTION OF PROJECT

[to be attached]

The Project to be financed by the Bonds referenced in this Grant Agreement includes only such components of the Project that are permitted to be financed under the Act and accompanying regulations (the “Eligible Components”), and does not include those components of the Project that are described in the attached description of the Project but which are being financed by other grants or leases from the Authority or the State and/or by other funding sources. The Institution represents and agrees that amounts provided to the Institution under this Grant Agreement will be used by the Institution only to reimburse the Institution for costs of Eligible Components of the Project, and that the Institution has sufficient funds from other sources to finance the balance of the Project.

EXHIBIT B

COMPLIANCE EXCEPTIONS UNDER SECTIONS 2.7 AND 4.1

- [] No compliance exceptions.
- [] Pursuant to Section 4.1, prior to any funds being disbursed to the Institution, the Institution is required to provide the Authority with a certified copy of the resolution(s) of the Institution’s Board of Trustees approving the undertaking and completion of the Project as described in Exhibit A.
- [] The Institution shall set forth below any exceptions to Section 2.7:

EXHIBIT C

FORM OF REQUISITION

[to be attached]

EXHIBIT D

SPECIAL NOTICE EVENTS

The following events shall be considered Special Notice Events:

1. **“Private business use” of the Bond-Financed Project:** “Private business use” of the Project occurs if any portion of the financed Project (i.e., any project facility) will be used by anyone *other than* a State or local governmental unit or members of the general public who are not using the project facility in the conduct of a trade or business. The following uses, and similar uses, are considered to be “private business use” and are generally not permitted: (i) use of a project facility by a person or entity as an owner, lessee, purchaser of the output of a facility under a “take and pay” or “take or pay” contract, and/or purchaser or licensee of research, (ii) a manager or independent contractor having use of a project facility pursuant to certain management or professional service contracts, (iii) any other arrangement that conveys special legal entitlements to the use of a project facility, including any arrangement that conveys priority rights to the use or capacity of the facility, or any arrangement that conveys a special economic benefit with respect to the use of the facility, (iv) use of a project facility by the federal government, and (v) use of a project facility by a Code Section 501(c)(3) organization other than the Institution, unless such use by such other Code Section 501(c)(3) organization has been approved in advance by the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.
2. **“Private loans” of Bond Proceeds:** A “private loan” will occur if any of the proceeds of the Bonds (including any investment earnings thereon) are loaned out by the Institution. Private loans are not permitted.
3. **Naming rights agreements for the Bond-Financed Project:** A naming rights agreement with respect to the financed Project (other than a “brass plaque” dedication) is a form of private business use and is not permitted.
4. **Research using the Bond-Financed Property:** Research contracts with respect to a financed Project that are not “qualified” research agreements are generally not permitted. A qualified research agreement is a research agreement that meets the requirements of Rev. Proc. 2007-47. If any portion of a financed Project will be used for the conduct of research under the sponsorship of, or for the benefit of, any entity *other than* a State or local governmental unit, such research agreement must be a qualified research agreement. Research agreements that do not meet the requirements of Rev. Proc. 2007-47 are not qualified research agreements, may result in private business use, and are not permitted.
5. **Management agreement or service agreement:** In general, no portion of the financed Project should be used by any person or entity pursuant to a management contract or service contract (e.g., food service, bookstore, parking management, etc.), other than (i) a contract to provide services that are solely incidental to the primary function of the financed facility, such as janitorial services or office equipment repair, or (ii) a qualified management contract that meets the requirements of Rev. Proc. 2017-13. A contract that results in the payment of a concession or similar fee to the Institution is *not* a qualified contract. Management agreements and similar contracts that do not meet the requirements of Rev. Proc. 2017-13 are not qualified contracts, may result in private business use, and are not permitted.

6. **Joint Ventures:** A joint venture arrangement between the Institution and another entity with respect to any portion of the financed Project may result in impermissible private business use unless the other entity is a State or local government unit.

7. **Sinking fund or pledged fund:** Neither the Institution nor any organization related to the Institution should establish or identify any funds or accounts to hold amounts that are expected to be used to pay debt service on the Bonds or any refunding bonds or to secure the payment of debt service on the Bonds or any refunding bonds, other than those funds or accounts described in the bond documents with respect to the Bonds. The establishment, identification, or existence of such “sinking funds” or “pledged funds” is a Special Notice Event.

8. **Unexpected payments or proceeds:** Unexpected payments or proceeds occur if the Institution receives funds relating to the financed Project, including, without limitation, charitable gifts, insurance payments, and settlements of litigation or other disputes. The receipt of any such amounts relating to the financed Project is a Special Notice Event.

9. **Change in ownership of the financed Project:** The Institution shall not sell or otherwise transfer the ownership of any portion of the Project to any person or entity prior to the earlier of the end of the expected economic life of the Project or the latest maturity date of the Bonds financing (or any bonds refinancing) the Project. Any such change in ownership is a Special Notice Event.

10. **Lease of the financed Project:** Leasing any portion of the financed Project (other than to students enrolled in the Institution, or leases for short periods of time for educational, cultural or public activities) is a Special Notice Event.

11. **Cessation of use, abandonment, or demolition of the financed Project:** The cessation of use of the financed Project by the Institution, or the Institution’s abandonment of or demolition of the financed Project, is a Special Notice Event.

12. **Allowing a lien against the financed Project:** The imposition of a lien against the financed Project is a Special Notice Event.

13. **Loss of Section 501(c)(3) Status:** The loss of Code Section 501(c)(3) status by the Institution is a Special Notice Event.

14. **Unrelated trade or business:** The use of any portion of the financed Project by any 501(c)(3) organization (including by the Institution) in an unrelated trade or business (i.e., a trade or business not substantially related to the Section 501(c)(3) purpose or purposes of the 501(c)(3) organization) is a Special Notice Event.

EXHIBIT E

FORM OF COMPLETION CERTIFICATE
FOR CAPITAL IMPROVEMENT FUND GRANTS

PLEASE PRINT ON INSTITUTION'S LETTERHEAD.

Date: _____

Institution: _____

Pursuant to Section 4.2 of the Grant Agreement with respect to the Grant Amount and Project referenced below (the “Grant Agreement”), the undersigned, a duly authorized representative of the Institution, hereby certifies that: (i) the Institution has completed the referenced Project funded pursuant to the Capital Improvement Fund Act, N.J.S.A. 18A:72A-72 et seq.; (ii) the Project was completed on the Completion Date set forth below; (iii) the Institution has required in each construction contract with respect to the Project that wages paid to workers employed in performance of such construction contract be paid, or has determined that such workers were paid, at a rate not less than the State prevailing wage rate, in compliance with N.J.S.A. 18A:72A-5.1 et seq.; and if applicable, (iv) the Institution has received and delivered to the New Jersey Educational Facilities Authority a copy of the permanent or temporary certificate of occupancy for the Project, a copy of which is attached hereto and made a part hereof. All capitalized terms shall have the meaning given to them in the Grant Agreement unless otherwise defined herein.

Grant Application Number: _____

Project Name: _____

Grant Amount: _____

Completion Date: _____

[NAME OF INSTITUTION]

By: _____
[Name]
[Title]

SCHEDULE I

INSTITUTIONAL DEBT SERVICE SCHEDULE

[to be attached]

GRANT AGREEMENT

Between the

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY,
as Grantor

and

[NAME OF INSTITUTION],
as Grantee

Dated as of _____, 2026

HIGHER EDUCATION CAPITAL IMPROVEMENT FUND

Grant Amount: \$ _____

Application #: _____

THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HIGHER EDUCATION CAPITAL IMPROVEMENT FUND

GRANT AGREEMENT

[Institution]

THIS GRANT AGREEMENT, is executed as of _____, 2026 (the “Effective Date”) by and between the New Jersey Educational Facilities Authority (the “Authority”), a public body corporate and politic of the State of New Jersey (the “State”) and [NAME OF INSTITUTION] (the “Institution”), a public institution of higher education as defined in N.J.S.A. 18A:72A-3 (collectively, the “Parties”), pursuant to the provisions of the Higher Education Capital Improvement Fund Act, N.J.S.A. 18A:72A-72 et seq., as amended (the “Act”), for the purpose of providing funds for the renewal, renovation, improvement, expansion, construction and/or reconstruction of certain facilities, or technology infrastructure, at the Institution, in accordance with the Act and as further described herein.

ARTICLE I: THE GRANT

SECTION 1.1: Grant Amount.

(a) The Institution is hereby awarded a grant (the “Grant”) in the amount of _____ dollars (\$_____) (the “Grant Amount”) to be used to finance the costs of the project described in the attached Exhibit A (the “Project”), as approved by the Secretary of Higher Education (the “Secretary”). A description of the Project as so approved is attached hereto and incorporated herein by reference. The Grant Amount will be funded with the proceeds of one or more series of tax-exempt revenue bonds issued or to be issued by the Authority pursuant to the Act (the “Bonds”); provided, however, that the payment of the Grant Amount is expressly conditioned upon the issuance of the Bonds, if, when, and as issued, in an amount sufficient to fund the Grant Amount, and also upon the Institution’s execution and delivery of all documents, certificates, opinions and other items as may be required by the Authority in connection with the issuance of the Bonds and the making of the Grant. The issuance of the Bonds is subject to the approval of the Authority’s Board and the funding of the Grant Amount is subject to final review by the Authority’s bond counsel as to the eligibility of the Project for financing with tax-exempt Bonds.

(b) The term “Allocable Bonds,” when used herein, shall mean the portion of the Bonds allocable to the Grant (i.e., the amount of Bonds issued to finance the Grant Amount and a proportionate share of the costs of issuance of the Bonds and the Authority’s administrative costs associated with the approval process for the projects financed by the Bonds).

SECTION 1.2: Institution's Financing Requirements.

In exchange for receipt of the Grant Amount, the Institution agrees to pay to the Authority an amount equal to one-third of the amount necessary to pay the principal of and interest on the Allocable Bonds and any refunding bonds (collectively the "Debt Service Requirement"), plus the Institution's share of any Fees (defined below) allocable to the Institution. "Fees" shall mean any fees, costs or expenses, including without limitation, the Annual Administrative Fee of the Authority (defined below), fees of the Bond Trustee (as hereinafter defined), swap termination fees, remarketing agent fees, annual rating agency fees, escrow agent fees, other fees or amounts payable under or in connection with a swap agreement or variable rate debt, amounts payable in connection with any agreement authorized under N.J.S.A. 18A:72A-78(e), any fees otherwise relating to the Allocable Bonds, and reasonable legal fees incurred by the Authority in connection with any default, anticipatory breach, and/or amendment to this Grant Agreement and/or modification to the Project. "Annual Administrative Fee of the Authority" shall mean the annual fee for the general administrative services of the Authority, which shall be payable by the Institution at the same time as the Institution's semi-annual debt service payments, in an aggregate amount equal to eighty (80) basis points of par value of the Allocable Bonds, to be paid in equal installments over a ten (10) year period or, if applicable, over such shorter period that ends on the last maturity date of the Allocable Bonds. Upon or following the issuance of the Allocable Bonds (and any refunding bonds) a schedule reflecting the amounts in respect of the principal of and interest on the Allocable Bonds (or refunding bonds) payable by the Institution shall be attached hereto as Schedule I, "Institutional Debt Service Schedule" and shall be incorporated herein, and such schedule shall be binding upon the Institution. Such amounts shall be payable to the Authority at such time and place that may be specified by the Authority, not more than thirty (30) days nor less than fifteen (15) days prior to the payment dates listed on the Institutional Debt Service Schedule. The Authority expects to invoice the Institution on a semi-annual basis, each January and July, for amounts due with respect to the Debt Service Requirement, the Annual Administrative Fee of the Authority, and fees of the Bond Trustee; any other Fees will be invoiced as incurred. The State Treasurer may retain from State aid or an appropriation payable to the Institution an amount sufficient to satisfy any amount that such Institution fails or is unable to make to pay principal and interest on the Allocable Bonds (or refunding bonds) under this Grant Agreement and such retention shall not obligate the State to make, nor the Institution to receive, any additional appropriation or apportionment.

The obligation of the Institution to provide funding as described in this Section 1.2 and to perform its obligations under this Grant Agreement shall be absolute and unconditional, and such funds shall be required without any rights of set off, recoupment or counterclaim it might have against the Secretary, the State, the Authority, or any other person and whether or not the Project is used by the Institution or available for use by the Institution.

SECTION 1.3: Reduction or Cancellation of Grant Amount.

The Institution acknowledges and agrees that the Secretary may reduce or cancel the Grant Amount (a) if the Institution determines not to undertake the Project, (b) if the Bonds are not issued for any reason whatsoever, (c) to adjust for actual Project expenses in a manner consistent with the Grant Amount, or (d) if the Project is not substantially completed and the Grant Amount is not substantially disbursed six (6) months after the estimated construction completion date set forth in the Institution’s Grant application, as adjusted for any actual delay to the Institution entering into the contract(s) specified in Section 4.1 hereof; provided, however, that no adjustment or reduction pursuant to clause (d) will be made if (i) the delays are the result of federal, State, or local governmental approvals or regulatory requirements and such delays are not attributable to any action or inaction of the Institution; (ii) the delays are the result of delays in the availability of funding under this Grant Agreement; or (iii) other compelling and documentable reasons exist as determined by the Secretary.

SECTION 1.4: Eligibility for Reimbursement of Expenditures.

The Institution agrees that the Grant Amount may not be used to reimburse expenditures incurred by the Institution prior to October __, 2025 (the “Reimbursement Eligibility Date”). As used herein, the term “incurred” as applied to any expenditure shall mean the earlier to occur of (i) the date services were provided or goods were delivered, or (ii) the date that the Institution expended funds to pay (or prepay) for the expenditure. Only expenditures incurred on or after the Reimbursement Eligibility Date may be reimbursed. All such reimbursements shall be subject to approval by the Authority and, upon the request of the Authority, review by its bond counsel. No financing costs or interest expense of any interim debt shall be reimbursed, and no liens in respect of any interim debt shall be permitted to exist at the time of issuance of the Bonds.

SECTION 1.5: Sufficient Funding.

The Institution represents and warrants that it has or reasonably expects to have sufficient funding to complete the Project, including to pay the Debt Service Requirement and any Fees allocable to the Institution. The Institution also acknowledges that any Project costs exceeding the costs of the Project approved by the Secretary shall be the responsibility of the Institution.

SECTION 1.6: Use of Grant Amount; Disbursement Pursuant to Requisitions.

The Institution has committed, by resolution of its governing board, to use the Grant Amount to finance costs of the Project, and to operate and maintain the Project. All costs to be funded or reimbursed from the Grant Amount shall be subject to the State prevailing wage requirements of N.J.S.A. 18A:72A-5.1 et seq.

The Institution covenants that not more than twenty percent (20%) of the Grant Amount shall be used for renewal and renovation or improvement, expansion,

construction and reconstruction with respect to “student-support facilities” (as defined in the Act).

The Authority shall disburse, or cause the trustee for the Bonds (the “Bond Trustee”) to disburse, from time to time, the Grant Amount to the Institution, but only upon receipt and approval of requisitions submitted to and approved by the Authority. Each requisition shall be executed by an authorized representative of the Institution and shall be in the form set forth in Exhibit C attached hereto, or in such other form as the Authority may require. The Institution shall not alter, retype, reformat, or otherwise modify or revise the approved form of requisition. The Authority will not accept any requisition that does not conform to the Authority’s approved form.

The Institution shall submit requisitions promptly and shall comply with any time constraints for the submission of requisitions that the Authority or the Secretary may impose.

SECTION 1.7: No Assignment; No Pledge.

This Grant Agreement may not be assigned by the Institution, nor may it be pledged as collateral for any purpose.

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 2.1: Existence.

The Institution is a body corporate and politic created under the laws of the State, and has the necessary power and authority to execute and deliver this Grant Agreement and any other documents to which the Institution is a party, and to perform its obligations hereunder and thereunder.

SECTION 2.2: Eligible Institution; Accuracy of Grant Application.

(a) For the purposes hereof, an “eligible institution” is a duly accredited four-year “public institution of higher education” as defined in N.J.S.A. 18A:72A-3. The Institution represents and warrants that it is an eligible institution.

(b) The Institution represents and warrants that all of the statements and representations made in its application for the Grant were on the date made, are on the Effective Date hereof, and shall continue to be, true and correct in all material respects.

SECTION 2.3: Authorization and Validity.

The execution, delivery and performance of this Grant Agreement by the Institution shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or a breach of any provision contained in its certificate of formation or authorizing legislation (as applicable), or contained in any agreement, instrument, document, bond indenture, law, rule, regulation, order, decree, writ,

judgment, injunction, or award to which it is now a party or by which it or any of its assets is bound.

The execution and delivery by the Institution of this Grant Agreement and any other documents to which the Institution is a party related to the execution and delivery of this Grant Agreement (including, without limitation, the application for the Grant submitted to the Secretary, resolutions adopted by the Institution and any Tax Representation Certificates, as defined below (collectively, the “Other Grant Documents”)) have been or will be as of their date of execution duly authorized by proper proceedings of the Institution, and no further approval, authorization or consents are required by law or otherwise. This Grant Agreement and the Other Grant Documents constitute or shall, upon their execution and delivery, constitute the legal, valid and binding obligations of the Institution 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.

SECTION 2.4: Reporting; Inspection; Disclosure; Recordkeeping.

(a) Annual Financial Reporting. By not later than May 31 of each year, or by such other date as shall be determined by the Secretary, commencing in calendar year 202_ and continuing until the expiration of the Term (as defined in Section 3.1 hereof) of this Grant Agreement, the Institution shall provide the following to the Authority: copies of the Institution’s annual financial statements and auditor’s reports for the prior fiscal year, prepared in compliance with applicable State policy, as may be amended from time to time, including but not limited to the provisions of any State policies applicable to the receipt of grants from the State.

(b) Annual Compliance Reporting. By not later than May 31 of each year, or by such other date as shall be determined by the Secretary, commencing in calendar year 202_ and continuing until the expiration of the Term of this Grant Agreement, the Institution shall provide the following information and certifications to the Authority in response to the Authority’s annual compliance questionnaire or in such other format as may be requested by the Authority:

(i) A detailed description of any use of the Project by any person or entity other than the Institution (A) during the prior calendar year, and (B) during the current calendar year up to the date of submission of the Institution’s response;

(ii) A detailed description of the receipt by the Institution of any previously undisclosed contribution or other amount earmarked for the Project (A) during the prior calendar year, and (B) during the current calendar year up to the date of submission of the Institution’s response;

(iii) If the Grant Amount has not yet been fully disbursed, (A) a detailed report of all expenditures for the Project during the prior calendar year and during the current calendar year up to the date of submission of the Institution’s response (including the amount and purpose of each expenditure), and (B) a detailed description of

the amounts or estimated amounts expected to be spent on the Project during the current calendar year (including the timing, amount, and purpose of each such expenditure);

(iv) If a Completion Certificate (as defined in Section 4.2 hereof) has not yet been submitted to the Authority, a statement regarding the status and progress of the Project, including the estimated percentage of completion of the Project;

(v) Written confirmation that the Institution has used all disbursements of the Grant Amount for approved Project costs, in the amounts and for the purposes stated on the related requisitions, such confirmation to be made as of the date of submission of the Institution's response, or, if the Institution cannot provide such confirmation, a detailed description and explanation of the use of any amounts of the Grant Amount for which the Institution cannot so confirm;

(vi) Written confirmation that the Institution is in compliance with the Written Procedures (as defined in Section 5.6 hereof), has conducted an annual review for compliance with federal tax requirements during the prior calendar year, and has determined that the Project and the use of the Grant Amount are in compliance with federal tax requirements;

(vii) Written confirmation that there have been no material changes to the Project or to the use of the Grant Amount during the prior calendar year or during the current calendar year up to the date of submission of the Institution's response;

(viii) Written confirmation that the Institution has procured and is maintaining the Required Insurance (as defined in Section 4.8 hereof); and

(ix) Such other information and certifications relating to the use of the Project and the use of the Grant Amount as may be reasonably requested by the Authority for the purpose of confirming the Institution's compliance with applicable State and federal law and policy.

(c) Reporting of Special Notice Events. The Institution shall provide prompt written notice to the Authority of the occurrence of any Special Notice Event, as described in Section 5.7.

(d) Inspection. The Institution agrees to permit inspection of the Project and the Institution's books and records pertaining thereto by the Authority and the Secretary upon written request during normal business hours.

(e) Disclosure. The Institution agrees that, whenever requested by the Authority, it shall provide and certify, in form satisfactory to the Authority, such information concerning the Institution and the Project, the operations and finances of the Institution and such other matters that the Authority considers to be necessary in order to enable the Authority to prepare and publish an official statement or other similar disclosure document relating to the sale of the Bonds or any refunding bonds or to enable

the Authority to make any reports which are required by any law or governmental regulations in connection with the Bonds.

(f) Recordkeeping. The Institution shall retain until three (3) years after the retirement of the Bonds and any refunding bonds, adequate records with respect to the use of the Project and the expenditure of the proceeds of the Grant, as described in Section 5.8.

SECTION 2.5: Disclaimer of Warranties; Indemnification.

(a) The Institution acknowledges and agrees that (i) neither the Authority nor the Secretary makes any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portions thereof or any other warranty or representation with respect thereto; and (ii) in no event shall the Authority or the Secretary or their respective agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Grant Agreement or the Project or the existence, furnishing, functioning or use of the Project or any item or products or services provided for in this Grant Agreement.

(b) To the fullest extent permitted by law, (A) the Institution shall at all times protect and hold the State, the Secretary, the Department of the Treasury, the Authority, the Bond Trustee and each of their assigns, directors, officers, agents, contractors and employees (collectively, the “Indemnified Parties”) harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses (including, without limitation, attorneys’ fees) and liabilities for losses, damage and injury, resulting from or arising out of: (1) any claim for the non-delivery of the Grant Amount in the event that the Bonds are not issued, (2) the financing of the costs of the Project, (3) the ownership, planning, design, acquisition, site preparation, transportation, construction, renovation, equipping, installation, maintenance, repair, replacement or completion of the Project or any part thereof or the effecting of any work done as part of the Project, (4) any defects (whether latent or patent) in the Project or any part thereof, (5) the maintenance, repair, replacement, restoration, rebuilding, demolition, upkeep, use, occupancy, ownership, leasing, subletting or operation of the Project or any portion thereof, (6) any act of negligence of the Institution or of any of its agents, contractors, servants, employees or licensees at the Project, (7) any act of negligence of any assignee or sublessee of the Institution at the Project, (8) any violation of or failure to comply by the Institution with any legal requirement applicable to the Project, including environmental laws, or any cost imposed upon any of the Indemnified Parties by any legal requirement applicable to the Project, (9) any action or inaction of the Institution that may adversely affect the tax-exempt status of the Bonds or any refunding bonds (assuming for this purpose that the Bonds consist only of the Allocable Bonds), and (10) any claim, suit or action based upon personal injury, death, or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Institution, the Institution’s ownership of the Project, or the acquisition, construction or installation of the Project; (B) the Institution shall reimburse any such Indemnified Party

for any reasonable legal or other expenses incurred by it in investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the Project; and (C) the indemnification required pursuant hereto shall be binding upon the Institution for any and all claims, demands, expenses, liabilities and taxes set forth herein. No Indemnified Party shall be liable for any damage or injury to the person or property of the Institution or its assigns, directors, officers, agents, contractors or employees, or persons under the control or supervision of the Institution or any other person who may be involved with the Project in any way, due to any action, inaction, or negligence of any person. The provisions of this paragraph shall survive the expiration or earlier termination of this Grant Agreement.

SECTION 2.6: Litigation.

There is no action or proceeding pending, or to the best knowledge of the Institution, threatened by or against it by or before any court or administrative agency that might adversely affect the ability of the Institution to perform its obligations under this Grant Agreement.

SECTION 2.7: Compliance with Laws and Regulations.

To the best of its knowledge, the Institution is in compliance with all applicable statutes, regulations or ordinances of governmental agencies and authorities having jurisdiction over it and the Project, including without limitation, those of the United States of America, the State and any municipal or local government entity with jurisdiction over the Project, including but not limited to those relating to the procurement and any and all environmental laws.

The Institution agrees to comply with the Act, all State and federal laws, all rules and regulations, and any other requirements imposed by law, including but not limited to those relating to the procurement of contracts to effectuate the Project.

Except as set forth on Exhibit B attached hereto and made a part hereof, the Institution has obtained, and is in material compliance with respect to, all government approvals, permits, certificates, inspections, consents and franchises necessary to complete the Project, to conduct its business, and to own or lease and operate its properties, and all such government approvals, permits and certificates are in full force and effect.

ARTICLE III: TERM OF THE GRANT AGREEMENT

SECTION 3.1: Term.

The term of this Grant Agreement shall commence on the Effective Date and continue in effect until such time as all of the Bonds and any refunding bonds have been paid (the “Term”).

This Grant Agreement shall not terminate prior to the end of the Term (other than such termination as is provided for elsewhere herein) for any cause including, without limitation, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Project, or the failure of the Secretary or the Authority to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Grant Agreement.

ARTICLE IV: THE PROJECT

SECTION 4.1: The Project; Project Acquisition or Construction.

The Institution acknowledges and agrees that, except for modifications to the Project as expressly permitted by the Authority pursuant to the terms of this Grant Agreement, the Institution is required to undertake and complete the Project described in Exhibit A.

Except as set forth on Exhibit B attached hereto and made a part hereof, the Institution has provided the Authority with a certified copy of the resolution(s) of the Institution's Board of Trustees (collectively, the "Project Resolutions") approving the undertaking and completion of the Project as so described in Exhibit A. The Institution acknowledges and agrees that no requisition shall be paid to the Institution for costs of any portion of the Project unless the Institution has provided the Authority with certified copies of all Project Resolutions.

The Institution agrees to enter into contract(s) for the acquisition or construction of the Project no later than twelve (12) months after the Effective Date. Additional requirements with respect to carrying out the Project will be set forth in the Institution's Tax Representation Certificate(s) (as defined in Section 5.1 hereof).

SECTION 4.2: Completion of Project.

Completion of the Project shall be evidenced by delivery to the Authority of a completion certificate (the "Completion Certificate") in the form set forth in Exhibit E attached hereto, or in such other form as the Authority may require, certifying (a) the date of completion of the Project, (b) that the Institution has received and delivered to the Authority a copy of the permanent or temporary certificate of occupancy for the Project, if applicable, and (c) that the Institution has required in each construction contract with respect to the Project that wages paid to workers employed in the performance of such construction contract be paid, or has determined that such workers were paid, at a rate not less than the State prevailing wage rate, in compliance with N.J.S.A. 18A:72A-5.1 et seq.

SECTION 4.3: Title to Project; No Sale, Lease or Other Disposition of Project; Prior Approval Required for Financing Leases.

(a) With respect to the property or facility comprising the Project and in or on which the Project is to be constructed, located, affixed, and/or installed, the Institution

represents, warrants, and covenants that it has either (i) good, indefeasible and marketable title to and fee simple ownership of such property or facility, or (ii) the legal and enforceable right to use and occupy such property or facility, and to construct, locate, affix, and/or install the Project therein or thereon, pursuant to a written agreement, the term of which extends or can be renewed at the Institution's option for so long as the Project is located therein or thereon.

(b) The Institution shall not sell, lease, abandon, or otherwise dispose of the Project or any portion thereof prior to the expiration of the Term without the prior written approval of the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.

- i. Notwithstanding the receipt of any such prior written approval, the Institution acknowledges and agrees that if the Institution sells, leases, abandons or otherwise disposes of the Project or any portion thereof, the Institution shall be required to repay the Grant Amount, or such portion thereof as shall be determined by the Authority and the Secretary, in consultation with the Attorney General, in accordance with Section 6.3 hereof, unless the Authority and the Secretary, in consultation with the Attorney General, determine in writing that repayment by the Institution is not required.
- ii. The Institution acknowledges and agrees that if it does not obtain such prior written approval for such sale, lease, abandonment, or other disposition of the Project or any portion thereof as required pursuant to subsection (b) above, such sale, lease, abandonment, or other disposition of the Project or any portion thereof shall constitute an Event of Default as set forth in Section 6.1(d) hereof.
- iii. If the Institution sells or leases all or a portion of the Project to another entity, and provided that such purchaser or lessee is an "eligible institution" as defined in Section 2.2 hereof, and further provided that such purchaser or lessee assumes all obligations of the Institution under this Grant Agreement pursuant to an assignment agreement in writing to which the Authority, the Institution, and the purchaser or lessee, are all parties, and such sale or lease is made with the prior written approval of the Authority and the Secretary given pursuant to this Section 4.3(b), then such sale or lease shall not constitute an Event of Default hereunder.

(c) The Institution shall not enter into any financing lease or similar arrangement that transfers, or could result in the transfer of, ownership of the Project or any portion thereof to another entity prior to the expiration of the Term, without the prior

written approval of the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.

- i. Notwithstanding the receipt of any such prior written approval, the Institution acknowledges and agrees that if, prior to the expiration of the Term, the Institution's ownership or control of the Project or any portion thereof is terminated or substantially impaired as a result of such financing lease or arrangement, the Institution shall be required to repay the Grant Amount, or such portion thereof as shall be determined by the Authority and the Secretary, in consultation with the Attorney General, in accordance with Section 6.3 hereof.
- ii. The Institution acknowledges and agrees that if it does not obtain such prior written approval for any such arrangement as required pursuant to subsection (c) above, such arrangement shall constitute an Event of Default as set forth in Section 6.1(e) hereof.
- iii. The Institution further acknowledges and agrees that any such arrangement must expressly acknowledge in writing the existence of this Grant Agreement, including the Institution's covenants and requirements hereunder and the Authority's rights and remedies hereunder.

(d) The Authority, in consultation with the Secretary and the Attorney General, reserves the right to file a deed restriction in customary form against the property or facility in or on which the Project is constructed, located, affixed, and/or installed, at the sole cost and expense of the Institution. Such deed restriction shall provide that, in the event of a disposition of such property or facility together with the Project or any portion thereof, all or a portion of the proceeds of such disposition, if any, shall be required to be applied to the repayment of the Grant Amount, in accordance with either Section 6.2(g) or Section 6.3, as applicable. In the event that the Authority determines to file such deed restriction, the Institution agrees to cooperate with the Authority and to execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such documents, and to do all such things and acts, necessary to enable the Authority to effectuate the filing of such deed restriction.

SECTION 4.4: Default in Contractors', Vendors' or Suppliers' Performance.

In the event of a default of any contractor, subcontractor, vendor or supplier under the terms of any contract made in connection with the Project, the Institution will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Institution against the contractor, subcontractor, vendor or supplier in default and against each surety for the performance of such contractor, subcontractor, vendor or supplier. The Institution agrees to advise the Authority, in writing, of the steps it intends to take in connection with any such default. The Authority, after notifying the Institution in writing, in good faith and in its own name, may but shall not be required under any

circumstances to, prosecute or defend any action or proceeding or take any other action which the Authority deems reasonably necessary, and in such event the Institution hereby agrees to cooperate fully with the Authority. Such action may be taken in the sole discretion of the Authority. Any amounts which are recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, net of expenses incurred by the Authority to obtain such recovery, shall be paid to the Institution, and applied to payment of the costs of the Project.

SECTION 4.5: Maintenance of the Project.

The Institution covenants that at all times during the Term hereof, including during and after the completion of the Project, it shall cause the same to be maintained, preserved and kept properly, with the appurtenances and every part and parcel thereof in good repair, working order and condition.

SECTION 4.6: Covenant Against Waste.

The Institution covenants not to cause, suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Project.

SECTION 4.7: Damage or Destruction.

The Institution agrees to immediately notify the Authority in the event of damage to or destruction of all or a portion of the Project resulting from fire or other casualty. The Institution agrees to promptly repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction and the Institution will apply the net proceeds of any insurance relating to such damage or destruction received by the Institution to the payment or reimbursement of the costs of such repair and restoration, except as expressly authorized by the Authority in its sole discretion upon the advice of its bond counsel.

SECTION 4.8: Insurance.

Prior to the receipt of any portion of the Grant Amount, the Institution shall provide evidence to the Authority that the Institution is in compliance with this Section 4.8.

Except as otherwise provided in this Section 4.8:

(a) The Institution shall procure and maintain, or cause to be procured and maintained, sufficient coverage under its commercial general liability insurance policy and, if applicable, builder's risk insurance policy to cover not only its own liability but also any liability which might arise against the Indemnified Parties (as defined in Section 2.5(b)) to the extent such liability is insurable under a commercial general liability insurance policy or a builder's risk insurance policy. The Institution shall include or cause to be included the Indemnified Parties as additional insureds in any liability

insurance coverage for the Project, including insurance obtained by the Institution's general contractor and subcontractors performing work on the Project.

(b) The Institution shall procure and maintain, or cause to be procured and maintained, to the extent reasonably obtainable, at the expense of the Institution, such insurance as is customarily maintained on facilities and equipment similar to the facilities and equipment comprising the Project. The Authority, the State, the Secretary, the Department of the Treasury and the Bond Trustee shall be named as additional insureds on such insurance.

(c) All insurance required by paragraphs (a) and (b) of this Section 4.8 (collectively, the "Required Insurance") 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.

The Institution shall promptly notify the Authority and the Secretary in writing in the event of any change in the insurance coverage being maintained by the Institution.

Notwithstanding the foregoing, (i) nothing herein shall be deemed to prohibit the Institution from participating in a program of self-insurance, a cooperative insurance purchasing program, or a similar insurance program, and such programs may, upon review by the Authority, be deemed to meet the requirements of this Section 4.8, (ii) the procurement of insurance shall not relieve the Institution from its obligations under Section 2.5 hereof, and (iii) the liability of the Institution with respect to tort claims is subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

Upon the Authority's request from time to time, the Institution shall provide evidence to the Authority that the Institution is in compliance with this Section 4.8. In addition, pursuant to Section 2.4 hereof, the Institution shall annually confirm to the Authority in writing that the Institution is in compliance with this Section 4.8.

SECTION 4.9: Mechanics' Liens.

The Institution covenants to keep the Project, and the fixtures and equipment thereof, free and clear of mechanics' liens and other liens of like nature, at all times during the Term of this Grant Agreement, and the Institution shall at all times duly protect the State, the Secretary, the Authority, the Department of the Treasury and their respective directors, officers, and employees against any and all legal fees, costs and expenses which may accrue, grow out of or be incurred by reason of or on account of any such liens or claims.

SECTION 4.10: Modification of Project.

Pursuant to N.J.A.C. 9A:12-1.6(i), in the event that the Institution requires a modification to the Project, the Institution shall submit a formal written request to the Secretary, prior to the Institution taking any action to modify the Project, in order to allow the Secretary to evaluate the merits of the proposed modification against the

objectives set forth at N.J.A.C. 9A:12-1.5(b). The formal written request must be submitted on the Institution's letterhead, must be signed by an authorized representative of the Institution, and must include the following information, at a minimum: (i) a detailed description of the proposed modification; (ii) the reason for the proposed modification; (iii) a detailed description of how the proposed modification demonstrates consistency with the scope, intent, and objectives of the original project; (iv) a budget and timeline for completion of the proposed modification; and (v) a certified copy of the resolution of the Institution's Board of Trustees approving the proposed modification. The Secretary may exercise discretion to allow the Institution to modify the Project if such modification is reasonable and consistent with the scope, objectives, purpose, and intent of the originally approved project and if such modification does not constitute a material change. Project modifications will be reviewed on a case-by-case basis and must be authorized under the terms and conditions of the Grant Agreement, the Tax Representation Certificate(s), any other applicable Bond documents, and applicable State and federal law.

SECTION 4.11: No Use of Project for Religious Instruction or Worship.

The Institution covenants and agrees that the Project shall be used solely for the approved purposes of the Grant and as permitted under the Act. The Institution further covenants and agrees that at no time shall the Project, 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.

SECTION 4.12: Additional Covenants.

(a) The Institution covenants, represents and agrees that the Institution is, and during the full Term of this Grant Agreement will be, in compliance with the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1, et seq.

(b) The use of the Project, the admission of students to the Institution, and the provision of services to students, are not, and shall at no time be, restricted on racial or religious grounds, nor shall there be a religious test for such use, admission, or provision of services.

(c) There is not, and shall at no time be, a requirement that individuals gaining admission to or receiving services from the Institution, or otherwise using the Project, receive instruction in the tenets of a particular faith, nor shall religious instruction be mandatory.

SECTION 4.13: Condemnation of Project.

The Institution shall immediately notify the Authority upon the occurrence of either of the following circumstances: (i) the Institution enters into or plans to enter into discussions or negotiations regarding the voluntary condemnation of the Project or any portion of the Project, or (ii) the Institution receives notice that all or any portion of the Project is or may be subject to involuntary condemnation. The condemnation of the

Project or any portion thereof shall constitute an Event of Default as set forth in Section 6.1(e) hereof.

ARTICLE V: TAX COVENANTS

SECTION 5.1: Tax Status; Tax Representation Certificate.

The Institution covenants and represents that it has executed or will execute one or more Tax Representation Certificates (each, a “Tax Representation Certificate”) as to compliance with the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code” or the “Code”) and the Treasury Regulations promulgated thereunder or made applicable thereto (the “Treasury Regulations”) relating to the Grant, the Project and the Bonds (and any refunding bonds), in the form required by the Authority’s bond counsel. The provisions of each such Tax Representation Certificate shall be incorporated herein by reference and shall be binding upon the Institution. The Institution represents, and covenants that the representations and covenants of the Institution set forth in the Institution’s Tax Representation Certificate(s) are and will be true, correct and complete as of the date of issuance of the Bonds, and, in the case of any Tax Representation Certificate delivered in connection with refunding bonds, as of the date of issuance of the refunding bonds. The Institution understands that the statements, covenants and undertakings made in the Tax Representation Certificate(s) and this Grant Agreement shall be relied upon by the Authority and its bond counsel in connection with the issuance of the Bonds and any refunding bonds, and that any misstatement or failure to comply with any such undertaking on the part of the Institution may result in adverse consequences affecting a significantly greater principal amount of Bonds (or refunding bonds) than the amount of the Grant Amount.

SECTION 5.2: No Change in Use of Grant Amount or Project.

The Institution acknowledges and agrees that the Grant Amount is or will be funded from Bonds issued or to be issued by the Authority pursuant to the Act, and that such Bonds have been or are expected to be issued on a tax-exempt basis. In order to ensure the continued compliance of the Project with applicable State law and policy, and to ensure the continued tax-exempt status of the Bonds and any bonds issued to refund the Bonds, the Institution shall (i) use the Grant Amount and the Project as described in Section 1.1 hereof and in the Institution’s Tax Representation Certificate(s), (ii) not permit or cause any material change in the use of the Grant Amount or the Project, and (iii) not permit or cause any non-material change in the use of Grant Amount or the Project unless (a) such change in use consists of non-material modifications to the Project and/or a decrease in the Grant Amount required for the Project, (b) such change in use has been approved by the Secretary, (c) such change in use has been approved by the Authority, in consultation with the Attorney General, (d) such change in use would not be in violation of the Act or the regulations promulgated thereunder, and (e) if required, as determined by the Authority in consultation with the Attorney General, the Authority shall have received an opinion from nationally recognized bond counsel that such change in use will not adversely affect the tax-exempt status of the Bonds and any bonds issued

to refund such Bonds. The Institution shall pay any and all costs and expenses, including legal fees, incurred by the Authority to obtain such opinion(s).

SECTION 5.3: No Arbitrage Bonds.

(a) The Institution does not anticipate any fundraising campaigns or the receipt of any charitable contributions or other sources of funding for the Project that would result in having such other sources of funds and the proceeds of the Allocable Bonds available for the same costs of the Project. Without limiting the foregoing, the Institution hereby covenants that it will make no use of the proceeds of the Allocable Bonds or the proceeds of any refunding bonds if such use would cause the Bonds or the refunding bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable Treasury Regulations.

(b) The Authority and the Institution covenant and agree that the Authority shall calculate or cause to be calculated the amount of “rebate” payable with respect to or arising out of the investment of the “gross proceeds” of the Allocable Bonds (within the meaning of Treasury Regulations Section 1.148-1) (the “Rebate Amount”) at the times and in the manner required pursuant to Code Section 148(f) and Treasury Regulations Section 1.148-3 and shall pay or direct the Bond Trustee to pay the Rebate Amount to the United States at the times and in the manner required by the Code and Treasury Regulations.

(c) Notwithstanding any other provision of this Grant Agreement, to the extent that funds and accounts held by the Bond Trustee are less than the amount required to be deposited by the Authority in the Rebate Fund for the Allocable Bonds (and any refunding bonds), the Institution will pay to the Authority the amount equal to the Rebate Amount for the Allocable Bonds.

SECTION 5.4: Use of Proceeds.

The Institution covenants and agrees that unless the Institution obtains advance written consent of the Authority, which consent shall be based upon the advice of bond counsel to the Authority, other than the Authority’s costs of issuing the Allocable Bonds, none of the proceeds of the Allocable Bonds (and any refunding bonds) will be used directly or indirectly in any trade or business carried on by any person other than the Institution or a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code) and none of the proceeds of the Allocable Bonds (and any refunding bonds) will be used in an unrelated business activity of the Institution. None of the proceeds of the Allocable Bonds (and any refunding 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). No portion of the proceeds will be used with respect to any output facility (other than a water facility) or used to acquire non-governmental output property (within the meaning of Section 141 of the Code). The Institution acknowledges that these limitations are more stringent than the requirements of Section 141 of the Code and the

accompanying Treasury Regulations, all of which the Authority has elected to apply on an aggregate versus individual basis.

SECTION 5.5: Covenant Not to Purchase Bonds.

The Institution covenants and agrees that neither it nor any party related to it, within the meaning of Treasury Regulation 1.150-1(b), pursuant to an arrangement, formal or informal, shall purchase bonds of the Authority issued to finance or refinance the Grant or the Project in an amount related to the amount of the principal payments to be made pursuant to this Grant Agreement.

SECTION 5.6: Written Procedures as to Post-Issuance Tax Compliance.

The Institution acknowledges and agrees that the Authority has adopted written post-issuance compliance procedures (the “Authority Written Procedures”) to monitor compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations. Unless the Institution has already adopted its own written post-issuance compliance procedures with respect to bond-financed facilities to monitor compliance with the applicable provisions of the Code and Treasury Regulations, then, within ninety (90) days after the Effective Date of this Grant Agreement or within ninety (90) days after the date of issuance of the Bonds, whichever is earlier, the Institution shall adopt written post-issuance compliance procedures (collectively, the “Institution Written Procedures” and, together with the Authority Written Procedures, the “Written Procedures”) to monitor compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations. The Institution shall provide a copy of the Institution Written Procedures to the Authority upon adoption thereof. The Institution agrees to comply with the Written Procedures and, at least once each year, the Institution shall review the use of the Institution’s facilities that have been financed or refinanced with proceeds of the Allocable Bonds and/or proceeds of any other outstanding bonds of the Authority (“Other Authority Bonds”) in order to determine whether the use of such facilities complies with all federal tax requirements applicable to the Allocable Bonds and the Other Authority Bonds. Pursuant to Section 2.4 hereof, the Institution shall annually confirm to the Authority in writing that the Institution is in compliance with the Written Procedures and this Section 5.6.

SECTION 5.7: Special Notice Events.

The Institution shall provide prompt written notice to the Authority of the occurrence of any of the acts or events described in Exhibit D attached hereto and made a part hereof (each, a “Special Notice Event”). The Institution acknowledges and agrees that the occurrence of any of such acts or events may jeopardize the tax-exempt status of the Bonds (and any refunding bonds). The Institution will use its best efforts to provide advance notice of any such occurrence, but will in any event provide notice no later than thirty (30) days after the occurrence of any such Special Notice Event, whether the Institution 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 shall have occurred, or otherwise. The Institution agrees that, in consultation with the Authority, and at the sole cost and expense of the Institution, the Institution shall take such actions, if any, as may be necessary or appropriate to remediate such Special Notice Event, or it shall assist the Authority in the Authority's taking of such actions, including without limitation such actions as may be required pursuant to Treasury Regulations Section 1.141-12 or a closing agreement with the Internal Revenue Service, and shall provide to the Authority an opinion of nationally recognized bond counsel as to such plan of remediation and whether or not the tax-exempt status of the Bonds will be preserved. Without limiting the foregoing, the Authority shall have the right, upon prior written notice to the Institution, to conduct its own investigation of any Special Notice Event and, at the sole cost and expense of the Institution, retain bond counsel to determine any and all actions required to remediate such Special Notice Event including but not limited to the delivery of an opinion of bond counsel.

SECTION 5.8: Records Retention.

The Institution covenants and agrees to create and maintain records with respect to the Grant and the Project which, in the judgment of the Authority, are sufficient to determine the compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations, including but not limited to records with respect to (i) the allocation and use of the proceeds of the Allocable Bonds, (ii) the ownership and use of all property financed with proceeds of the Allocable Bonds, (iii) the existence or creation of any "replacement proceeds" (as defined in the Institution's Tax Representation Certificate), and (iv) any information necessary to establish any exception to the arbitrage rebate requirement (as defined in the Institution's Tax Representation Certificate) with respect to the Allocable Bonds, as such records are further described in the Institution's Tax Representation Certificate with respect to the Allocable Bonds. The Institution covenants to retain all of such records until the expiration of three (3) years after the later of (i) the last scheduled maturity date or earlier retirement of the Bonds, and (ii) if any of the Bonds have been refunded, the last scheduled maturity date or earlier retirement of any refunding bonds. Such records of the Institution shall be provided to the Authority upon written request.

SECTION 5.9: Right to Obtain Bond Counsel Opinion.

In the sole discretion of the Authority, the Institution shall not be required to comply with any one or more requirements of this Article V to the extent that the Authority obtains an opinion of nationally recognized bond counsel to the effect that failure to comply with such requirements, or compliance with other requirements in lieu thereof, will not impair the exclusion from gross income of interest on the Bonds (or any refunding bonds) for purposes of federal income taxation under Section 103 of the Code.

ARTICLE VI: EVENTS OF DEFAULT AND REMEDIES

SECTION 6.1: Events of Default.

The occurrence of any one or more of the following events (whether such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree, or order of any court, or any order, rule or regulation of any administrative or governmental body) shall constitute an “Event of Default”:

- (a) Any representation or warranty, statement, report, financial statement or certificate made by the Institution in its application or in this Grant Agreement is false, misleading, or inaccurate in any material respect.
- (b) Failure by the Institution to observe and perform in any material respect any term, covenant, or condition imposed on it under this Grant Agreement and such failure shall have continued for thirty (30) days after the earlier of (i) delivery to the Institution of written notice thereof from the Authority, or (ii) Institution’s actual or constructive knowledge of such failure, however, if such failure is capable of cure, but cannot be cured by payment of money or by diligent efforts within such thirty (30) day period, but such diligent efforts are properly commenced within the cure period and the Institution is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional period of time, not to exceed an additional forty-five (45) days and in no case to extend beyond the expiration of the Term of this Grant Agreement.
- (c) Failure to make the payments required under Section 1.2, when due.
- (d) Failure of the Institution to comply with Section 4.3(b) hereof.
- (e) Failure of the Institution to comply with Section 4.3(c) hereof.
- (f) Condemnation of all or any portion of the Project or the Institution’s failure to comply with Section 4.10 hereof.

SECTION 6.2: Remedies.

- (a) Upon the occurrence of any Event of Default, following applicable notice and cure periods, the Authority shall have the right, at its sole and absolute discretion, upon thirty (30) days written notice to the Institution, to terminate this Grant Agreement, at which time any obligation of the Authority to make any further disbursements of the Grant Amount to the Institution shall immediately terminate. The Authority shall also have any remedies at law or equity, including specific performance.

- (b) If, after thirty (30) days written notice is sent, the Institution has failed to make payments required under Section 1.2 hereof or if there are disallowed costs, or if there has been payment of a Grant Amount in excess of eligible Project costs, then the State Treasurer is authorized to withhold and/or intercept any State aid or appropriation payable to the Institution, in an amount sufficient to satisfy any default or failure of the Institution, including return of the Grant Amount to the Authority.
- (c) Upon the occurrence of an Event of Default, the amount of the Grant Amount that has been disbursed as of the date of such Event of Default may, upon demand of the Authority, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, be required to be repaid to the Authority by the Institution. In the event repayment is required, the Institution will receive a credit for the portion of any previous payments made by the Institution to the Authority under Section 1.2 hereof attributable to the principal amount of the Allocable Bonds, but shall not be entitled to a credit for those payments attributable to interest on the Allocable Bonds or attributable to any Fees. The Authority shall determine whether repayment of the Grant Amount is required, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, based on the facts and circumstances related to the Event of Default, including, without limitation, whether there exists the need to redeem or defease the Allocable Bonds to ensure the continued tax-exempt status of the Bonds and any refunding bonds. The Institution will be responsible for the payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.
- (e) No remedy conferred herein upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Grant Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Section 6.2, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.
- (f) Notwithstanding anything herein to the contrary, in the case of an Event of Default described in Section 6.1(d) or 6.1(f), the Institution shall be required to promptly repay the Grant Amount in full or in part or such portion thereof as has been disbursed to the Institution, in such amount and on such terms as shall be determined by the Authority in consultation with the Secretary and the Attorney General. In such event, the Institution will receive a credit for the portion of any previous payments made by the

Institution to the Authority under Section 1.2 hereof attributable to the principal amount of the Allocable Bonds, but shall not be entitled to a credit for those payments attributable to interest on the Allocable Bonds or attributable to any Fees. The Authority shall determine, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, whether there exists the need to redeem or defease the Allocable Bonds to ensure the continued tax-exempt status of the Bonds and any refunding bonds. The Institution will be responsible for the payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.

SECTION 6.3: Disposition of Project or Portion Thereof, or Other Termination or Impairment of Ownership or Control of Project or Portion Thereof.

If the Institution disposes of all or a portion of the Project with the prior written approval of the Authority and the Secretary given pursuant to Section 4.3(b), or if the Institution enters into an arrangement described in Section 4.3(c) which results in the termination or impairment of the Institution's ownership or control of the Project or any portion thereof, the Institution shall be required to promptly repay the Grant Amount (or such portion thereof as has been disbursed to the Institution), in full or in part, in such amount and on such terms as shall be determined by the Authority, in consultation with the Secretary and the Attorney General; provided, however, that, if the Authority and the Secretary, in consultation with the Attorney General and the Authority's bond counsel, determine that such disposition or such arrangement is de minimis in its impact on the Institution's ownership and use of the Project and will have no adverse tax impact on the Allocable Bonds, then the Authority and the Secretary, in consultation with the Attorney General, may determine that repayment of the Grant Amount allocable to such disposition or arrangement is not required. In the event that the Grant Amount (or such portion thereof as has been disbursed to the Institution) is required to be repaid in full or in part, the Institution will receive a credit for a portion of any previous payments made by the Institution to the Authority under Section 1.2 hereof attributable to the principal amount of the Allocable Bonds, such portion to be determined by the Authority in consultation with the Secretary and the Attorney General, but the Institution shall not be entitled to a credit for those payments attributable to interest on the Allocable Bonds or attributable to any Fees. The Authority shall determine, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, whether it is necessary to redeem or defease Allocable Bonds to ensure the continued tax-exempt status of any outstanding Bonds and/or any refunding bonds. The Institution will be responsible for the payment of any costs incurred with respect to any such redemption or defeasance.

SECTION 6.4: Determination of Repayment Amount.

- (a) If, pursuant to any provision of this Grant Agreement, the Institution shall be required to repay all or a portion of the Grant Amount, the determination of such amount (the "Repayment Amount") and the terms of such repayment shall be determined by the Authority, in consultation with the Secretary and the Attorney General.

- (b) The determination of the Repayment Amount may take into account the following factors, in addition to any other factors that the Authority, in consultation with the Secretary and the Attorney General, determine to be appropriate under the circumstances: (i) the remaining useful life of the Project; (ii) the remaining Term; (iii) the remaining debt service on the Allocable Bonds; (iv) whether any portion of the Project will continue to be owned and controlled by the Institution; (v) whether the Project (or the portion thereof that will no longer be owned or controlled by the Institution) will be owned and controlled by another “eligible institution”, as defined herein, that agrees in writing to take ownership and control of the Project subject to the terms and conditions of this Grant Agreement, and (vi) whether the Project (or the portion thereof that will no longer be owned or controlled by the Institution) will continue to be used for a use and purpose that is determined by the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, to be in compliance with the requirements of the Act and all other applicable State and federal law and policy with respect to the use of the Project.
- (c) If the Institution sells, leases, or otherwise transfers the Project or any portion thereof prior to the expiration of the Term to another State college to be used by such State college for a use and purpose that is determined by the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, to be in compliance with the requirements of the Act and all other applicable State and federal law and policy with respect to the use of the Project, the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, may determine that the Grant Amount, or any portion thereof, is not required to be repaid.

ARTICLE VII: MISCELLANEOUS

SECTION 7.1: No Additional Waiver Implied by One Waiver.

In the event any agreement, covenant, warranty, or representation contained in this Grant Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 7.2: Severability.

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

SECTION 7.3: Successors and Assigns.

This Grant Agreement shall inure to the benefit of and shall be binding upon the Institution, the Authority and their respective successors and assigns.

SECTION 7.4: Governing Law.

This Grant Agreement shall be governed by and construed in accordance with the laws of the State, without giving effect to its choice of law rules thereof. The Institution hereby consents to the jurisdiction of the Superior Court of the County of Mercer, New Jersey and agrees that any lawsuits of any nature pertaining to this Grant Agreement shall be brought in that Court in the first instance.

SECTION 7.5: Non-Waiver.

It is understood and agreed that nothing contained in this Grant Agreement shall be construed as a waiver on the part of the Parties, or any of them, of any right not explicitly waived in this Grant Agreement.

SECTION 7.6: Tort Claims Act and Contractual Liability Act.

The liability of the Secretary, the Authority, the Department of the Treasury and the Institution, and their respective directors, officers and employees, shall be subject to all provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 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 is not applicable by its terms to the Authority, the Institution hereby agrees that such statute (except for N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority under this Grant Agreement.

SECTION 7.7: Headings.

The Section headings in this Grant Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Grant Agreement.

SECTION 7.8: Notices.

All notices required to be given or authorized to be given by the Parties pursuant to this Grant Agreement shall be in writing and shall be sent to the main offices of the respective Parties by registered or certified mail or by email with confirmation of receipt.

SECTION 7.9: Amendments.

Any amendments or modifications to this Grant Agreement shall be in writing and signed by each of the Parties. This Grant Agreement shall not be amended or modified in any manner without the written consent of the Secretary. In addition, the Institutional Debt Service Schedule set forth in Schedule I hereto shall not be modified in any manner

without the written consent of the State Treasurer. Material changes to this Grant Agreement will not be allowed.

SECTION 7.10: Rights Cumulative.

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.

SECTION 7.11: Third Party Beneficiary.

The Parties agree that the State is intended to be and shall be a third party beneficiary of this Grant Agreement.

SECTION 7.12: Additional Representations and Covenants.

Upon or prior to the issuance of the Bonds, a schedule reflecting additional representations, undertakings and covenants applicable to the Project and the Grant may be attached hereto as a condition to this Grant Agreement. Any such additional provisions shall be incorporated herein and shall be binding upon the Institution.

SECTION 7.13: Electronic Signatures

Pursuant to N.J.S.A. 12A:12-1 et seq., the “Uniform Electronic Transactions Act,” electronic signatures to a contract shall be binding upon agreement of all parties. The Parties hereto agree that this Grant Agreement, and all documents, certificates, opinions and requisitions delivered pursuant to the terms hereof, may be executed with electronic signatures.

SECTION 7.14: Counterparts.

This Grant Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives, each acting in their official capacities, have caused this Grant Agreement to be executed and delivered as of the Effective Date.

[NAME OF INSTITUTION]

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____
Name:
Title:

By: _____
Name:
Title:

List of Exhibits:

Exhibit A: Description of Project

Exhibit B: Compliance Exceptions Under Sections 2.7 and 4.1

Exhibit C: Form of Requisition

Exhibit D: Special Notice Events

Exhibit E: Form of Completion Certificate

List of Schedules:

Schedule I: Institutional Debt Service Schedule

EXHIBIT A

DESCRIPTION OF PROJECT

[to be attached]

The Project to be financed by the Bonds referenced in this Grant Agreement includes only such components of the Project that are permitted to be financed under the Act and accompanying regulations (the “Eligible Components”), and does not include those components of the Project that are described in the attached description of the Project but which are being financed by other grants or leases from the Authority or the State and/or by other funding sources. The Institution represents and agrees that amounts provided to the Institution under this Grant Agreement will be used by the Institution only to reimburse the Institution for costs of Eligible Components of the Project, and that the Institution has sufficient funds from other sources to finance the balance of the Project.

EXHIBIT B

COMPLIANCE EXCEPTIONS UNDER SECTIONS 2.7 AND 4.1

- ☐ No compliance exceptions.
- ☐ Pursuant to Section 4.1, prior to any funds being disbursed to the Institution, the Institution is required to provide the Authority with a certified copy of the resolution(s) of the Institution’s Board of Trustees approving the undertaking and completion of the Project as described in Exhibit A.
- ☐ The Institution shall set forth below any exceptions to Section 2.7:

EXHIBIT C

FORM OF REQUISITION

[to be attached]

EXHIBIT D

SPECIAL NOTICE EVENTS

The following events shall be considered Special Notice Events:

1. **“Private business use” of the Bond-Financed Project:** “Private business use” of the Project occurs if *any* portion of the financed Project (i.e., any project facility) will be used by anyone *other than* a State or local governmental unit or members of the general public who are not using the project facility in the conduct of a trade or business. The following uses, and similar uses, are considered to be “private business use” and are generally not permitted: (i) use of a project facility by a person or entity as an owner, lessee, purchaser of the output of a facility under a “take and pay” or “take or pay” contract, and/or purchaser or licensee of research, (ii) a manager or independent contractor having use of a project facility pursuant to certain management or professional service contracts, (iii) any other arrangement that conveys special legal entitlements to the use of a project facility, including any arrangement that conveys priority rights to the use or capacity of the facility, or any arrangement that conveys a special economic benefit with respect to the use of the facility, (iv) use of a project facility by the federal government, and (v) use of a project facility by a 501(c)(3) corporation.
2. **“Private loans” of Bond Proceeds:** A “private loan” will occur if *any* of the proceeds of the Bonds (including any investment earnings thereon) are loaned out by the Institution. Private loans are not permitted.
3. **Naming rights agreements for the Bond-Financed Project:** A naming rights agreement with respect to the financed Project (other than a “brass plaque” dedication) is a form of private business use and is not permitted.
4. **Research using the Bond-Financed Property:** Research contracts with respect to a financed Project that are not “qualified” research agreements are generally not permitted. A qualified research agreement is a research agreement that meets the requirements of Rev. Proc. 2007-47. If any portion of a financed Project will be used for the conduct of research under the sponsorship of, or for the benefit of, any entity *other than* a State or local governmental unit, such research agreement must be a qualified research agreement. Research agreements that do not meet the requirements of Rev. Proc. 2007-47 are not qualified research agreements, may result in private business use, and are not permitted.
5. **Management agreement or service agreement:** In general, no portion of the financed Project should be used by any person or entity pursuant to a management contract or service contract (e.g., food service, bookstore, parking management, etc.), other than (i) a contract to provide services that are solely incidental to the primary function of the financed facility, such as janitorial services or office equipment repair, or (ii) a qualified management contract that meets the requirements of Rev. Proc. 2017-13. A contract that results in the payment of a concession or similar fee to the Institution is *not* a qualified contract. Management agreements and similar contracts that do not meet the requirements of Rev. Proc. 2017-13 are not qualified contracts, may result in private business use, and are not permitted.
6. **Joint Ventures:** A joint venture arrangement between the Institution and another entity with respect to any portion of the financed Project may result in impermissible private business use unless the other entity is a State or local government unit.

7. **Sinking fund or pledged fund:** Neither the Institution nor any organization related to the Institution should establish or identify any funds or accounts to hold amounts that are expected to be used to pay debt service on the Bonds or any refunding bonds or to secure the payment of debt service on the Bonds or any refunding bonds, other than those funds or accounts described in the bond documents with respect to the Bonds. The establishment, identification, or existence of such “sinking funds” or “pledged funds” is a Special Notice Event.

8. **Unexpected payments or proceeds:** Unexpected payments or proceeds occur if the Institution receives funds relating to the financed Project, including, without limitation, charitable gifts, insurance payments, and settlements of litigation or other disputes. The receipt of any such amounts relating to the financed Project is a Special Notice Event.

9. **Change in ownership of the financed Project:** The Institution shall not sell or otherwise transfer the ownership of any portion of the Project to any person or entity prior to the earlier of the end of the expected economic life of the Project or the latest maturity date of the Bonds financing (or any bonds refinancing) the Project. Any such change in ownership is a Special Notice Event.

10. **Lease of the financed Project:** Leasing any portion of the financed Project (other than to students enrolled in the Institution, or leases for short periods of time for educational, cultural or public activities) is a Special Notice Event.

11. **Cessation of use, abandonment, or demolition of the financed Project:** The cessation of use of the financed Project by the Institution, or the Institution’s abandonment of or demolition of the financed Project, is a Special Notice Event.

12. **Allowing a lien against the financed Project:** The imposition of a lien against the financed Project is a Special Notice Event.

EXHIBIT E

FORM OF COMPLETION CERTIFICATE
FOR CAPITAL IMPROVEMENT FUND GRANTS

PLEASE PRINT ON INSTITUTION'S LETTERHEAD.

Date: _____

Institution: _____

Pursuant to Section 4.2 of the Grant Agreement with respect to the Grant Amount and Project referenced below (the “Grant Agreement”), the undersigned, a duly authorized representative of the Institution, hereby certifies that: (i) the Institution has completed the referenced Project funded pursuant to the Capital Improvement Fund Act, N.J.S.A. 18A:72A-72 et seq.; (ii) the Project was completed on the Completion Date set forth below; (iii) the Institution has required in each construction contract with respect to the Project that wages paid to workers employed in performance of such construction contract be paid, or has determined that such workers were paid, at a rate not less than the State prevailing wage rate, in compliance with N.J.S.A. 18A:72A-5.1 et seq.; and if applicable, (iv) the Institution has received and delivered to the New Jersey Educational Facilities Authority a copy of the permanent or temporary certificate of occupancy for the Project, a copy of which is attached hereto and made a part hereof. All capitalized terms shall have the meaning given to them in the Grant Agreement unless otherwise defined herein.

Grant Application Number: _____

Project Name: _____

Grant Amount: _____

Completion Date: _____

[NAME OF INSTITUTION]

By: _____

[Name]

[Title]

SCHEDULE I

INSTITUTIONAL DEBT SERVICE SCHEDULE

[to be attached]

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPROVING FORMS OF GRANT AGREEMENTS TO BE
ENTERED INTO IN CONNECTION WITH THE AUTHORITY'S HIGHER
EDUCATION FACILITIES TRUST FUND PROGRAM**

Adopted: October 28, 2025

- WHEREAS:** The New Jersey Educational Facilities Authority (the “Authority”) is a public body corporate and politic of the State of New Jersey (the “State”) established 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:** The Authority is authorized pursuant to the New Jersey Higher Education Facilities Trust Fund Act, N.J.S.A. 18A:72A-49 et seq. (the “HEFT Act”) to issue bonds (“HEFT Bonds”) to finance the cost, or a portion of the cost, of the construction, reconstruction, development, extension, and improvement of instructional, laboratory, communication, and research facilities at New Jersey’s public and private institutions of higher education (“Institutions”); and
- WHEREAS:** The Secretary of Higher Education (the “Secretary”) promulgated regulations to provide the mechanism by which Institutions may apply for and receive grants under the HEFT Act, set forth at N.J.A.C. 9A:15-1.1 to -1.7; and
- WHEREAS:** In accordance with the HEFT Act, the Authority intends to issue HEFT Bonds to finance grants (each, a “HEFT Grant”) to be made to Institutions to pay all or a portion of the costs of projects approved for funding pursuant to the HEFT Act; and
- WHEREAS:** Pursuant to N.J.S.A. 18A:72A-54, Institutions may apply for HEFT Grants, and the Secretary shall review the applications, shall approve or disapprove each grant, shall establish the amount of each approved grant, and shall send a written certification of the approval and amount of each approved grant to the Authority; and
- WHEREAS:** Pursuant to N.J.S.A. 18A:72A-54, the Secretary shall submit to the New Jersey Legislature (the “Legislature”) a copy of the written certification of each approved grant and the amount thereof; and
- WHEREAS:** Pursuant to N.J.S.A. 18A:72A-54 and N.J.A.C. 9A:15-1.6(c), if the Legislature does not disapprove a grant by the adoption of a concurrent resolution within 60 days of receipt from the Secretary of the written certification, the grant shall be deemed to be approved by the Legislature and by the Secretary; and
- WHEREAS:** Pursuant to N.J.A.C. 9A:15-1.6(d), upon authorization of a HEFT Grant, an Institution shall enter into a grant agreement (each, a “HEFT Grant Agreement”) with the Authority, which agreement shall be approved by a resolution of the Authority, and which agreement shall set forth the terms of the award of the HEFT

Grant in accordance with the provisions of the HEFT Act and other applicable law;
and

WHEREAS: The Authority now wishes to approve the forms only of the HEFT Grant Agreements to be entered into with Institutions in connection with the HEFT Grants to be approved by the Secretary and the Legislature pursuant to the HEFT Act.

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

- Section 1.** The recitals set forth above are incorporated herein by reference as if set forth at length herein. For the purposes hereof, “Authorized Authority Representatives” shall mean the Chair, the Vice Chair, the Secretary, any Assistant Secretary, the Executive Director, the Deputy Executive Director or the Director of Compliance Management of the Authority and any such officers designated as “acting” or “interim”.
- Section 2.** The HEFT Grant Agreements to be entered into with Institutions that are New Jersey public institutions of higher education shall be substantially in the form presented to this meeting (a copy of which shall be filed with the records of the Authority), and such form is hereby approved, provided that the Authorized Authority Representatives are hereby authorized, with the advice of Bond Counsel and the State Attorney General, to make such changes, insertions and deletions to and omissions from such form as may be necessary or appropriate (including, without limitation, the inclusion of additional representations, warranties and/or covenants on the part of the Institutions, and any other provision that may be necessary or convenient).
- Section 3.** The HEFT Grant Agreements to be entered into with Institutions that are New Jersey private institutions of higher education shall be substantially in the form presented to this meeting (a copy of which shall be filed with the records of the Authority), and such form is hereby approved, provided that the Authorized Authority Representatives are hereby authorized, with the advice of Bond Counsel and the State Attorney General, to make such changes, insertions and deletions to and omissions from such form as may be necessary or appropriate (including, without limitation, the inclusion of additional representations, warranties and/or covenants on the part of the Institutions, and any other provision that may be necessary or convenient).
- Section 4.** The execution and delivery of the HEFT Grant Agreements shall be authorized by subsequent resolution of the Authority following approval of the HEFT Grants by the Legislature and the Secretary pursuant to N.J.S.A. 18A:72A-54 and N.J.A.C. 9A:15-1.6(c).
- Section 5.** This Resolution shall take effect in accordance with the provisions of the Act.

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

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

NAY: None

ABSTAIN: None

RECUSED: None

ABSENT: None

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

GRANT AGREEMENT

Between the

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY,
as Grantor

and

[NAME OF INSTITUTION],
as Grantee

Dated as of _____, 2026

HIGHER EDUCATION FACILITIES TRUST FUND

Grant Amount: \$ _____

Application #: _____

**THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HIGHER EDUCATION FACILITIES TRUST FUND**

GRANT AGREEMENT

[Institution]

THIS GRANT AGREEMENT, is executed as of _____, 2026 (the “Effective Date”) by and between the New Jersey Educational Facilities Authority (the “Authority”), a public body corporate and politic of the State of New Jersey (the “State”) and [NAME OF INSTITUTION] (the “Institution”), a private institution of higher education as defined in N.J.S.A. 18A:72A-3 (collectively, the “Parties”), pursuant to the provisions of the Higher Education Facilities Trust Fund Act, N.J.S.A. 18A:72A-49 et seq., as amended (the “Act”), for the purpose of providing funds for construction, reconstruction, development, extension and improvement of instructional, laboratory, communication, and research facilities at the State’s private nonprofit institutions of higher education.

ARTICLE I: THE GRANT

SECTION 1.1: Grant Amount.

(a) The Institution is hereby awarded a grant (the “Grant”) in the amount of _____ dollars (\$_____) (the “Grant Amount”) to be used to finance costs of the project described in the attached Exhibit A (the “Project”), as approved by the Secretary of Higher Education (the “Secretary”). A description of the Project as so approved is attached hereto and incorporated herein by reference. The Grant Amount will be funded with the proceeds of one or more series of tax-exempt revenue bonds issued or to be issued by the Authority pursuant to the Act (the “Bonds”); provided, however, that the payment of the Grant Amount is expressly conditioned upon the issuance of the Bonds, if, when, and as issued, in an amount sufficient to fund the Grant Amount, and also upon the Institution’s execution and delivery of all documents, certificates, opinions and other items as may be required by the Authority in connection with the issuance of the Bonds and the making of the Grant. The issuance of the Bonds is subject to the approval of the Authority’s Board and the funding of the Grant Amount is subject to final review by the Authority’s bond counsel as to the eligibility of the Project for financing with tax-exempt Bonds.

(b) The term “Allocable Bonds,” when used herein, shall mean the portion of the Bonds allocable to the Grant (i.e., the amount of Bonds issued to finance the Grant Amount and a proportionate share of the costs of issuance of the Bonds and the Authority’s administrative costs associated with the approval process for the projects financed by the Bonds).

SECTION 1.2: Reduction or Cancellation of Grant Amount.

The Institution acknowledges and agrees that the Secretary may reduce or cancel the Grant Amount (a) if the Institution determines not to undertake the Project, (b) if the Bonds are not issued for any reason whatsoever, (c) to adjust for actual Project expenses in a manner consistent with the Grant Amount, or (d) if the Project is not substantially completed and the Grant Amount is not substantially disbursed six (6) months after the estimated construction completion date set forth in the Grant application, as adjusted for any actual delay to the Institution entering into the contract(s) specified in Section 4.1 hereof. Notwithstanding anything to the contrary foregoing, no adjustment or reduction pursuant to clause (d) above will be made if (i) delays are the result of federal, State, or local governmental approvals or regulatory requirements not attributable to the Institution; (ii) delays are the result of the availability of funding under this Grant Agreement; or (iii) other compelling and documentable reasons exist, as determined by the Secretary.

SECTION 1.3: Eligibility for Reimbursement of Expenditures.

The Institution agrees that the Grant Amount may not be used to reimburse expenditures incurred by the Institution prior to October __, 2025 (the “Reimbursement Eligibility Date”). As used herein, the term “incurred” as applied to any expenditure shall mean the earlier to occur of (i) the date services were provided or goods were delivered, or (ii) the date that the Institution expended funds to pay (or prepay) for the expenditure. Only expenditures incurred on or after the Reimbursement Eligibility Date may be reimbursed. All such reimbursements shall be subject to approval by the Authority and, upon the request of the Authority, review by its bond counsel. No financing costs or interest expense of any interim debt shall be reimbursed, and no liens in respect of any interim debt shall be permitted to exist at the time of issuance of the Bonds.

SECTION 1.4: Sufficient Funding.

The Institution represents and warrants that it has or reasonably expects to have sufficient funding to complete the Project. The Institution also acknowledges that any Project costs exceeding the costs of the Project approved by the Secretary shall be the responsibility of the Institution.

SECTION 1.5: Use of Grant Amount; Disbursement Pursuant to Requisitions.

The Institution has committed, by resolution of its governing board, to use the Grant Amount to finance costs of the Project, and to operate and maintain the Project. All costs to be funded or reimbursed from the Grant Amount shall be subject to the State prevailing wage requirements of N.J.S.A. 18A:72A-5.1 et seq.

The Authority shall disburse, or cause the trustee for the Bonds (the “Bond Trustee”) to disburse, from time to time, the Grant Amount to the Institution, but only upon receipt and approval of requisitions submitted to and approved by the Authority. Each requisition shall be executed by an authorized representative of the Institution and

shall be in the form set forth in Exhibit C attached hereto, or in such other form as the Authority may require. The Institution shall not alter, retype, reformat, or otherwise modify or revise the approved form of requisition. The Authority will not accept any requisition that does not conform to the Authority’s approved form.

The Institution shall submit requisitions promptly and shall comply with any time constraints for the submission of requisitions that the Authority or the Secretary may impose.

SECTION 1.6: No Assignment; No Pledge.

This Grant Agreement may not be assigned by the Institution, nor may it be pledged as collateral for any purpose.

SECTION 1.7: Legal Fees.

The Institution agrees to pay any reasonable legal fees incurred by the Authority in connection with any default under, anticipatory breach of, and/or amendment to this Grant Agreement and/or any modification to the Project.

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 2.1: Existence.

The Institution is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State, and has the necessary power and authority to execute and deliver this Grant Agreement and any other documents to which the Institution is a party, and to perform its obligations hereunder and thereunder.

SECTION 2.2: Eligible Institution; Accuracy of Grant Application.

(a) For the purposes hereof, an “eligible institution” is a duly accredited “private institution of higher education” as defined in N.J.S.A. 18A:72A-3, meaning that it is an independent college or university incorporated and located in New Jersey, which by virtue of law or character or license is a nonprofit educational institution authorized to grant academic degrees and which provides a level of education which is equivalent to the education provided by the State’s public institutions of higher education as attested by the receipt of and continuation of regional accreditation by the Middle States Association of Colleges and Schools, and which is eligible to receive State aid. The Institution represents and warrants that it is an eligible institution.

(b) The Institution represents and warrants that all of the statements and representations made in its application for the Grant were on the date made, are on the Effective Date hereof, and shall continue to be, true and correct in all material respects.

SECTION 2.3: Authorization and Validity.

The execution, delivery and performance of this Grant Agreement by the Institution shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or a breach of any provision contained in its certificate of formation or authorizing legislation (as applicable), or contained in any agreement, instrument, document, bond indenture, law, rule, regulation, order, decree, writ, judgment, injunction, or award to which it is now a party or by which it or any of its assets is bound.

The execution and delivery by the Institution of this Grant Agreement and any other documents to which the Institution is a party related to the execution and delivery of this Grant Agreement (including, without limitation, the application for the Grant submitted to the Secretary, resolutions adopted by the Institution, and any Tax Representation Certificates, as defined below (collectively, the “Other Grant Documents”)) have been or will be as of their date of execution, duly authorized by proper proceedings of the Institution, and no further approval, authorization or consents are required by law or otherwise. This Grant Agreement and the Other Grant Documents constitute or shall, upon their execution and delivery, constitute the legal, valid and binding obligations of the Institution 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.

SECTION 2.4: Reporting; Inspection; Disclosure; Recordkeeping.

(a) Annual Financial Reporting. By not later than May 31 of each year, or by such other date as shall be determined by the Secretary, commencing in calendar year 202_ and continuing until the expiration of the Term (as defined in Section 3.1 hereof) of this Grant Agreement, the Institution shall provide the following to the Authority: copies of the Institution’s annual financial statements and auditor’s reports for the prior fiscal year, prepared in compliance with applicable State and federal law and policy, as may be amended from time to time, including but not limited to the provisions of any State policies applicable to the receipt of grants from the State.

(b) Annual Compliance Reporting. By not later than May 31 of each year, or by such other date as shall be determined by the Secretary, commencing in calendar year 202_ and continuing until the expiration of the Term of this Grant Agreement, the Institution shall provide the following information and certifications to the Authority in response to the Authority’s annual compliance questionnaire or in such other format as may be requested by the Authority:

(i) A detailed description of any use of the Project by any person or entity other than the Institution (A) during the prior calendar year, and (B) during the current calendar year up to the date of submission of the Institution’s response;

(ii) A detailed description of the receipt by the Institution of any previously undisclosed contribution or other amount earmarked for the Project (A) during

the prior calendar year, and (B) during the current calendar year up to the date of submission of the Institution’s response;

(iii) If the Grant Amount has not yet been fully disbursed, (A) a detailed report of all expenditures for the Project during the prior calendar year and during the current calendar year up to the date of submission of the Institution’s response (including the amount and purpose of each expenditure), and (B) a detailed description of the amounts or estimated amounts expected to be spent on the Project during the current calendar year (including the timing, amount, and purpose of each such expenditure);

(iv) If a Completion Certificate (as defined in Section 4.2 hereof) has not yet been submitted to the Authority, a statement regarding the status and progress of the Project, including the estimated percentage of completion of the Project;

(v) Written confirmation that the Institution has used all disbursements of the Grant Amount for approved Project costs, in the amounts and for the purposes stated on the related requisitions, such confirmation to be made as of the date of submission of the Institution’s response, or, if the Institution cannot provide such confirmation, a detailed description and explanation of the use of any amounts of the Grant Amount for which the Institution cannot so confirm;

(vi) Written confirmation that the Institution is in compliance with the Written Procedures (as defined in Section 5.6 hereof), has conducted an annual review for compliance with federal tax requirements during the prior calendar year, and has determined that the Project and the use of the Grant Amount are in compliance with federal tax requirements;

(vii) Written confirmation that there have been no material changes to the Project or to the use of the Grant Amount during the prior calendar year or during the current calendar year up to the date of submission of the Institution’s response;

(viii) Written confirmation that the Institution has procured and is maintaining the Required Insurance (as defined in Section 4.8 hereof); and

(ix) Such other information and certifications relating to the use of the Project and the use of the Grant Amount as may be reasonably requested by the Authority for the purpose of confirming the Institution’s compliance with applicable State and federal law and policy.

(c) Reporting of Special Notice Events. The Institution shall provide prompt written notice to the Authority of the occurrence of any Special Notice Event, as described in Section 5.7.

(d) Inspection. The Institution agrees to permit inspection of the Project and the Institution’s books and records pertaining thereto by the Authority and the Secretary upon written request during normal business hours.

(e) Disclosure. The Institution agrees that, whenever requested by the Authority, it shall provide and certify, in form satisfactory to the Authority, such information concerning the Institution and the Project, the operations and finances of the Institution and such other matters that the Authority considers to be necessary in order to enable the Authority to prepare and publish an official statement or other similar disclosure document relating to the sale of the Bonds or any refunding bonds or to enable the Authority to make any reports which are required by any law or governmental regulations in connection with the Bonds.

(f) Recordkeeping. The Institution shall retain until three (3) years after the retirement of the Bonds and any refunding bonds, adequate records with respect to the use of the Project and the expenditure of the proceeds of the Grant, as described in Section 5.8.

SECTION 2.5: Disclaimer of Warranties; Indemnification.

(a) The Institution acknowledges and agrees that (i) neither the Authority nor the Secretary makes any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Authority or the Secretary or their respective agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Grant Agreement or the Project or the existence, furnishing, functioning or use of the Project or any item or products or services provided for in this Grant Agreement; and (iii) the Institution shall indemnify and hold the Authority and the Secretary harmless against, and the Institution shall pay any and all, liability, loss, cost, damage, claim, judgment or expense of any and all kinds or nature and however arising and imposed by law, which the Authority and the Secretary may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Institution, the Institution's ownership of the Project, or the acquisition, construction or installation of the Project.

(b) The Institution shall at all times protect and hold the State, the Secretary, the Department of the Treasury, the Authority, the Bond Trustee and each of their assigns, directors, officers, agents, contractors and employees (collectively, the "Indemnified Parties") harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses (including, without limitation, attorneys' fees) and liabilities for losses, damage and injury, resulting from or arising out of: (1) any claim for the non-delivery of the Grant Amount in the event that the Bonds are not issued, (2) the financing of the costs of the Project, (3) the ownership, planning, design, acquisition, site preparation, transportation, construction, renovation, equipping, installation, maintenance, repair, replacement or completion of the Project or any part thereof or the effecting of any work done as part of the Project, (4) any defects (whether latent or patent) in the Project or any part thereof, (5) the maintenance, repair, replacement, restoration, rebuilding, demolition, upkeep, use, occupancy, ownership, leasing, subletting or operation of the Project or any portion thereof, (6) any act of

negligence of the Institution or of any of its agents, contractors, servants, employees or licensees at the Project, (7) any act of negligence of any assignee or sublessee of the Institution at the Project, (8) any violation of or failure to comply by the Institution with any legal requirement applicable to the Project, including environmental laws, or any cost imposed upon any of the Indemnified Parties by any legal requirement applicable to the Project, or (9) any action or inaction of the Institution that may adversely affect the tax-exempt status of the Bonds or any refunding bonds (assuming for this purpose that the Bonds consist only of the Allocable Bonds). The Institution shall reimburse any such Indemnified Party for any reasonable legal or other expenses incurred by it in investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the Project. The indemnification required pursuant hereto shall be binding upon the Institution for any and all claims, demands, expenses, liabilities and taxes set forth herein. No Indemnified Party shall be liable for any damage or injury to the person or property of the Institution or its assigns, directors, officers, agents, contractors or employees, or persons under the control or supervision of the Institution or any other person who may be involved with the Project in any way, due to any action, inaction, or negligence of any person. This provision shall survive the expiration or earlier termination of this Grant Agreement.

SECTION 2.6: Litigation.

There is no action or proceeding pending, or to the best knowledge of the Institution, threatened by or against it by or before any court or administrative agency that might adversely affect the ability of the Institution to perform its obligations under this Grant Agreement.

SECTION 2.7: Compliance with Laws and Regulations.

To the best of its knowledge, the Institution is in compliance with all applicable statutes, regulations or ordinances of governmental agencies and authorities having jurisdiction over it and the Project, including without limitation, those of the United States of America, the State and any municipal or local government entity with jurisdiction over the Project, including but not limited to those relating to the procurement and any and all environmental laws.

The Institution agrees to comply with the Act, all State and federal laws, all rules and regulations, and any other requirements imposed by law, including but not limited to those relating to the procurement of contracts to effectuate the Project.

Except as set forth on Exhibit B attached hereto and made a part hereof, the Institution has obtained, and is in material compliance with respect to, all government approvals, permits, certificates, inspections, consents and franchises necessary to complete the Project, to conduct its business, and to own or lease and operate its properties, and all such government approvals, permits and certificates are in full force and effect.

ARTICLE III: TERM OF THE GRANT AGREEMENT

SECTION 3.1: Term.

The term of this Grant Agreement shall commence on the Effective Date and continue in effect until such time as all of the Bonds and any refunding bonds have been paid (the “Term”).

This Grant Agreement shall not terminate prior to the end of the Term (other than such termination as is provided for elsewhere herein) for any cause including, without limitation, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Project, or the failure of the Secretary or the Authority to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Grant Agreement.

ARTICLE IV: THE PROJECT

SECTION 4.1: The Project; Project Acquisition or Construction.

The Institution acknowledges and agrees that, except for modifications to the Project as expressly permitted by the Authority pursuant to the terms of this Grant Agreement, the Institution is required to undertake and complete the Project described in Exhibit A.

Except as set forth on Exhibit B attached hereto and made a part hereof, the Institution has provided the Authority with a certified copy of the resolution(s) of the Institution’s Board of Trustees (collectively, the “Project Resolutions”) approving the undertaking and completion of the Project as so described in Exhibit A. The Institution acknowledges and agrees that no requisition shall be paid to the Institution for costs of any portion of the Project unless the Institution has provided the Authority with certified copies of all Project Resolutions.

The Institution agrees to enter into contract(s) for the acquisition or construction of the Project no later than twelve (12) months after the Effective Date. Additional requirements with respect to carrying out the Project will be set forth in the Institution’s Tax Representation Certificate(s) (as defined in Section 5.1 hereof).

SECTION 4.2: Completion of Project.

Completion of the Project shall be evidenced by delivery to the Authority of a completion certificate (the “Completion Certificate”) in the form set forth in Exhibit E attached hereto, or in such other form as the Authority may require, certifying (a) the date of completion of the Project; (b) that the Institution has received and delivered to the Authority a copy of the permanent or temporary certificate of occupancy for the Project, if applicable; and (c) that the Institution has required in each construction contract with respect to the Project that wages paid to workers employed in the performance of such

construction contract be paid, or has determined that such workers were paid, at a rate not less than the State prevailing wage rate, in compliance with N.J.S.A. 18A:72A-5.1 et seq.

**SECTION 4.3: Title to Project; No Sale, Lease or Other Disposition of Project;
Prior Approval Required for Financing Leases.**

(a) With respect to the property or facility comprising the Project and in or on which the Project is to be constructed, located, affixed, and/or installed, the Institution represents, warrants, and covenants that it has either (i) good, indefeasible and marketable title to and fee simple ownership of such property or facility, or (ii) the legal and enforceable right to use and occupy such property or facility, and to construct, locate, affix, and/or install the Project therein or thereon, pursuant to a written agreement, the term of which extends or can be renewed at the Institution's option for so long as the Project is located therein or thereon.

(b) The Institution shall not sell, lease, abandon, or otherwise dispose of the Project or any portion thereof prior to the expiration of the Term without the prior written approval of the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.

- i. Notwithstanding the receipt of any such prior written approval, the Institution acknowledges and agrees that if the Institution sells, leases, abandons or otherwise disposes of the Project or any portion thereof, the Institution shall be required to repay the Grant Amount, or such portion thereof, as shall be determined in accordance with Sections 6.3 and 6.4 hereof, unless the Authority and the Secretary, in consultation with the Attorney General, determine in writing that repayment by the Institution is not required.
- ii. The Institution acknowledges and agrees that if it does not obtain such prior written approval for such sale, lease, abandonment, or other disposition of the Project or any portion thereof as required pursuant to subsection (b) above, such sale, lease, abandonment, or other disposition of the Project or any portion thereof shall constitute an Event of Default as set forth in Section 6.1(c) hereof.
- iii. If the Institution sells or leases all or a portion of the Project to another entity, and provided that such purchaser or lessee is an "eligible institution", as defined in Section 2.2 hereof, or a public institution of higher education, and further provided that such purchaser or lessee assumes all obligations of the Institution under this Grant Agreement pursuant to an assignment agreement in writing to which the Authority, the Institution, and the purchaser or lessee, are all parties, and such sale or lease is made with the prior written approval of the Authority and the Secretary given pursuant

to this Section 4.3(b), then such sale or lease shall not constitute an Event of Default hereunder.

(c) The Institution shall not enter into any financing lease or similar arrangement that transfers, or could result in the transfer of, ownership of the Project or any portion thereof to another entity prior to the expiration of the Term, without the prior written approval of the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.

- i. Notwithstanding the receipt of any such prior written approval, the Institution acknowledges and agrees that if, prior to the expiration of the Term, the Institution's ownership or control of the Project or any portion thereof is terminated or substantially impaired as a result of such financing lease or arrangement, the Institution shall be required to repay the Grant Amount, or such portion thereof, as shall be determined in accordance with Sections 6.3 and 6.4 hereof.
- ii. The Institution acknowledges and agrees that if it does not obtain such prior written approval for any such arrangement as required pursuant to subsection (c) above, such arrangement shall constitute an Event of Default as set forth in Section 6.1(d) hereof.
- iii. The Institution further acknowledges and agrees that any such arrangement must expressly acknowledge in writing the existence of this Grant Agreement, including the Institution's covenants and requirements hereunder and the Authority's rights and remedies hereunder.

(d) The Authority, in consultation with the Secretary and the Attorney General, reserves the right to file a deed restriction in customary form against the property or facility in or on which the Project is constructed, located, affixed, and/or installed, at the sole cost and expense of the Institution. Such deed restriction shall provide that, in the event of a disposition of such property or facility together with the Project or any portion thereof, all or a portion of the proceeds of such disposition, if any, shall be required to be applied to the repayment of the Grant Amount, in accordance with Article VI hereof. In the event that the Authority determines to file such deed restriction, the Institution agrees to cooperate with the Authority and to execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such documents, and to do all such things and acts, necessary to enable the Authority to effectuate the filing of such deed restriction.

SECTION 4.4: Default in Contractors', Vendors' or Suppliers' Performance.

In the event of a default of any contractor, subcontractor, vendor or supplier under the terms of any contract made in connection with the Project, the Institution will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Institution against the contractor, subcontractor, vendor or supplier in default and

against each surety for the performance of such contractor, subcontractor, vendor or supplier. The Institution agrees to advise the Authority, in writing, of the steps it intends to take in connection with any such default. The Authority, after notifying the Institution in writing, in good faith and in its own name, may but shall not be required under any circumstances to, prosecute or defend any action or proceeding or take any other action which the Authority deems reasonably necessary, and in such event the Institution hereby agrees to cooperate fully with the Authority. Such action may be taken in the sole discretion of the Authority. Any amounts which are recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, net of expenses incurred by the Authority to obtain such recovery, shall be paid to the Institution, and applied to payment of the costs of the Project.

SECTION 4.5: Maintenance of the Project.

The Institution covenants that at all times during the Term hereof, including during and after the completion of the Project, it shall cause the same to be maintained, preserved and kept properly, with the appurtenances and every part and parcel thereof in good repair, working order and condition.

SECTION 4.6: Covenant Against Waste.

The Institution covenants not to cause, suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Project.

SECTION 4.7: Damage or Destruction.

The Institution agrees to immediately notify the Authority in the event of damage to or destruction of all or a portion of the Project resulting from fire or other casualty. The Institution agrees to promptly repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction and the Institution will apply the net proceeds of any insurance relating to such damage or destruction received by the Institution to the payment or reimbursement of the costs of such repair and restoration, except as expressly authorized by the Authority in its sole discretion upon the advice of its bond counsel.

SECTION 4.8: Insurance.

Prior to the receipt of any portion of the Grant Amount, the Institution shall provide evidence to the Authority that the Institution is in compliance with this Section 4.8.

Except as otherwise provided in this Section 4.8:

(a) The Institution shall procure and maintain, or cause to be procured and maintained, sufficient coverage under its commercial general liability insurance policy and, if applicable, builder's risk insurance policy to cover not only its own liability but also any liability which might arise against the Indemnified Parties (as defined in Section 2.5(b)) to the extent such liability is insurable under a commercial general liability

insurance policy or a builder's risk insurance policy. The Institution shall include or cause to be included the Indemnified Parties as additional insureds in any liability insurance coverage for the Project, including insurance obtained by the Institution's general contractor and subcontractors performing work on the Project.

(b) The Institution shall procure and maintain, or cause to be procured and maintained, to the extent reasonably obtainable, at the expense of the Institution, such insurance as is customarily maintained on facilities and equipment similar to the facilities and equipment comprising the Project. The Authority, the State, the Secretary, the Department of the Treasury and the Bond Trustee shall be named as additional insureds on such insurance.

(c) All insurance required by paragraphs (a) and (b) of this Section 4.8 (collectively, the "Required Insurance") 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.

The Institution shall promptly notify the Authority and the Secretary in writing in the event of any change in the insurance coverage being maintained by the Institution.

Notwithstanding the foregoing, nothing herein shall be deemed to prohibit the Institution from participating in a program of self-insurance, a cooperative insurance purchasing program, or a similar insurance program, and such programs may, upon review by the Authority, be deemed to meet the requirements of this Section 4.8. The procurement of insurance shall not relieve the Institution from its obligations under Section 2.5 hereof.

Upon the Authority's request from time to time, the Institution shall provide evidence to the Authority that the Institution has procured the Required Insurance and is in compliance with this Section 4.8. In addition, pursuant to Section 2.4 hereof, the Institution shall annually confirm to the Authority in writing that the Institution has procured and is maintaining the Required Insurance and is in compliance with this Section 4.8.

SECTION 4.9: Mechanics' Liens.

The Institution covenants to keep the Project, and the fixtures and equipment thereof, free and clear of mechanics' liens and other liens of like nature at all times during the Term of this Grant Agreement, and the Institution shall at all times duly protect the State, the Authority, the Secretary, the Department of the Treasury and their respective directors, officers, and employees against any and all legal fees, costs and expenses which may accrue, grow out of or be incurred by reason of or on account of any such liens or claims.

SECTION 4.10: Modification of Project.

Pursuant to N.J.A.C. 9A:15-1.6(i), in the event that the Institution requires a modification to the Project, the Institution shall submit a formal written request to the

Secretary, prior to the Institution taking any action to modify the Project, in order to allow the Secretary to evaluate the merits of the proposed modification against the purpose of the Act and the objectives set forth at N.J.A.C. 9A:15-1.5(b). The formal written request must be submitted on the Institution's letterhead, must be signed by an authorized representative of the Institution, and must include the following information, at a minimum: (i) a detailed description of the proposed modification; (ii) the reason for the proposed modification; (iii) a detailed description of how the proposed modification demonstrates consistency with the scope, intent, and objectives of the original project; (iv) a budget and timeline for completion of the proposed modification; and (v) a certified copy of the resolution of the Institution's Board of Trustees approving the proposed modification. The Secretary may exercise discretion to allow the Institution to modify the Project, if such modification is reasonable and consistent with the scope, objectives, purpose, and intent of the originally approved Project, and if such modification does not constitute a material change. Project modifications will be reviewed on a case-by-case basis and must be authorized under the terms and conditions of the Grant Agreement, the Tax Representation Certificate(s), any other applicable Bond documents, and applicable State and federal law.

SECTION 4.11: No Use of Project for Religious Instruction or Worship.

The Institution covenants and agrees that the Project shall be used solely for the approved purposes of the Grant and as permitted under the Act. The Institution further covenants and agrees that at no time shall the Project, 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.

SECTION 4.12: Additional Covenants.

(a) The Institution covenants, represents and agrees that the Institution is and during the full Term of this Grant Agreement will be in compliance with the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1, et seq.

(b) The use of the Project, the admission of students to the Institution, and the provision of services to students, are not, and shall at no time be, restricted on racial or religious grounds, nor shall there be a religious test for such use, admission, or provision of services.

(c) There is not, and shall at no time be, a requirement that individuals gaining admission to or receiving services from the Institution, or otherwise using the Project, receive instruction in the tenets of a particular faith, nor shall religious instruction be mandatory.

SECTION 4.13: Condemnation of Project

The Institution shall immediately notify the Authority upon the occurrence of either of the following circumstances: (i) the Institution enters into or plans to enter into discussions or negotiations regarding the voluntary condemnation of the Project or any

portion of the Project, or (ii) the Institution receives notice that all or any portion of the Project is or may be subject to involuntary condemnation. The condemnation of the Project or any portion thereof shall constitute an Event of Default as set forth in Section 6.1(e) hereof.

ARTICLE V: TAX COVENANTS

SECTION 5.1: Tax Status; Tax Representation Certificate.

(a) The Institution represents that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code” or the “Code”) that is not a private foundation. The Institution covenants that, for as long as the Bonds and any refunding bonds are outstanding, it will take all actions necessary to remain an organization described in Section 501(c)(3) of the Code that is not a private foundation.

(b) The Institution covenants and represents that it has executed or will execute one or more Tax Representation Certificates (each, a “Tax Representation Certificate”) as to compliance with the Code and the Treasury Regulations promulgated thereunder or made applicable thereto (the “Treasury Regulations”) relating to the Grant, the Project and the Bonds (and any refunding bonds), in the form required by the Authority’s bond counsel. The provisions of each such Tax Representation Certificate shall be incorporated herein by reference and shall be binding upon the Institution. The Institution represents, and covenants that the representations and covenants of the Institution set forth in the Institution’s Tax Representation Certificate(s) are and will be true, correct and complete as of the date of issuance of the Bonds, and, in the case of any Tax Representation Certificate delivered in connection with refunding bonds, as of the date of issuance of the refunding bonds. The Institution understands that the statements, covenants and undertakings made in the Tax Representation Certificate(s) and this Grant Agreement shall be relied upon by the Authority and its bond counsel in connection with the issuance of the Bonds and any refunding bonds, and that any misstatement or failure to comply with any such undertaking on the part of the Institution may result in adverse consequences affecting a significantly greater principal amount of Bonds (or refunding bonds) than the amount of the Grant Amount.

SECTION 5.2: No Change in Use of Grant Amount or Project.

The Institution acknowledges and agrees that the Grant Amount is or will be funded from Bonds issued or to be issued by the Authority pursuant to the Act, and that such Bonds have been or are expected to be issued on a tax-exempt basis. In order to ensure the continued compliance of the Project with applicable State law and policy, and to ensure the continued tax-exempt status of the Bonds and any bonds issued to refund the Bonds, the Institution shall (i) use the Grant Amount and the Project as described in Section 1.1 hereof and in the Institution’s Tax Representation Certificate(s), (ii) not permit or cause any material change in the use of the Grant Amount or the Project, and (iii) not permit or cause any non-material change in the use of Grant Amount or the

Project unless (a) such change in use consists of non-material modifications to the Project and/or a decrease in the Grant Amount required for the Project, (b) such change in use has been approved by the Secretary, (c) such change in use has been approved by the Authority, in consultation with the Attorney General, (d) such change in use would not be in violation of the Act or the regulations promulgated thereunder, and (e) if required, as determined by the Authority in consultation with the Attorney General, the Authority shall have received an opinion from nationally recognized bond counsel that such change in use will not adversely affect the tax-exempt status of the Bonds and any bonds issued to refund such Bonds. The Institution shall pay any and all costs and expenses, including legal fees, incurred by the Authority to obtain such opinion(s).

SECTION 5.3: No Arbitrage Bonds.

The Institution does not anticipate any fundraising campaigns or the receipt of any charitable contributions or other sources of funding for the Project that would result in having such other sources of funds and the proceeds of the Allocable Bonds available for the same costs of the Project. Without limiting the foregoing, the Institution hereby covenants that it will make no use of the proceeds of the Allocable Bonds or the proceeds of any refunding bonds if such use would cause the Bonds or the refunding bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable Treasury Regulations.

SECTION 5.4: Certain Uses of Proceeds of the Grant Not Permitted.

The Institution covenants and agrees that, unless the Institution obtains the prior written consent of the Authority, which consent shall be based upon the advice of bond counsel to the Authority, the Institution shall not, directly or indirectly, (i) use or allow any portion of the Project or any amount of the Grant to be used by any person or entity, other than the Institution, that is not a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code); (ii) use any amount of the Grant to make or finance loans to any person; or (iii) use or allow the Project or the Grant to be used with respect to any output facility or to acquire non-governmental output property (within the meaning of Section 141 of the Code). The Institution acknowledges that these limitations are more stringent than the requirements of Section 141 of the Code and the accompanying Treasury Regulations, all of which the Authority has elected to apply on an aggregate versus individual basis.

SECTION 5.5: Covenant Not to Purchase Bonds.

The Institution covenants and agrees that neither it nor any party related to it, within the meaning of Treasury Regulation 1.150-1(b), pursuant to an arrangement, formal or informal, shall purchase bonds of the Authority issued to finance or refinance the Grant or the Project.

SECTION 5.6: Written Procedures as to Post-Issuance Tax Compliance.

The Institution acknowledges and agrees that the Authority has adopted written post-issuance compliance procedures (the “Authority Written Procedures”) to monitor compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations. Within ninety (90) days after the Effective Date of this Grant Agreement or within ninety (90) days after the date of issuance of the Bonds (whichever is earlier), the Institution shall adopt written post-issuance compliance procedures (collectively, the “Institution Written Procedures” and, together with the Authority Written Procedures, the “Written Procedures”) to monitor compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations, unless the Institution has already adopted Institution Written Procedures to monitor such compliance. The Institution shall provide a copy of the Institution Written Procedures to the Authority upon adoption thereof. The Institution agrees to comply with the Written Procedures and, at least once each year, the Institution shall review the use of the Institution’s facilities that have been financed or refinanced with proceeds of the Allocable Bonds and/or proceeds of any other outstanding bonds of the Authority (“Other Authority Bonds”), in order to determine whether the use of such facilities complies with all federal tax requirements applicable to the Allocable Bonds and the Other Authority Bonds. Pursuant to Section 2.4 hereof, the Institution shall annually confirm to the Authority in writing that the Institution is in compliance with the Written Procedures and this Section 5.6.

SECTION 5.7: Special Notice Events.

The Institution shall provide prompt written notice to the Authority of the occurrence of any of the acts or events listed on Exhibit D attached hereto and made a part hereof (each, a “Special Notice Event”). The Institution acknowledges and agrees that the occurrence of any of such acts or events may jeopardize the tax-exempt status of the Bonds (and any refunding bonds). The Institution will use its best efforts to provide advance notice of any such occurrence, but will in any event provide notice no later than thirty (30) days after the occurrence of any such Special Notice Event, whether the Institution 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 shall have occurred, or otherwise. The Institution agrees that, in consultation with the Authority, and at the sole cost and expense of the Institution, the Institution shall take such actions, if any, as may be necessary or appropriate to remediate such Special Notice Event, or it shall assist the Authority in the Authority’s taking of such actions, including without limitation such actions as may be required pursuant to Treasury Regulations Section 1.141-12 or a closing agreement with the Internal Revenue Service, and shall provide to the Authority an opinion of nationally recognized bond counsel as to such plan of remediation and whether or not the tax-exempt status of the Bonds will be preserved. Without limiting the foregoing, the Authority shall have the right, upon prior written notice to the Institution, to conduct its own investigation of any

Special Notice Event and, at the sole cost and expense of the Institution, retain bond counsel to determine any and all actions required to remediate such Special Notice Event including but not limited to the delivery of an opinion of bond counsel.

SECTION 5.8: Records Retention.

The Institution covenants and agrees to create and maintain records with respect to the Grant and the Project which, in the judgment of the Authority, are sufficient to determine the compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations, including but not limited to records with respect to (i) the allocation and use of the proceeds of the Allocable Bonds, (ii) the ownership and use of all property financed with proceeds of the Allocable Bonds, (iii) the existence or creation of any “replacement proceeds” (as defined in the Institution’s Tax Representation Certificate) as such records are further described in the Institution’s Tax Representation Certificate with respect to the Allocable Bonds, and (iv) the information necessary to establish any exception to the arbitrage rebate requirement (as defined in the Institution’s Tax Representation Certificate) with respect to the Allocable Bonds, as such records are further described in the Institution’s Tax Representation Certificate. The Institution covenants to retain all such records until the expiration of three (3) years after the later of (i) the last scheduled maturity date or earlier retirement of the Bonds, and (ii) if any of the Bonds have been refunded, the last scheduled maturity date or earlier retirement of any refunding bonds. Such records of the Institution shall be provided to the Authority upon written request.

SECTION 5.9: Right to Obtain Bond Counsel Opinion.

In the sole discretion of the Authority, the Institution shall not be required to comply with any one or more requirements of this Article V to the extent that the Authority obtains an opinion of nationally recognized bond counsel to the effect that failure to comply with such requirements, or compliance with other requirements in lieu thereof, will not impair the exclusion from gross income of interest on the Bonds (or any refunding bonds) for purposes of federal income taxation under Section 103 of the Code.

ARTICLE VI: EVENTS OF DEFAULT AND REMEDIES

SECTION 6.1: Events of Default.

The occurrence of any one or more of the following events (whether such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree, or order of any court, or any order, rule or regulation of any administrative or governmental body) shall constitute an “Event of Default”:

- (a) Any representation or warranty, statement, report, financial statement or certificate made by the Institution in its application or in this Grant Agreement is false, misleading, or inaccurate in any material respect.

- (b) Failure by the Institution to observe and perform in any material respect any term, covenant, or condition imposed on it under this Grant Agreement and such failure shall have continued for thirty (30) days after the earlier of (i) delivery to the Institution of written notice thereof from the Authority, or (ii) the Institution's actual or constructive knowledge of such failure, however, if such failure is capable of cure, but cannot be cured by payment of money or by diligent efforts within such thirty (30) day period, but such diligent efforts are properly commenced within the cure period and the Institution is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional period of time, not to exceed an additional forty-five (45) days and in no case to extend beyond the expiration of the Term of this Grant Agreement.
- (c) Failure of the Institution to comply with Section 4.3(b) hereof.
- (d) Failure of the Institution to comply with Section 4.3(c) hereof.
- (e) Condemnation of all or any portion of the Project or the Institution's failure to comply with Section 4.10 hereof.

SECTION 6.2: Remedies.

- (a) Upon the occurrence of any Event of Default, following applicable notice and cure periods, the Authority shall have the right, at its sole and absolute discretion, upon thirty (30) days written notice to the Institution, to terminate this Grant Agreement, at which time any obligation of the Authority to make any disbursements of the Grant Amount to the Institution shall immediately terminate. The Authority shall also have any remedies at law or equity, including specific performance.
- (b) If, after thirty (30) days written notice is sent, the Institution has failed to comply with any of the terms of this Grant Agreement, or if there are disallowed costs, or the payment of a Grant Amount in excess of eligible Project costs, then the State Treasurer is authorized to withhold and/or intercept any State aid or appropriation payable to the Institution, in an amount sufficient to satisfy any default or failure of the Institution, including return of the Grant Amount to the Authority.
- (c) Upon the occurrence of an Event of Default, the amount of the Grant Amount that has been disbursed as of the date of such Event of Default may, upon demand of the Authority, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, be required to be repaid to the Authority by the Institution. The Authority shall determine whether repayment of the Grant Amount is required, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, based on the facts and circumstances related to the Event of Default, including, without limitation, whether there exists the need to redeem or defease the Allocable Bonds to ensure the continued tax-exempt status of the Bonds and any refunding bonds. The Institution will be responsible for the

payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.

- (d) No remedy conferred herein upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Grant Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Section 6.2, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.
- (e) Notwithstanding anything herein to the contrary, in the case of an Event of Default described in Section 6.1(c) or Section 6.1(e), the Institution shall be required to promptly repay the Grant Amount in full or in part, or such portion thereof as has been disbursed to the Institution, in such amount and on such terms as shall be determined by the Authority in consultation with the Secretary and the Attorney General. The Authority shall determine, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, whether there exists the need to redeem or defease the Allocable Bonds to ensure the continued tax-exempt status of the Bonds and any refunding bonds. The Institution will be responsible for the payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.

SECTION 6.3: Disposition of Project or Portion Thereof, or Other Termination or Impairment of Ownership or Control of Project or Portion Thereof.

If the Institution disposes of all or a portion of the Project with the prior written approval of the Authority and the Secretary given pursuant to Section 4.3(b) (other than such approval given pursuant to Section 4.3(b)(iii)), or enters into an arrangement described in Section 4.3(c), which results in the termination or impairment of the Institution's ownership or control of the Project or any portion thereof, the Institution shall be required to promptly repay the Grant Amount (or such portion thereof as has been disbursed to the Institution), in full or in part, in such amount and on such terms as shall be determined by the Authority, in consultation with the Secretary and the Attorney General, pursuant to Section 6.4 hereof; provided, however, that if the Authority and the Secretary, in consultation with the Attorney General and the Authority's bond counsel, determine that such event is de minimis in its impact on the use of the Project by an eligible institution for eligible purposes and will have no adverse tax impact on the Allocable Bonds, then the Authority and the Secretary, in consultation with the Attorney General, may determine that repayment of the Grant Amount in full or in part is not required. The Authority shall determine, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, whether it is necessary to redeem or defease the Allocable Bonds to ensure the continued tax-exempt status of any outstanding Bonds and/or any refunding bonds. The Institution will be responsible for the payment of any

costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.

SECTION 6.4: Determination of Repayment Amount.

- (a) If, pursuant to any provision of this Grant Agreement, the Institution shall be required to repay all or a portion of the Grant Amount, the determination of such amount (the “Repayment Amount”) and the terms of such repayment shall be determined by the Authority, in consultation with the Secretary and the Attorney General.
- (b) The determination of the Repayment Amount may take into account the following factors, in addition to any other factors that the Authority, in consultation with the Secretary and the Attorney General, determine to be appropriate under the circumstances: (i) the remaining useful life of the Project; (ii) the remaining Term; (iii) the remaining debt service on the Allocable Bonds; (iv) whether any portion of the Project will continue to be owned and controlled by the Institution; (v) whether the Project (or the portion thereof that will no longer be owned or controlled by the Institution) will be owned and controlled by another “eligible institution”, as defined in Section 2.2 hereof, that agrees in writing to take ownership and control of the Project subject to the terms and conditions of this Grant Agreement, and (vi) whether the Project (or the portion thereof that will no longer be owned or controlled by the Institution) will continue to be used for a use and purpose that is determined by the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, to be in compliance with the requirements of the Act and all other applicable State and federal law and policy with respect to the use of the Project.
- (c) If the Institution sells, leases, or otherwise transfers the Project or any portion thereof prior to the expiration of the Term to another State college to be used by such State college for a use and purpose that is determined by the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, to be in compliance with the requirements of the Act and all other applicable State and federal law and policy with respect to the use of the Project, the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, may determine that the Grant Amount, or any portion thereof, is not required to be repaid.

ARTICLE VII: MISCELLANEOUS

SECTION 7.1: No Additional Waiver Implied by One Waiver.

In the event any agreement, covenant, warranty, or representation contained in this Grant Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 7.2: Severability.

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

SECTION 7.3: Successors and Assigns.

This Grant Agreement shall inure to the benefit of and shall be binding upon the Institution, the Authority and their respective successors and assigns.

SECTION 7.4: Governing Law.

This Grant Agreement shall be governed by and construed in accordance with the laws of the State, without giving effect to its choice of law rules thereof. The Institution hereby consents to the jurisdiction of the Superior Court of the County of Mercer, New Jersey and agrees that any lawsuits of any nature pertaining to this Grant Agreement shall be brought in that Court in the first instance.

SECTION 7.5: Non-Waiver.

It is understood and agreed that nothing contained in this Grant Agreement shall be construed as a waiver on the part of the Parties, or any of them, of any right not explicitly waived in this Grant Agreement.

SECTION 7.6: Tort Claims Act and Contractual Liability Act.

The liability of the Secretary, the Authority, the Department of the Treasury and their respective directors, officers and employees shall be subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 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 is not applicable by its terms to the Authority, the Institution hereby agrees that such statute (except for N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority under this Grant Agreement.

SECTION 7.7: Headings.

The Section headings in this Grant Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Grant Agreement.

SECTION 7.8: Notices.

All notices required to be given or authorized to be given by the Parties pursuant to this Grant Agreement shall be in writing and shall be sent to the main offices of the respective Parties by registered or certified mail or by email with confirmation of receipt.

SECTION 7.9: Amendments.

Any amendments or modifications to this Grant Agreement shall be in writing and signed by each of the Parties. This Grant Agreement shall not be amended or modified in any manner without the written consent of the Secretary. Material changes to this Grant Agreement will not be allowed.

SECTION 7.10: Rights Cumulative.

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.

SECTION 7.11: Third Party Beneficiary.

The Parties agree that the State is intended to be and shall be a third party beneficiary of this Grant Agreement.

SECTION 7.12: Additional Representations and Covenants.

Upon or prior to the issuance of the Bonds, a schedule reflecting additional representations, undertakings and covenants applicable to the Project and the Grant may be attached hereto as a condition to this Grant Agreement. Any such additional provisions shall be incorporated herein and shall be binding upon the Institution.

SECTION 7.13: Electronic Signatures.

Pursuant to N.J.S.A. 12A:12-1 et seq., the “Uniform Electronic Transactions Act,” electronic signatures to a contract shall be binding upon agreement of all parties. The Parties hereto agree that this Grant Agreement, and all documents, certificates, opinions and requisitions delivered pursuant to the terms hereof, may be executed with electronic signatures.

SECTION 7.14: Counterparts.

This Grant Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument.

2025 CYCLE – HEFT – FORM OF GRANT AGREEMENT – PRIVATE INSTITUTIONS

IN WITNESS WHEREOF, the Parties by their duly authorized representatives, each acting in their official capacities, have caused this Grant Agreement to be executed and delivered as of the Effective Date.

[NAME OF INSTITUTION]

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____
Name:
Title:

By: _____
Name:
Title:

List of Exhibits:

Exhibit A: Description of Project

Exhibit B: Compliance Exceptions Under Sections 2.7 and 4.1

Exhibit C: Form of Requisition

Exhibit D: Special Notice Events

Exhibit E: Form of Completion Certificate

EXHIBIT A

DESCRIPTION OF PROJECT

[to be attached]

The Project to be financed by the Bonds referenced in this Grant Agreement includes only such components of the Project that are permitted to be financed under the Act and accompanying regulations (the “Eligible Components”), and does not include those components of the Project that are described in the attached description of the Project but which are being financed by other grants or leases from the Authority or the State and/or by other funding sources. The Institution represents and agrees that amounts provided to the Institution under this Grant Agreement will be used by the Institution only to reimburse the Institution for costs of Eligible Components of the Project, and that the Institution has sufficient funds from other sources to finance the balance of the Project.

EXHIBIT B

COMPLIANCE EXCEPTIONS UNDER SECTIONS 2.7 AND 4.1

- [] No compliance exceptions.
- [] Pursuant to Section 4.1, prior to any funds being disbursed to the Institution, the Institution is required to provide the Authority with a certified copy of the resolution(s) of the Institution’s Board of Trustees approving the undertaking and completion of the Project as described in Exhibit A.
- [] The Institution shall set forth below any exceptions to Section 2.7:

EXHIBIT C

FORM OF REQUISITION

[to be attached]

EXHIBIT D

SPECIAL NOTICE EVENTS

The following events shall be considered Special Notice Events:

1. **“Private business use” of the Bond-Financed Project:** “Private business use” of the Project occurs if any portion of the financed Project (i.e., any project facility) will be used by anyone other than a State or local governmental unit or members of the general public who are not using the project facility in the conduct of a trade or business. The following uses, and similar uses, are considered to be “private business use” and are generally not permitted: (i) use of a project facility by a person or entity as an owner, lessee, purchaser of the output of a facility under a “take and pay” or “take or pay” contract, and/or purchaser or licensee of research, (ii) a manager or independent contractor having use of a project facility pursuant to certain management or professional service contracts, (iii) any other arrangement that conveys special legal entitlements to the use of a project facility, including any arrangement that conveys priority rights to the use or capacity of the facility, or any arrangement that conveys a special economic benefit with respect to the use of the facility, (iv) use of a project facility by the federal government, and (v) use of a project facility by a Code Section 501(c)(3) organization other than the Institution, unless such use by such other Code Section 501(c)(3) organization has been approved in advance by the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.

2. **“Private loans” of Bond Proceeds:** A “private loan” will occur if any of the proceeds of the Bonds (including any investment earnings thereon) are loaned out by the Institution. Private loans are not permitted.

3. **Naming rights agreements for the Bond-Financed Project:** A naming rights agreement with respect to the financed Project (other than a “brass plaque” dedication) is a form of private business use and is not permitted.

4. **Research using the Bond-Financed Property:** Research contracts with respect to a financed Project that are not “qualified” research agreements are generally not permitted. A qualified research agreement is a research agreement that meets the requirements of Rev. Proc. 2007-47. If any portion of a financed Project will be used for the conduct of research under the sponsorship of, or for the benefit of, any entity other than a State or local governmental unit, such research agreement must be a qualified research agreement. Research agreements that do not meet the requirements of Rev. Proc. 2007-47 are not qualified research agreements, may result in private business use, and are not permitted.

5. **Management agreement or service agreement:** In general, no portion of the financed Project should be used by any person or entity pursuant to a management contract or service contract (e.g., food service, bookstore, parking management, etc.),

other than (i) a contract to provide services that are solely incidental to the primary function of the financed facility, such as janitorial services or office equipment repair, or (ii) a qualified management contract that meets the requirements of Rev. Proc. 2017-13. A contract that results in the payment of a concession or similar fee to the Institution is not a qualified contract. Management agreements and similar contracts that do not meet the requirements of Rev. Proc. 2017-13 are not qualified contracts, may result in private business use, and are not permitted.

6. **Joint Ventures:** A joint venture arrangement between the Institution and another entity with respect to any portion of the financed Project may result in impermissible private business use unless the other entity is a State or local government unit.

7. **Unexpected payments or proceeds:** Unexpected payments or proceeds occur if the Institution receives funds relating to the financed Project, including, without limitation, charitable gifts, insurance payments, and settlements of litigation or other disputes. The receipt of any such amounts relating to the financed Project is a Special Notice Event.

8. **Change in ownership of the financed Project:** The Institution shall not sell or otherwise transfer the ownership of any portion of the Project to any person or entity prior to the earlier of the end of the expected economic life of the Project or the latest maturity date of the Bonds financing (or any bonds refinancing) the Project. Any such change in ownership is a Special Notice Event.

9. **Lease of the financed Project:** Leasing any portion of the financed Project (other than to students enrolled in the Institution, or leases for short periods of time for educational, cultural or public activities) is a Special Notice Event.

10. **Cessation of use, abandonment, or demolition of the financed Project:** The cessation of use of the financed Project by the Institution, or the Institution's abandonment of or demolition of the financed Project, is a Special Notice Event.

11. **Allowing a lien against the financed Project:** The imposition of a lien against the financed Project is a Special Notice Event.

12. **Loss of Section 501(c)(3) Status:** The loss of Code Section 501(c)(3) status by the Institution is a Special Notice Event.

13. **Unrelated trade or business:** The use of any portion of the financed Project by any 501(c)(3) organization (including by the Institution) in an unrelated trade or business (i.e., a trade or business not substantially related to the Section 501(c)(3) purpose or purposes of the 501(c)(3) organization) is a Special Notice Event.

EXHIBIT E

**FORM OF COMPLETION CERTIFICATE
FOR FACILITIES TRUST FUND GRANTS**

PLEASE PRINT ON INSTITUTION'S LETTERHEAD.

Date: _____

Institution: _____

Pursuant to Section 4.2 of the Grant Agreement with respect to the Grant Amount and Project referenced below (the “Grant Agreement”), the undersigned, a duly authorized representative of the Institution, hereby certifies that: (i) the Institution has completed the referenced Project funded pursuant to the Higher Education Facilities Trust Fund Act, N.J.S.A. 18A:72A-49 et seq.; (ii) the Project was completed on the Completion Date set forth below; (iii) the Institution has required in each construction contract with respect to the Project that wages paid to workers employed in performance of such construction contract be paid, or has determined that such workers were paid, at a rate not less than the State prevailing wage rate, in compliance with N.J.S.A. 18A:72A-5.1 et seq.; and if applicable, (iv) the Institution has received and delivered to the New Jersey Educational Facilities Authority a copy of the permanent or temporary certificate of occupancy for the Project, a copy of which is attached hereto and made a part hereof. All capitalized terms shall have the meaning given to them in the Grant Agreement unless otherwise defined herein.

Grant Application Number: _____

Project Name: _____

Grant Amount: _____

Completion Date: _____

[NAME OF INSTITUTION]

By: _____

[Name]

[Title]

GRANT AGREEMENT

Between the

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY,
as Grantor

and

[NAME OF INSTITUTION],
as Grantee

Dated as of _____, 2026

HIGHER EDUCATION FACILITIES TRUST FUND

Grant Amount: \$ _____

Application #: _____

THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HIGHER EDUCATION FACILITIES TRUST FUND

GRANT AGREEMENT

[Institution]

THIS GRANT AGREEMENT, is executed as of _____, 2026 (the “Effective Date”) by and between the New Jersey Educational Facilities Authority (the “Authority”), a public body corporate and politic of the State of New Jersey (the “State”) and [NAME OF INSTITUTION] (the “Institution”), a public institution of higher education as defined in N.J.S.A. 18A:72A-3 (collectively, the “Parties”), pursuant to the provisions of the Higher Education Facilities Trust Fund Act, N.J.S.A. 18A:72A-49 et seq., as amended (the “Act”), for the purpose of providing funds for construction, reconstruction, development, extension and improvement of instructional, laboratory, communication, and research facilities at the State’s public institutions of higher education.

ARTICLE I: THE GRANT

SECTION 1.1: Grant Amount.

(a) The Institution is hereby awarded a grant (the “Grant”) in the amount of _____ dollars (\$_____) (the “Grant Amount”) to be used to finance costs of the project described in the attached Exhibit A (the “Project”), as approved by the Secretary of Higher Education (the “Secretary”). A description of the Project as so approved is attached hereto and incorporated herein by reference. The Grant Amount will be funded with the proceeds of one or more series of tax-exempt revenue bonds issued or to be issued by the Authority pursuant to the Act (the “Bonds”); provided, however, that the payment of the Grant Amount is expressly conditioned upon the issuance of the Bonds, if, when, and as issued, in an amount sufficient to fund the Grant Amount, and also upon the Institution’s execution and delivery of all documents, certificates, opinions and other items as may be required by the Authority in connection with the issuance of the Bonds and the making of the Grant. The issuance of the Bonds is subject to the approval of the Authority’s Board and the funding of the Grant Amount is subject to final review by the Authority’s bond counsel as to the eligibility of the Project for financing with tax-exempt Bonds.

(b) The term “Allocable Bonds,” when used herein, shall mean the portion of the Bonds allocable to the Grant (i.e., the amount of Bonds issued to finance the Grant Amount and a proportionate share of the costs of issuance of the Bonds and the Authority’s administrative costs associated with the approval process for the projects financed by the Bonds).

SECTION 1.2: Reduction or Cancellation of Grant Amount.

The Institution acknowledges and agrees that the Secretary may reduce or cancel the Grant Amount (a) if the Institution determines not to undertake the Project, (b) if the Bonds are not issued for any reason whatsoever, (c) to adjust for actual Project expenses in a manner consistent with the Grant Amount, or (d) if the Project is not substantially completed and the Grant Amount is not substantially disbursed six (6) months after the estimated construction completion date set forth in the Grant application, as adjusted for any actual delay to the Institution entering into the contract(s) specified in Section 4.1 hereof. Notwithstanding anything to the contrary foregoing, no adjustment or reduction pursuant to clause (d) above will be made if (i) delays are the result of federal, State, or local governmental approvals or regulatory requirements not attributable to the Institution; (ii) delays are the result of delays in the availability of funding under this Grant Agreement; or (iii) other compelling and documentable reasons exist, as determined by the Secretary.

SECTION 1.3: Eligibility for Reimbursement of Expenditures.

The Institution agrees that the Grant Amount may not be used to reimburse expenditures incurred by the Institution prior to October __, 2025 (the “Reimbursement Eligibility Date”). As used herein, the term “incurred” as applied to any expenditure shall mean the earlier to occur of (i) the date services were provided or goods were delivered, or (ii) the date that the Institution expended funds to pay (or prepay) for the expenditure. Only expenditures incurred on or after the Reimbursement Eligibility Date may be reimbursed. All such reimbursements shall be subject to approval by the Authority and, upon the request of the Authority, review by its bond counsel. No financing costs or interest expense of any interim debt shall be reimbursed, and no liens in respect of any interim debt shall be permitted to exist at the time of issuance of the Bonds.

SECTION 1.4: Sufficient Funding.

The Institution represents and warrants that it has or reasonably expects to have sufficient funding to complete the Project. The Institution also acknowledges that any Project costs exceeding the costs of the Project approved by the Secretary shall be the responsibility of the Institution.

SECTION 1.5: Use of Grant Amount; Disbursement Pursuant to Requisitions.

The Institution has committed, by resolution of its governing board, to use the Grant Amount to finance costs of the Project, and to operate and maintain the Project. All costs to be funded or reimbursed from the Grant Amount shall be subject to the State prevailing wage requirements of N.J.S.A. 18A:72A-5.1 et seq.

The Authority shall disburse, or cause the trustee for the Bonds (the “Bond Trustee”) to disburse, from time to time, the Grant Amount to the Institution, but only upon receipt and approval of requisitions submitted to and approved by the Authority. Each requisition shall be executed by an authorized representative of the Institution and

shall be in the form set forth in Exhibit C attached hereto, or in such other form as the Authority may require. The Institution shall not alter, retype, reformat, or otherwise modify or revise the approved form of requisition. The Authority will not accept any requisition that does not conform to the Authority’s approved form.

The Institution shall submit requisitions promptly and shall comply with any time constraints for the submission of requisitions that the Authority or the Secretary may impose.

SECTION 1.6: No Assignment; No Pledge.

This Grant Agreement may not be assigned by the Institution, nor may it be pledged as collateral for any purpose.

SECTION 1.7: Legal Fees.

The Institution agrees to pay any reasonable legal fees incurred by the Authority in connection with any default under, anticipatory breach of, and/or amendment to this Grant Agreement and/or any modification to the Project.

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 2.1: Existence.

The Institution is a body corporate and politic created under the laws of the State, and has the necessary power and authority to execute and deliver this Grant Agreement and any other documents to which the Institution is a party, and to perform its obligations hereunder and thereunder.

SECTION 2.2: Eligible Institution; Accuracy of Grant Application.

(a) For the purposes hereof, an “eligible institution” is a duly accredited “public institution of higher education” as defined in N.J.S.A. 18A:72A-3. The Institution represents and warrants that it is an eligible institution.

(b) The Institution represents and warrants that all of the statements and representations made in its application for the Grant were on the date made, are on the Effective Date hereof, and shall continue to be, true and correct in all material respects.

SECTION 2.3: Authorization and Validity.

The execution, delivery and performance of this Grant Agreement by the Institution shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or a breach of any provision contained in its certificate of formation or authorizing legislation (as applicable), or contained in any agreement, instrument, document, bond indenture, law, rule, regulation, order, decree, writ,

judgment, injunction, or award to which it is now a party or by which it or any of its assets is bound.

The execution and delivery by the Institution of this Grant Agreement and any other documents to which the Institution is a party related to the execution and delivery of this Grant Agreement (including, without limitation, the application for the Grant submitted to the Secretary, resolutions adopted by the Institution, and any Tax Representation Certificates, as defined below (collectively, the “Other Grant Documents”)) have been or will be as of their date of execution, duly authorized by proper proceedings of the Institution, and no further approval, authorization or consents are required by law or otherwise. This Grant Agreement and the Other Grant Documents constitute or shall, upon their execution and delivery, constitute the legal, valid and binding obligations of the Institution 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.

SECTION 2.4: Reporting; Inspection; Disclosure; Recordkeeping.

(a) Annual Financial Reporting. By not later than May 31 of each year, or by such other date as shall be determined by the Secretary, commencing in calendar year 202_ and continuing until the expiration of the Term (as defined in Section 3.1 hereof) of this Grant Agreement, the Institution shall provide the following to the Authority: copies of the Institution’s annual financial statements and auditor’s reports for the prior fiscal year, prepared in compliance with applicable State policy, as may be amended from time to time, including but not limited to the provisions of any State policies applicable to the receipt of grants from the State.

(b) Annual Compliance Reporting. By not later than May 31 of each year, or by such other date as shall be determined by the Secretary, commencing in calendar year 202_ and continuing until the expiration of the Term of this Grant Agreement, the Institution shall provide the following information and certifications to the Authority in response to the Authority’s annual compliance questionnaire or in such other format as may be requested by the Authority:

(i) A detailed description of any use of the Project by any person or entity other than the Institution (A) during the prior calendar year, and (B) during the current calendar year up to the date of submission of the Institution’s response;

(ii) A detailed description of the receipt by the Institution of any previously undisclosed contribution or other amount earmarked for the Project (A) during the prior calendar year, and (B) during the current calendar year up to the date of submission of the Institution’s response;

(iii) If the Grant Amount has not yet been fully disbursed, (A) a detailed report of all expenditures for the Project during the prior calendar year and during the current calendar year up to the date of submission of the Institution’s response (including the amount and purpose of each expenditure), and (B) a detailed description of

the amounts or estimated amounts expected to be spent on the Project during the current calendar year (including the timing, amount, and purpose of each such expenditure);

(iv) If a Completion Certificate (as defined in Section 4.2 hereof) has not yet been submitted to the Authority, a statement regarding the status and progress of the Project, including the estimated percentage of completion of the Project;

(v) Written confirmation that the Institution has used all disbursements of the Grant Amount for approved Project costs, in the amounts and for the purposes stated on the related requisitions, such confirmation to be made as of the date of submission of the Institution's response, or, if the Institution cannot provide such confirmation, a detailed description and explanation of the use of any amounts of the Grant Amount for which the Institution cannot so confirm;

(vi) Written confirmation that the Institution is in compliance with the Written Procedures (as defined in Section 5.6 hereof), has conducted an annual review for compliance with federal tax requirements during the prior calendar year, and has determined that the Project and the use of the Grant Amount are in compliance with federal tax requirements;

(vii) Written confirmation that there have been no material changes to the Project or to the use of the Grant Amount during the prior calendar year or during the current calendar year up to the date of submission of the Institution's response;

(viii) Written confirmation that the Institution has procured and is maintaining the Required Insurance (as defined in Section 4.8 hereof); and

(ix) Such other information and certifications relating to the use of the Project and the use of the Grant Amount as may be reasonably requested by the Authority for the purpose of confirming the Institution's compliance with applicable State and federal law and policy.

(c) Reporting of Special Notice Events. The Institution shall provide prompt written notice to the Authority of the occurrence of any Special Notice Event, as described in Section 5.7.

(d) Inspection. The Institution agrees to permit inspection of the Project and the Institution's books and records pertaining thereto by the Authority and the Secretary upon written request during normal business hours.

(e) Disclosure. The Institution agrees that, whenever requested by the Authority, it shall provide and certify, in form satisfactory to the Authority, such information concerning the Institution and the Project, the operations and finances of the Institution and such other matters that the Authority considers to be necessary in order to enable the Authority to prepare and publish an official statement or other similar disclosure document relating to the sale of the Bonds or any refunding bonds or to enable

the Authority to make any reports which are required by any law or governmental regulations in connection with the Bonds.

(f) Recordkeeping. The Institution shall retain until three (3) years after the retirement of the Bonds and any refunding bonds, adequate records with respect to the use of the Project and the expenditure of the proceeds of the Grant, as described in Section 5.8.

SECTION 2.5: Disclaimer of Warranties; Indemnification.

(a) The Institution acknowledges and agrees that (i) neither the Authority nor the Secretary makes any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portions thereof or any other warranty or representation with respect thereto; and (ii) in no event shall the Authority or the Secretary or their respective agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Grant Agreement or the Project or the existence, furnishing, functioning or use of the Project or any item or products or services provided for in this Grant Agreement.

(b) To the fullest extent permitted by law, (A) the Institution shall at all times protect and hold the State, the Secretary, the Department of the Treasury, the Authority, the Bond Trustee and each of their assigns, directors, officers, agents, contractors and employees (collectively, the “Indemnified Parties”) harmless of, from and against any and all claims (whether in tort, contract or otherwise), demands, expenses (including, without limitation, attorneys’ fees) and liabilities for losses, damage and injury, resulting from or arising out of: (1) any claim for the non-delivery of the Grant Amount in the event that the Bonds are not issued, (2) the financing of the costs of the Project, (3) the ownership, planning, design, acquisition, site preparation, transportation, construction, renovation, equipping, installation, maintenance, repair, replacement or completion of the Project or any part thereof or the effecting of any work done as part of the Project, (4) any defects (whether latent or patent) in the Project or any part thereof, (5) the maintenance, repair, replacement, restoration, rebuilding, demolition, upkeep, use, occupancy, ownership, leasing, subletting or operation of the Project or any portion thereof, (6) any act of negligence of the Institution or of any of its agents, contractors, servants, employees or licensees at the Project, (7) any act of negligence of any assignee or sublessee of the Institution at the Project, (8) any violation of or failure to comply by the Institution with any legal requirement applicable to the Project, including environmental laws, or any cost imposed upon any of the Indemnified Parties by any legal requirement applicable to the Project, (9) any action or inaction of the Institution that may adversely affect the tax-exempt status of the Bonds or any refunding bonds (assuming for this purpose that the Bonds consist only of the Allocable Bonds), and (10) any claim, suit or action based upon personal injury, death, or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Institution, the Institution’s ownership of the Project, or the acquisition, construction or installation of the Project; (B) the Institution shall reimburse any such Indemnified Party for any reasonable legal or other expenses incurred by it in investigating any claims

against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the Project, and (C) the indemnification required pursuant hereto shall be binding upon the Institution for any and all claims, demands, expenses, liabilities and taxes set forth herein. No Indemnified Party shall be liable for any damage or injury to the person or property of the Institution or its assigns, directors, officers, agents, contractors or employees, or persons under the control or supervision of the Institution or any other person who may be involved with the Project in any way, due to any action, inaction, or negligence of any person. The provisions of this paragraph shall survive the expiration or earlier termination of this Grant Agreement.

SECTION 2.6: Litigation.

There is no action or proceeding pending, or to the best knowledge of the Institution, threatened by or against it by or before any court or administrative agency that might adversely affect the ability of the Institution to perform its obligations under this Grant Agreement.

SECTION 2.7: Compliance with Laws and Regulations.

To the best of its knowledge, the Institution is in compliance with all applicable statutes, regulations or ordinances of governmental agencies and authorities having jurisdiction over it and the Project, including without limitation, those of the United States of America, the State and any municipal or local government entity with jurisdiction over the Project, including but not limited to those relating to the procurement and any and all environmental laws.

The Institution agrees to comply with the Act, all State and federal laws, all rules and regulations, and any other requirements imposed by law, including but not limited to those relating to the procurement of contracts to effectuate the Project.

Except as set forth on Exhibit B attached hereto and made a part hereof, the Institution has obtained, and is in material compliance with respect to, all government approvals, permits, certificates, inspections, consents and franchises necessary to complete the Project, to conduct its business, and to own or lease and operate its properties, and all such government approvals, permits and certificates are in full force and effect.

ARTICLE III: TERM OF THE GRANT AGREEMENT

SECTION 3.1: Term.

The term of this Grant Agreement shall commence on the Effective Date and continue in effect until such time as all of the Bonds and any refunding bonds have been paid (the “Term”).

This Grant Agreement shall not terminate prior to the end of the Term (other than such termination as is provided for elsewhere herein) for any cause including, without limitation, any acts or circumstances that may constitute failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Project, or the

failure of the Secretary or the Authority to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Grant Agreement.

ARTICLE IV: THE PROJECT

SECTION 4.1: The Project; Project Acquisition or Construction.

The Institution acknowledges and agrees that, except for modifications to the Project as expressly permitted by the Authority pursuant to the terms of this Grant Agreement, the Institution is required to undertake and complete the Project described in Exhibit A.

Except as set forth on Exhibit B attached hereto and made a part hereof, the Institution has provided the Authority with a certified copy of the resolution(s) of the Institution's Board of Trustees (collectively, the "Project Resolutions") approving the undertaking and completion of the Project as so described in Exhibit A. The Institution acknowledges and agrees that no requisition shall be paid to the Institution for costs of any portion of the Project unless the Institution has provided the Authority with certified copies of all Project Resolutions.

The Institution agrees to enter into contract(s) for the acquisition or construction of the Project no later than twelve (12) months after the Effective Date. Additional requirements with respect to carrying out the Project will be set forth in the Institution's Tax Representation Certificate(s) (as defined in Section 5.1 hereof).

SECTION 4.2: Completion of Project.

Completion of the Project shall be evidenced by delivery to the Authority of a completion certificate (the "Completion Certificate") in the form set forth in Exhibit E attached hereto, or in such other form as the Authority may require, certifying (a) the date of completion of the Project; (b) that the Institution has received and delivered to the Authority a copy of the permanent or temporary certificate of occupancy for the Project, if applicable; and (c) that the Institution has required in each construction contract with respect to the Project that wages paid to workers employed in the performance of such construction contract be paid, or has determined that such workers were paid, at a rate not less than the State prevailing wage rate, in compliance with N.J.S.A. 18A:72A-5.1 et seq.

SECTION 4.3: Title to Project; No Sale, Lease or Other Disposition of Project; Prior Approval Required for Financing Leases.

(a) With respect to the property or facility comprising the Project and in or on which the Project is to be constructed, located, affixed, and/or installed, the Institution represents, warrants, and covenants that it has either (i) good, indefeasible and marketable title to and fee simple ownership of such property or facility, or (ii) the legal and enforceable right to use and occupy such property or facility, and to construct, locate, affix, and/or install the Project therein or thereon, pursuant to a written agreement, the

term of which extends or can be renewed at the Institution’s option for so long as the Project is located therein or thereon.

(b) The Institution shall not sell, lease, abandon, or otherwise dispose of the Project or any portion thereof prior to the expiration of the Term without the prior written approval of the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.

- i. Notwithstanding the receipt of any such prior written approval, the Institution acknowledges and agrees that if the Institution sells, leases, abandons or otherwise disposes of the Project or any portion thereof, the Institution shall be required to repay the Grant Amount, or such portion thereof, as shall be determined in accordance with Sections 6.3 and 6.4 hereof, unless the Authority and the Secretary, in consultation with the Attorney General, determine in writing that repayment by the Institution is not required.
- ii. The Institution acknowledges and agrees that if it does not obtain such prior written approval for such sale, lease, abandonment, or other disposition of the Project or any portion thereof as required pursuant to subsection (b) above, such sale, lease, abandonment, or other disposition of the Project or any portion thereof shall constitute an Event of Default as set forth in Section 6.1(c) hereof.
- iii. If the Institution sells or leases all or a portion of the Project to another entity, and provided that such purchaser or lessee is an “eligible institution” as defined in Section 2.2 hereof, and further provided that such purchaser or lessee assumes all obligations of the Institution under this Grant Agreement pursuant to an assignment agreement in writing to which the Authority, the Institution, and the purchaser or lessee, are all parties, and such sale or lease is made with the prior written approval of the Authority and the Secretary given pursuant to this Section 4.3(b), then such sale or lease shall not constitute an Event of Default hereunder.

(c) The Institution shall not enter into any financing lease or similar arrangement that transfers, or could result in the transfer of, ownership of the Project or any portion thereof to another entity prior to the expiration of the Term, without the prior written approval of the Authority and the Secretary, whose determination shall be made in consultation with the Attorney General and nationally recognized bond counsel.

- i. Notwithstanding the receipt of any such prior written approval, the Institution acknowledges and agrees that if, prior to the expiration of the Term, the Institution’s ownership or control of the Project or any portion thereof is terminated or substantially impaired as a

result of such financing lease or arrangement, the Institution shall be required to repay the Grant Amount, or such portion thereof, as shall be determined in accordance with Sections 6.3 and 6.4 hereof.

- ii. The Institution acknowledges and agrees that if it does not obtain such prior written approval for any such arrangement as required pursuant to subsection (c) above, such arrangement shall constitute an Event of Default as set forth in Section 6.1(d) hereof.
- iii. The Institution further acknowledges and agrees that any such arrangement must expressly acknowledge in writing the existence of this Grant Agreement, including the Institution's covenants and requirements hereunder and the Authority's rights and remedies hereunder.

(d) The Authority, in consultation with the Secretary and the Attorney General, reserves the right to file a deed restriction in customary form against the property or facility in or on which the Project is constructed, located, affixed, and/or installed, at the sole cost and expense of the Institution. Such deed restriction shall provide that, in the event of a disposition of such property or facility together with the Project or any portion thereof, all or a portion of the proceeds of such disposition, if any, shall be required to be applied to the repayment of the Grant Amount, in accordance with Article VI hereof. In the event that the Authority determines to file such deed restriction, the Institution agrees to cooperate with the Authority and to execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such documents, and to do all such things and acts, necessary to enable the Authority to effectuate the filing of such deed restriction.

SECTION 4.4: Default in Contractors', Vendors' or Suppliers' Performance.

In the event of a default of any contractor, subcontractor, vendor or supplier under the terms of any contract made in connection with the Project, the Institution will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Institution against the contractor, subcontractor, vendor or supplier in default and against each surety for the performance of such contractor, subcontractor, vendor or supplier. The Institution agrees to advise the Authority, in writing, of the steps it intends to take in connection with any such default. The Authority, after notifying the Institution in writing, in good faith and in its own name, may but shall not be required under any circumstances to, prosecute or defend any action or proceeding or take any other action which the Authority deems reasonably necessary, and in such event the Institution hereby agrees to cooperate fully with the Authority. Such action may be taken in the sole discretion of the Authority. Any amounts which are recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, net of expenses incurred by the Authority to obtain such recovery, shall be paid to the Institution, and applied to payment of the costs of the Project.

SECTION 4.5: Maintenance of the Project.

The Institution covenants that at all times during the Term hereof, including during and after the completion of the Project, it shall cause the same to be maintained, preserved and kept properly, with the appurtenances and every part and parcel thereof in good repair, working order and condition.

SECTION 4.6: Covenant Against Waste.

The Institution covenants not to cause, suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Project.

SECTION 4.7: Damage or Destruction.

The Institution agrees to immediately notify the Authority in the event of damage to or destruction of all or a portion of the Project resulting from fire or other casualty. The Institution agrees to promptly repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction and the Institution will apply the net proceeds of any insurance relating to such damage or destruction received by the Institution to the payment or reimbursement of the costs of such repair and restoration, except as expressly authorized by the Authority in its sole discretion upon the advice of its bond counsel.

SECTION 4.8: Insurance.

Prior to the receipt of any portion of the Grant Amount, the Institution shall provide evidence to the Authority that the Institution is in compliance with this Section 4.8.

Except as otherwise provided in this Section 4.8:

(a) The Institution shall procure and maintain, or cause to be procured and maintained, sufficient coverage under its commercial general liability insurance policy and, if applicable, builder's risk insurance policy to cover not only its own liability but also any liability which might arise against the Indemnified Parties (as defined in Section 2.5(b)) to the extent such liability is insurable under a commercial general liability insurance policy or a builder's risk insurance policy. The Institution shall include or cause to be included the Indemnified Parties as additional insureds in any liability insurance coverage for the Project, including insurance obtained by the Institution's general contractor and subcontractors performing work on the Project.

(b) The Institution shall procure and maintain, or cause to be procured and maintained, to the extent reasonably obtainable, at the expense of the Institution, such insurance as is customarily maintained on facilities and equipment similar to the facilities and equipment comprising the Project. The Authority, the State, the Secretary, the Department of the Treasury and the Bond Trustee shall be named as additional insureds on such insurance.

(c) All insurance required by paragraphs (a) and (b) of this Section 4.8 (collectively, the “Required Insurance”) 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.

The Institution shall promptly notify the Authority and the Secretary in writing in the event of any change in the insurance coverage being maintained by the Institution.

Notwithstanding the foregoing, (i) nothing herein shall be deemed to prohibit the Institution from participating in a program of self-insurance, a cooperative insurance purchasing program, or a similar insurance program, and such programs may, upon review by the Authority, be deemed to meet the requirements of paragraphs (a), (b), and (c) of this Section 4.8, (ii) the procurement of insurance shall not relieve the Institution from its obligations under Section 2.5 hereof, and (iii) the liability of the Institution with respect to tort claims is subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

Upon the Authority’s request from time to time, the Institution shall provide evidence to the Authority that the Institution is in compliance with this Section 4.8. In addition, pursuant to Section 2.4 hereof, the Institution shall annually confirm to the Authority in writing that the Institution is in compliance with this Section 4.8.

SECTION 4.9: Mechanics’ Liens.

The Institution covenants to keep the Project, and the fixtures and equipment thereof, free and clear of mechanics’ liens and other liens of like nature at all times during the Term of this Grant Agreement, and the Institution shall at all times duly protect the State, the Authority, the Secretary, the Department of the Treasury and their respective directors, officers, and employees against any and all legal fees, costs and expenses which may accrue, grow out of or be incurred by reason of or on account of any such liens or claims.

SECTION 4.10: Modification of Project.

Pursuant to N.J.A.C. 9A:15-1.6(i), in the event that the Institution requires a modification to the Project, the Institution shall submit a formal written request to the Secretary, prior to the Institution taking any action to modify the Project, in order to allow the Secretary to evaluate the merits of the proposed modification against the purpose of the Act and the objectives set forth at N.J.A.C. 9A:15-1.5(b). The formal written request must be submitted on the Institution’s letterhead, must be signed by an authorized representative of the Institution, and must include the following information, at a minimum: (i) a detailed description of the proposed modification; (ii) the reason for the proposed modification; (iii) a detailed description of how the proposed modification demonstrates consistency with the scope, intent, and objectives of the original project; (iv) a budget and timeline for completion of the proposed modification; and (v) a certified copy of the resolution of the Institution’s Board of Trustees approving the proposed modification. The Secretary may exercise discretion to allow the Institution to modify the

Project, if such modification is reasonable and consistent with the scope, objectives, purpose, and intent of the originally approved Project, and if such modification does not constitute a material change. Project modifications will be reviewed on a case-by-case basis and must be authorized under the terms and conditions of the Grant Agreement, the Tax Representation Certificate(s), any other applicable Bond documents, and applicable State and federal law.

SECTION 4.11: No Use of Project for Religious Instruction or Worship.

The Institution covenants and agrees that the Project shall be used solely for the approved purposes of the Grant and as permitted under the Act. The Institution further covenants and agrees that at no time shall the Project, 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.

SECTION 4.12: Additional Covenants.

(a) The Institution covenants, represents and agrees that the Institution is and during the full Term of this Grant Agreement will be in compliance with the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1, et seq.

(b) The use of the Project, the admission of students to the Institution, and the provision of services to students, are not, and shall at no time be, restricted on racial or religious grounds, nor shall there be a religious test for such use, admission, or provision of services.

(c) There is not, and shall at no time be, a requirement that individuals gaining admission to or receiving services from the Institution, or otherwise using the Project, receive instruction in the tenets of a particular faith, nor shall religious instruction be mandatory.

SECTION 4.13: Condemnation of Project

The Institution shall immediately notify the Authority upon the occurrence of either of the following circumstances: (i) the Institution enters into or plans to enter into discussions or negotiations regarding the voluntary condemnation of the Project or any portion of the Project, or (ii) the Institution receives notice that all or any portion of the Project is or may be subject to involuntary condemnation. The condemnation of the Project or any portion thereof shall constitute an Event of Default as set forth in Section 6.1(e) hereof.

ARTICLE V: TAX COVENANTS

SECTION 5.1: Tax Status; Tax Representation Certificate.

The Institution covenants and represents that it has executed or will execute one or more Tax Representation Certificates (each, a “Tax Representation Certificate”) as to compliance with the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code” or the “Code”) and the Treasury Regulations promulgated thereunder or made applicable thereto (the “Treasury Regulations”) relating to the Grant, the Project and the Bonds (and any refunding bonds), in the form required by the Authority’s bond counsel. The provisions of each such Tax Representation Certificate shall be incorporated herein by reference and shall be binding upon the Institution. The Institution represents, and covenants that the representations and covenants of the Institution set forth in the Institution’s Tax Representation Certificate(s) are and will be true, correct and complete as of the date of issuance of the Bonds, and, in the case of any Tax Representation Certificate delivered in connection with refunding bonds, as of the date of issuance of the refunding bonds. The Institution understands that the statements, covenants and undertakings made in the Tax Representation Certificate(s) and this Grant Agreement shall be relied upon by the Authority and its bond counsel in connection with the issuance of the Bonds and any refunding bonds, and that any misstatement or failure to comply with any such undertaking on the part of the Institution may result in adverse consequences affecting a significantly greater principal amount of Bonds (or refunding bonds) than the amount of the Grant Amount.

SECTION 5.2: No Change in Use of Grant Amount or Project.

The Institution acknowledges and agrees that the Grant Amount is or will be funded from Bonds issued or to be issued by the Authority pursuant to the Act, and that such Bonds have been or are expected to be issued on a tax-exempt basis. In order to ensure the continued compliance of the Project with applicable State law and policy, and to ensure the continued tax-exempt status of the Bonds and any bonds issued to refund the Bonds, the Institution shall (i) use the Grant Amount and the Project as described in Section 1.1 hereof and in the Institution’s Tax Representation Certificate(s), (ii) not permit or cause any material change in the use of the Grant Amount or the Project, and (iii) not permit or cause any non-material change in the use of Grant Amount or the Project unless (a) such change in use consists of non-material modifications to the Project and/or a decrease in the Grant Amount required for the Project, (b) such change in use has been approved by the Secretary, (c) such change in use has been approved by the Authority, in consultation with the Attorney General, (d) such change in use would not be in violation of the Act or the regulations promulgated thereunder, and (e) if required, as determined by the Authority in consultation with the Attorney General, the Authority shall have received an opinion from nationally recognized bond counsel that such change in use will not adversely affect the tax-exempt status of the Bonds and any bonds issued to refund such Bonds. The Institution shall pay any and all costs and expenses, including legal fees, incurred by the Authority to obtain such opinion(s).

SECTION 5.3: No Arbitrage Bonds.

The Institution does not anticipate any fundraising campaigns or the receipt of any charitable contributions or other sources of funding for the Project that would result in having such other sources of funds and the proceeds of the Allocable Bonds available for the same costs of the Project. Without limiting the foregoing, the Institution hereby covenants that it will make no use of the proceeds of the Allocable Bonds or the proceeds of any refunding bonds if such use would cause the Bonds or the refunding bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable Treasury Regulations.

SECTION 5.4: Certain Uses of Proceeds of the Grant Not Permitted.

The Institution covenants and agrees that, unless the Institution obtains the prior written consent of the Authority, which consent shall be based upon the advice of bond counsel to the Authority, the Institution shall not, directly or indirectly, (i) use or allow any portion of the Project or any amount of the Grant to be used by any person or entity that is not a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code); (ii) use any amount of the Grant to make or finance loans to any person; or (iii) use or allow the Project or the Grant to be used with respect to any output facility or to acquire non-governmental output property (within the meaning of Section 141 of the Code). The Institution acknowledges that these limitations are more stringent than the requirements of Section 141 of the Code and the accompanying Treasury Regulations, all of which the Authority has elected to apply on an aggregate versus individual basis.

SECTION 5.5: Covenant Not to Purchase Bonds.

The Institution covenants and agrees that neither it nor any party related to it, within the meaning of Treasury Regulation 1.150-1(b), pursuant to an arrangement, formal or informal, shall purchase bonds of the Authority issued to finance or refinance the Grant or the Project.

SECTION 5.6: Written Procedures as to Post-Issuance Tax Compliance.

The Institution acknowledges and agrees that the Authority has adopted written post-issuance compliance procedures (the “Authority Written Procedures”) to monitor compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations. Within ninety (90) days after the Effective Date of this Grant Agreement or within ninety (90) days after the date of issuance of the Bonds (whichever is earlier), the Institution shall adopt written post-issuance compliance procedures (collectively, the “Institution Written Procedures” and, together with the Authority Written Procedures, the “Written Procedures”) to monitor compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations, unless the Institution has already adopted Institution Written Procedures to monitor such compliance. The Institution shall

provide a copy of the Institution Written Procedures to the Authority upon adoption thereof. The Institution agrees to comply with the Written Procedures and, at least once each year, the Institution shall review the use of the Institution’s facilities that have been financed or refinanced with proceeds of the Allocable Bonds and/or proceeds of any other outstanding bonds of the Authority (“Other Authority Bonds”), in order to determine whether the use of such facilities complies with all federal tax requirements applicable to the Allocable Bonds and the Other Authority Bonds. Pursuant to Section 2.4 hereof, the Institution shall annually confirm to the Authority in writing that the Institution is in compliance with the Written Procedures and this Section 5.6.

SECTION 5.7: Special Notice Events.

The Institution shall provide prompt written notice to the Authority of the occurrence of any of the acts or events listed on Exhibit D attached hereto and made a part hereof (each, a “Special Notice Event”). The Institution acknowledges and agrees that the occurrence of any of such acts or events may jeopardize the tax-exempt status of the Bonds (and any refunding bonds). The Institution will use its best efforts to provide advance notice of any such occurrence, but will in any event provide notice no later than thirty (30) days after the occurrence of any such Special Notice Event, whether the Institution 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 shall have occurred, or otherwise. The Institution agrees that, in consultation with the Authority, and at the sole cost and expense of the Institution, the Institution shall take such actions, if any, as may be necessary or appropriate to remediate such Special Notice Event, or it shall assist the Authority in the Authority’s taking of such actions, including without limitation such actions as may be required pursuant to Treasury Regulations Section 1.141-12 or a closing agreement with the Internal Revenue Service, and shall provide to the Authority an opinion of nationally recognized bond counsel as to such plan of remediation and whether or not the tax-exempt status of the Bonds will be preserved. Without limiting the foregoing, the Authority shall have the right, upon prior written notice to the Institution, to conduct its own investigation of any Special Notice Event and, at the sole cost and expense of the Institution, retain bond counsel to determine any and all actions required to remediate such Special Notice Event including but not limited to the delivery of an opinion of bond counsel.

SECTION 5.8: Records Retention.

The Institution covenants and agrees to create and maintain records with respect to the Grant and the Project which, in the judgment of the Authority, are sufficient to determine the compliance of the Allocable Bonds (and any refunding bonds) with the applicable provisions of the Code and Treasury Regulations, including but not limited to records with respect to (i) the allocation and use of the proceeds of the Allocable Bonds, (ii) the ownership and use of all property financed with proceeds of the Allocable Bonds, (iii) the existence or creation of any “replacement proceeds” (as defined in the

Institution's Tax Representation Certificate) as such records are further described in the Institution's Tax Representation Certificate with respect to the Allocable Bonds, and (iv) the information necessary to establish any exception to the arbitrage rebate requirement (as defined in the Institution's Tax Representation Certificate) with respect to the Allocable Bonds, as such records are further described in the Institution's Tax Representation Certificate. The Institution covenants to retain all such records until the expiration of three (3) years after the later of (i) the last scheduled maturity date or earlier retirement of the Bonds, and (ii) if any of the Bonds have been refunded, the last scheduled maturity date or earlier retirement of any refunding bonds. Such records of the Institution shall be provided to the Authority upon written request.

SECTION 5.9: Right to Obtain Bond Counsel Opinion.

In the sole discretion of the Authority, the Institution shall not be required to comply with any one or more requirements of this Article V to the extent that the Authority obtains an opinion of nationally recognized bond counsel to the effect that failure to comply with such requirements, or compliance with other requirements in lieu thereof, will not impair the exclusion from gross income of interest on the Bonds (or any refunding bonds) for purposes of federal income taxation under Section 103 of the Code.

ARTICLE VI: EVENTS OF DEFAULT AND REMEDIES

SECTION 6.1: Events of Default.

The occurrence of any one or more of the following events (whether such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree, or order of any court, or any order, rule or regulation of any administrative or governmental body) shall constitute an "Event of Default":

- (a) Any representation or warranty, statement, report, financial statement or certificate made by the Institution in its application or in this Grant Agreement is false, misleading, or inaccurate in any material respect.
- (b) Failure by the Institution to observe and perform in any material respect any term, covenant, or condition imposed on it under this Grant Agreement and such failure shall have continued for thirty (30) days after the earlier of (i) delivery to the Institution of written notice thereof from the Authority, or (ii) the Institution's actual or constructive knowledge of such failure, however, if such failure is capable of cure, but cannot be cured by payment of money or by diligent efforts within such thirty (30) day period, but such diligent efforts are properly commenced within the cure period and the Institution is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional period of time, not to exceed an additional forty-five (45) days and in no case to extend beyond the expiration of the Term of this Grant Agreement.

- (c) Failure of the Institution to comply with Section 4.3(b) hereof.
- (d) Failure of the Institution to comply with Section 4.3(c) hereof.
- (e) Condemnation of all or any portion of the Project or the Institution's failure to comply with Section 4.10 hereof.

SECTION 6.2: Remedies.

- (a) Upon the occurrence of any Event of Default, following applicable notice and cure periods, the Authority shall have the right, at its sole and absolute discretion, upon thirty (30) days written notice to the Institution, to terminate this Grant Agreement, at which time any obligation of the Authority to make any disbursements of the Grant Amount to the Institution shall immediately terminate. The Authority shall also have any remedies at law or equity, including specific performance.
- (b) If, after thirty (30) days written notice is sent, the Institution has failed to comply with any of the terms of this Grant Agreement, or if there are disallowed costs, or the payment of a Grant Amount in excess of eligible Project costs, then the State Treasurer is authorized to withhold and/or intercept any State aid or appropriation payable to the Institution, in an amount sufficient to satisfy any default or failure of the Institution, including return of the Grant Amount to the Authority.
- (c) Upon the occurrence of an Event of Default, the amount of the Grant Amount that has been disbursed as of the date of such Event of Default may, upon demand of the Authority, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, be required to be repaid to the Authority by the Institution. The Authority shall determine whether repayment of the Grant Amount is required, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, based on the facts and circumstances related to the Event of Default, including, without limitation, whether there exists the need to redeem or defease the Allocable Bonds to ensure the continued tax-exempt status of the Bonds and any refunding bonds. The Institution will be responsible for the payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.
- (d) No remedy conferred herein upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Grant Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Section 6.2, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

- (e) Notwithstanding anything herein to the contrary, in the case of an Event of Default described in Section 6.1(c) or Section 6.1(e), the Institution shall be required to promptly repay the Grant Amount in full or in part, or such portion thereof as has been disbursed to the Institution, in such amount and on such terms as shall be determined by the Authority in consultation with the Secretary and the Attorney General. The Authority shall determine, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, whether there exists the need to redeem or defease the Allocable Bonds to ensure the continued tax-exempt status of the Bonds and any refunding bonds. The Institution will be responsible for the payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.

SECTION 6.3: Disposition of Project or Portion Thereof, or Other Termination or Impairment of Ownership or Control of Project or Portion Thereof.

If the Institution disposes of all or a portion of the Project with the prior written approval of the Authority and the Secretary given pursuant to Section 4.3(b) (other than such approval given pursuant to Section 4.3(b)(iii)), or enters into an arrangement described in Section 4.3(c), which results in the termination or impairment of the Institution's ownership or control of the Project or any portion thereof, the Institution shall be required to promptly repay the Grant Amount (or such portion thereof as has been disbursed to the Institution), in full or in part, in such amount and on such terms as shall be determined by the Authority, in consultation with the Secretary and the Attorney General, pursuant to Section 6.4 hereof; provided, however, that if the Authority and the Secretary, in consultation with the Attorney General and the Authority's bond counsel, determine that such event is de minimis in its impact on the use of the Project by an eligible institution for eligible purposes and will have no adverse tax impact on the Allocable Bonds, then the Authority and the Secretary, in consultation with the Attorney General, may determine that repayment of the Grant Amount in full or in part is not required. The Authority shall determine, in consultation with the Secretary, the Attorney General and the Authority's bond counsel, whether it is necessary to redeem or defease the Allocable Bonds to ensure the continued tax-exempt status of any outstanding Bonds and/or any refunding bonds. The Institution will be responsible for the payment of any costs and legal fees incurred by the Authority with respect to any such redemption or defeasance.

SECTION 6.4: Determination of Repayment Amount.

- (a) If, pursuant to any provision of this Grant Agreement, the Institution shall be required to repay all or a portion of the Grant Amount, the determination of such amount (the "Repayment Amount") and the terms of such repayment shall be determined by the Authority, in consultation with the Secretary and the Attorney General.
- (b) The determination of the Repayment Amount may take into account the following factors, in addition to any other factors that the Authority, in consultation with the Secretary and the Attorney General, determine to be appropriate under the

circumstances: (i) the remaining useful life of the Project; (ii) the remaining Term; (iii) the remaining debt service on the Allocable Bonds; (iv) whether any portion of the Project will continue to be owned and controlled by the Institution; (v) whether the Project (or the portion thereof that will no longer be owned or controlled by the Institution) will be owned and controlled by another “eligible institution”, as defined in Section 2.2 hereof, that agrees in writing to take ownership and control of the Project subject to the terms and conditions of this Grant Agreement, and (vi) whether the Project (or the portion thereof that will no longer be owned or controlled by the Institution) will continue to be used for a use and purpose that is determined by the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, to be in compliance with the requirements of the Act and all other applicable State and federal law and policy with respect to the use of the Project.

- (c) If the Institution sells, leases, or otherwise transfers the Project or any portion thereof prior to the expiration of the Term to another State college to be used by such State college for a use and purpose that is determined by the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, to be in compliance with the requirements of the Act and all other applicable State and federal law and policy with respect to the use of the Project, the Authority, in consultation with the Secretary, the Attorney General and the Authority’s bond counsel, may determine that the Grant Amount, or any portion thereof, is not required to be repaid.

ARTICLE VII: MISCELLANEOUS

SECTION 7.1: No Additional Waiver Implied by One Waiver.

In the event any agreement, covenant, warranty, or representation contained in this Grant Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 7.2: Severability.

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

SECTION 7.3: Successors and Assigns.

This Grant Agreement shall inure to the benefit of and shall be binding upon the Institution, the Authority and their respective successors and assigns.

SECTION 7.4: Governing Law.

This Grant Agreement shall be governed by and construed in accordance with the laws of the State, without giving effect to its choice of law rules thereof. The Institution hereby consents to the jurisdiction of the Superior Court of the County of Mercer, New Jersey and agrees that any lawsuits of any nature pertaining to this Grant Agreement shall be brought in that Court in the first instance.

SECTION 7.5: Non-Waiver.

It is understood and agreed that nothing contained in this Grant Agreement shall be construed as a waiver on the part of the Parties, or any of them, of any right not explicitly waived in this Grant Agreement.

SECTION 7.6: Tort Claims Act and Contractual Liability Act.

The liability of the Secretary, the Authority, the Department of the Treasury and the Institution, and their respective directors, officers and employees, shall be subject to all provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 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 is not applicable by its terms to the Authority, the Institution hereby agrees that such statute (except for N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority under this Grant Agreement.

SECTION 7.7: Headings.

The Section headings in this Grant Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Grant Agreement.

SECTION 7.8: Notices.

All notices required to be given or authorized to be given by the Parties pursuant to this Grant Agreement shall be in writing and shall be sent to the main offices of the respective Parties by registered or certified mail or by email with confirmation of receipt.

SECTION 7.9: Amendments.

Any amendments or modifications to this Grant Agreement shall be in writing and signed by each of the Parties. This Grant Agreement shall not be amended or modified in any manner without the written consent of the Secretary. Material changes to this Grant Agreement will not be allowed.

SECTION 7.10: Rights Cumulative.

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.

SECTION 7.11: Third Party Beneficiary.

The Parties agree that the State is intended to be and shall be a third party beneficiary of this Grant Agreement.

SECTION 7.12: Additional Representations and Covenants.

Upon or prior to the issuance of the Bonds, a schedule reflecting additional representations, undertakings and covenants applicable to the Project and the Grant may be attached hereto as a condition to this Grant Agreement. Any such additional provisions shall be incorporated herein and shall be binding upon the Institution.

SECTION 7.13: Electronic Signatures.

Pursuant to N.J.S.A. 12A:12-1 et seq., the “Uniform Electronic Transactions Act,” electronic signatures to a contract shall be binding upon agreement of all parties. The Parties hereto agree that this Grant Agreement, and all documents, certificates, opinions and requisitions delivered pursuant to the terms hereof, may be executed with electronic signatures.

SECTION 7.14: Counterparts.

This Grant Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument.

2025 CYCLE – HEFT – FORM OF GRANT AGREEMENT – PUBLIC INSTITUTIONS

IN WITNESS WHEREOF, the Parties by their duly authorized representatives, each acting in their official capacities, have caused this Grant Agreement to be executed and delivered as of the Effective Date.

[NAME OF INSTITUTION]

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____
Name:
Title:

By: _____
Name:
Title:

List of Exhibits:

Exhibit A: Description of Project

Exhibit B: Compliance Exceptions Under Sections 2.7 and 4.1

Exhibit C: Form of Requisition

Exhibit D: Special Notice Events

Exhibit E: Form of Completion Certificate

EXHIBIT A

DESCRIPTION OF PROJECT

[to be attached]

The Project to be financed by the Bonds referenced in this Grant Agreement includes only such components of the Project that are permitted to be financed under the Act and accompanying regulations (the “Eligible Components”), and does not include those components of the Project that are described in the attached description of the Project but which are being financed by other grants or leases from the Authority or the State and/or by other funding sources. The Institution represents and agrees that amounts provided to the Institution under this Grant Agreement will be used by the Institution only to reimburse the Institution for costs of Eligible Components of the Project, and that the Institution has sufficient funds from other sources to finance the balance of the Project.

EXHIBIT B

COMPLIANCE EXCEPTIONS UNDER SECTIONS 2.7 AND 4.1

- [] No compliance exceptions.
- [] Pursuant to Section 4.1, prior to any funds being disbursed to the Institution, the Institution is required to provide the Authority with a certified copy of the resolution(s) of the Institution’s Board of Trustees approving the undertaking and completion of the Project as described in Exhibit A.
- [] The Institution shall set forth below any exceptions to Section 2.7:

EXHIBIT C

FORM OF REQUISITION

[to be attached]

EXHIBIT D

SPECIAL NOTICE EVENTS

The following events shall be considered Special Notice Events:

1. **“Private business use” of the Bond-Financed Project:** “Private business use” of the Project occurs if any portion of the financed Project (i.e., any project facility) will be used by anyone other than a State or local governmental unit or members of the general public who are not using the project facility in the conduct of a trade or business. The following uses, and similar uses, are considered to be “private business use” and are generally not permitted: (i) use of a project facility by a person or entity as an owner, lessee, purchaser of the output of a facility under a “take and pay” or “take or pay” contract, and/or purchaser or licensee of research, (ii) a manager or independent contractor having use of a project facility pursuant to certain management or professional service contracts, (iii) any other arrangement that conveys special legal entitlements to the use of a project facility, including any arrangement that conveys priority rights to the use or capacity of the facility, or any arrangement that conveys a special economic benefit with respect to the use of the facility, (iv) use of a project facility by the federal government, and (v) use of a project facility by a 501(c)(3) corporation.

2. **“Private loans” of Bond Proceeds:** A “private loan” will occur if any of the proceeds of the Bonds (including any investment earnings thereon) are loaned out by the Institution. Private loans are not permitted.

3. **Naming rights agreements for the Bond-Financed Project:** A naming rights agreement with respect to the financed Project (other than a “brass plaque” dedication) is a form of private business use and is not permitted.

4. **Research using the Bond-Financed Property:** Research contracts with respect to a financed Project that are not “qualified” research agreements are generally not permitted. A qualified research agreement is a research agreement that meets the requirements of Rev. Proc. 2007-47. If any portion of a financed Project will be used for the conduct of research under the sponsorship of, or for the benefit of, any entity other than a State or local governmental unit, such research agreement must be a qualified research agreement. Research agreements that do not meet the requirements of Rev. Proc. 2007-47 are not qualified research agreements, may result in private business use, and are not permitted.

5. **Management agreement or service agreement:** In general, no portion of the financed Project should be used by any person or entity pursuant to a management contract or service contract (e.g., food service, bookstore, parking management, etc.), other than (i) a contract to provide services that are solely incidental to the primary function of the financed facility, such as janitorial services or office equipment repair, or (ii) a qualified management contract that meets the requirements of Rev. Proc. 2017-13. A contract that results in the payment of a concession or similar fee to the Institution is

not a qualified contract. Management agreements and similar contracts that do not meet the requirements of Rev. Proc. 2017-13 are not qualified contracts, may result in private business use, and are not permitted.

6. **Joint Ventures:** A joint venture arrangement between the Institution and another entity with respect to any portion of the financed Project may result in impermissible private business use unless the other entity is a State or local government unit.

7. **Unexpected payments or proceeds:** Unexpected payments or proceeds occur if the Institution receives funds relating to the financed Project, including, without limitation, charitable gifts, insurance payments, and settlements of litigation or other disputes. The receipt of any such amounts relating to the financed Project is a Special Notice Event.

8. **Change in ownership of the financed Project:** The Institution shall not sell or otherwise transfer the ownership of any portion of the Project to any person or entity prior to the earlier of the end of the expected economic life of the Project or the latest maturity date of the Bonds financing (or any bonds refinancing) the Project. Any such change in ownership is a Special Notice Event.

9. **Lease of the financed Project:** Leasing any portion of the financed Project (other than to students enrolled in the Institution, or leases for short periods of time for educational, cultural or public activities) is a Special Notice Event.

10. **Cessation of use, abandonment, or demolition of the financed Project:** The cessation of use of the financed Project by the Institution, or the Institution's abandonment of or demolition of the financed Project, is a Special Notice Event.

11. **Allowing a lien against the financed Project:** The imposition of a lien against the financed Project is a Special Notice Event.

EXHIBIT E

**FORM OF COMPLETION CERTIFICATE
FOR FACILITIES TRUST FUND GRANTS**

PLEASE PRINT ON INSTITUTION'S LETTERHEAD.

Date: _____

Institution: _____

Pursuant to Section 4.2 of the Grant Agreement with respect to the Grant Amount and Project referenced below (the “Grant Agreement”), the undersigned, a duly authorized representative of the Institution, hereby certifies that: (i) the Institution has completed the referenced Project funded pursuant to the Higher Education Facilities Trust Fund Act, N.J.S.A. 18A:72A-49 et seq.; (ii) the Project was completed on the Completion Date set forth below; (iii) the Institution has required in each construction contract with respect to the Project that wages paid to workers employed in performance of such construction contract be paid, or has determined that such workers were paid, at a rate not less than the State prevailing wage rate, in compliance with N.J.S.A. 18A:72A-5.1 et seq.; and if applicable, (iv) the Institution has received and delivered to the New Jersey Educational Facilities Authority a copy of the permanent or temporary certificate of occupancy for the Project, a copy of which is attached hereto and made a part hereof. All capitalized terms shall have the meaning given to them in the Grant Agreement unless otherwise defined herein.

Grant Application Number: _____

Project Name: _____

Grant Amount: _____

Completion Date: _____

[NAME OF INSTITUTION]

By: _____

[Name]

[Title]

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ADOPTING THE OPERATING AND CAPITAL BUDGETS FOR
CALENDAR YEAR 2026**

October 28, 2025

- WHEREAS:** The New Jersey Educational Facilities Authority (the “Authority”) was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A. 18A:72A-1 et seq.*, as amended (the “Act”) for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and
- WHEREAS:** The Authority annually prepares operating and capital budgets; and
- WHEREAS:** Pursuant to Article III, Section 12 of the Authority’s By-Laws, the Authority’s Finance Committee has the responsibility of recommending an annual budget; and
- WHEREAS:** The Authority’s Finance Committee has reviewed the proposed Operating and Capital Budgets for calendar year 2026 (the “2025 Budget”); and
- WHEREAS:** The proposed 2026 Budget was provided to the Authority members for their review and consideration; and
- WHEREAS:** The Authority desires to approve and adopt the 2026 Budget as recommended by the Finance Committee.

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

- SECTION 1.** The recitals set forth above are incorporated herein by reference as if set forth at length herein.
- SECTION 2.** The Authority hereby approves and adopts the 2026 Budget as attached hereto as **EXHIBIT A.**
- SECTION 3.** This resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

RECUSED: None

ABSENT: None

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

EXHIBIT A

New Jersey Educational Facilities Authority 2026 Operating Budget

	2026 Budget	2025 Budget	'26 vs '25 Budget Var	'26 vs '25 % Var
Revenues:				
Annual Administrative Fees	4,433,037	\$ 4,089,831	\$ 343,206	8.4%
Initial Fees	312,500	250,000	62,500	25.0%
Interest Income	630,000	602,250	27,750	4.6%
Total Revenues	<u>\$ 5,375,537</u>	<u>\$ 4,942,081</u>	<u>\$ 433,456</u>	<u>8.8%</u>
Expenses:				
Salaries	\$ 1,891,039	\$ 1,767,280	123,760	7.0%
Employee Benefits	850,968	742,257	108,710	14.6%
Provision for Post Ret. Health Benefits	100,000	100,000	-	0.0%
Office of The Governor	25,000	25,000	-	0.0%
Office of The Attorney General	150,000	150,000	-	0.0%
Sponsored Programs	11,250	11,250	-	0.0%
Telephone	43,300	58,000	(14,700)	-25.3%
Rent	230,000	240,000	(10,000)	-4.2%
Utilities	40,000	40,000	-	0.0%
Office Supplies & Expenses	21,500	19,500	2,000	10.3%
Travel & Official Receptions	17,300	15,800	1,500	9.5%
Staff Training & Tuition Reimbursement	36,850	35,600	1,250	3.5%
Insurance	88,000	65,000	23,000	35.4%
Publications & Public Relations	26,275	21,450	4,825	22.5%
Professional Services	283,500	439,500	(156,000)	-35.5%
Dues & Subscriptions	74,429	75,334	(905)	-1.2%
Maintenance of Equipment	18,000	22,000	(4,000)	-18.2%
Depreciation	11,591	11,899	(308)	-2.6%
Contingency	30,000	30,000	-	0.0%
Total Expenses	<u>\$ 3,949,002</u>	<u>\$ 3,869,870</u>	<u>\$ 79,132</u>	<u>2.0%</u>
Surplus (Deficit), Revenues Over Expenses	<u>\$ 1,426,535</u>	<u>\$ 1,072,211</u>	<u>\$ 354,324</u>	<u>33.0%</u>

**New Jersey Educational Facilities Authority
2026 Capital Budget**

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>'26 vs '25 Budget Var</u>	<u>'26 vs '25 % Var</u>
Data Processing Equipment	\$ 23,000	23,000	-	0%
Office Furniture and Equipment	25,000	75,000	(50,000)	-67%
Leasehold Improvements	-	-		
Contingency	<u>-</u>	<u>-</u>		
Total Capital Budget	<u>\$ 48,000</u>	<u>\$ 98,000</u>	<u>\$ (50,000)</u>	<u>-51%</u>

2026 Capital (Details)

	<u>2026 Budget</u>	<u>2025 Budget</u>		
Data Processing Equipment				
UPS	-	1,000	(1,000)	-100%
Computers/Monitors/Misc Equip	20,000	15,000	5,000	33%
Security System		4,000		
POE Switch	3,000	3,000		
Sub Total, D. P. Equipment	<u>23,000</u>	<u>23,000</u>	<u>\$ -</u>	<u>0%</u>
Office Furniture and Equipment				
Furniture	25,000	75,000	(50,000)	-67%
Sub Total, Furniture & Equip.	<u>25,000</u>	<u>\$ 75,000</u>	<u>\$ (50,000)</u>	<u>-67%</u>
Leasehold Improvements				
Network Cabling		\$ 24,000		
Contingency	<u>-</u>	<u>-</u>		
Total Capital Budget	<u>\$ 48,000</u>	<u>\$ 122,000</u>	<u>\$ (74,000)</u>	<u>-61%</u>

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
INCREASING COMPENSATION FOR THE EXECUTIVE DIRECTOR AND DEPUTY
EXECUTIVE DIRECTOR FOR CALENDAR YEAR 2026**

October 28, 2025

- WHEREAS:** The New Jersey Educational Facilities Authority (the “Authority”) was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A. 18A:72A-1 et seq.*, as amended (the “Act”) for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and
- WHEREAS:** The Executive Director is an Officer of the Authority, appointed by the Authority, with general supervision and administrative authority overall of the Authority’s activities; and
- WHEREAS:** The Deputy Executive Director is also an Officer of the Authority, appointed by the Authority and has all the powers and duties of the Executive Director in the absence of the Executive Director, and other such duties and powers conferred upon the Deputy Executive Director by the By-Laws, by any resolution adopted by the Authority, or by the Executive Director; and
- WHEREAS:** Pursuant to a Resolution adopted on April 25, 2023, the Members of the Authority appointed the current Executive Director and Deputy Executive Director; and
- WHEREAS:** The members of the Authority, pursuant to the Resolution and in accordance with the Act and By-Laws, desire to increase compensation for the Executive Director and the Deputy Executive Director.

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

- SECTION 1.** The Members hereby authorize a seven percent (7%) increase in compensation for the Executive Director, effective January 1, 2026.
- SECTION 2.** The Members hereby authorize a seven percent (7%) increase in compensation for the Deputy Executive Director, effective January 1, 2026.
- SECTION 3.** This resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

RECUSED: None

ABSENT: None

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

Exhibit VIII

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING AN EXTENSION OF THE APPOINTMENT OF A POOL OF FINANCIAL ADVISORS

Adopted: October 28, 2025

WHEREAS: The New Jersey Educational Facilities Authority (the “Authority”) was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, N.J.S.A. 18A:72A-1 et seq., as amended (the “Act”) for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and

WHEREAS: The policies and procedures of the Authority with regard to the selection of professionals are governed, *inter alia*, by Executive Order No. 26 (Whitman) (“EO 26”) which took effect on January 1, 1995, and Executive Order No. 37 (Corzine) (“EO 37”) which took effect on November 25, 2006; and

WHEREAS: The Authority, by resolution adopted on December 19, 2023 (“Prior Resolution”), appointed a pool of financial advisors for a period of twenty-four (24) month from December 19, 2023 to December 18, 2025 with the option to extend the engagement for two additional successive twelve (12) month periods at the discretion of the Authority, and continuing until a successor pool is appointed (the “Financial Advisor Pool”); and

WHEREAS: The Authority now wishes to exercise its first option to extend the appointment of the Financial Advisor Pool for an additional twelve-month period from December 19, 2025, to December 18, 2026.

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

SECTION 1. The recitals set forth above are incorporated herein by reference as if set forth at length herein.

SECTION 2. The Authority hereby authorizes an extension of the Authority’s Financial Advisor Pool for an additional twelve (12) month period from December 19, 2025 to December 18, 2026, subject to the continuing terms and conditions set forth in the Prior Resolution and the terms and conditions set forth in this Resolution unless terminated earlier in the sole discretion of the Authority.

SECTION 3. The Authority hereby authorizes the Executive Director, the Deputy Executive Director, including any serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with the engagement of the Authority’s Financial Advisor Pool.

SECTION 4. This Resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

RECUSED: None

ABSENT: None

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

Exhibit IX

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING AN EXTENSION OF THE APPOINTMENT OF THE AUTHORITY'S FINANCIAL PRINTER

Adopted: October 28, 2025

- WHEREAS:** The New Jersey Educational Facilities Authority (the “Authority”) was created pursuant to the New Jersey Educational Facilities Authority Law, (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented N.J.S.A. 18A:72A-1 et seq. (the “Act”) and is authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and
- WHEREAS:** The policies and procedures of the Authority with regard to the selection of professionals are governed, *inter alia*, by Executive Order No. 26 (Whitman) (“EO 26”) which took effect on January 1, 1995, and Executive Order No. 37 (Corzine) (“EO 37”) which took effect on November 25, 2006; and
- WHEREAS:** Based upon the Authority’s competitive request for proposal process under its standard procurement process and procedures and in accordance with EO 26 and EO 37, by Resolution adopted on December 19, 2023 (the “Prior Resolution”), the Authority authorized the engagement of ImageMaster, LLC (“ImageMaster”) to serve as the Authority’s Financial Printer for a period of twenty-four (24) months from January 25, 2024 to January 24, 2026 with the option to extend the engagement for two additional successive periods of twelve (12) months each at the discretion of the Authority; and
- WHEREAS:** The Authority now wishes to exercise its first option to extend the appointment of ImageMaster for an additional twelve (12) month period from January 25, 2026 to January 24, 2027.

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

- SECTION 1.** The recitals set forth above are incorporated herein by reference as if set forth at length herein.
- SECTION 2.** The Authority hereby authorizes an extension of ImageMaster’s appointment as the Authority’s Financial Printer for an additional twelve (12) month period from January 25, 2026 to January 24, 2027, subject to the continuing terms and conditions set forth in the Prior Resolution and the terms and conditions set forth in this Resolution unless terminated earlier in the sole discretion of the Authority.
- SECTION 3.** The Authority hereby authorizes the Executive Director, the Deputy Executive Director, including any serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with the engagement of ImageMaster as the Authority’s Financial Printer.

SECTION 4. This Resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

RECUSED: None

ABSENT: None

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2025 BUDGET VARIANCE ANALYSIS
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2025**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded August with a year-to-date net operating income in the amount of \$2,565,442 based on year to date revenues of \$4,426,572 and expenses of \$1,861,130.

Revenues

Year-to-date revenues were \$941,191 more than projected due to timing of investment income and higher than anticipated initial fees.

Expenses

Operating expenditures for the first eight months of the year were under budget by \$837,029 primarily due to timing of expenditures.

Exhibits

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
AUGUST 2025

	Month Ended August 31, 2025			Year Ended August 31, 2025		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$350,593	\$313,988	\$ 36,605	\$ 2,923,754	\$ 2,833,877	\$ 89,877
Initial Fees	-	-	-	250,000	250,000	-
Investment Income	228,633	50,188	178,445	1,252,818	401,504	851,314
	<u>\$ 579,226</u>	<u>\$ 364,176</u>	<u>\$ 215,050</u>	<u>\$ 4,426,572</u>	<u>\$ 3,485,381</u>	<u>\$ 941,191</u>
<u>Operating Expenses</u>						
Salaries	\$135,000	\$203,917	\$ 68,917	\$ 1,022,055	\$ 1,223,498	\$ 201,443
Employee Benefits	46,887	56,000	9,113	409,041	518,257	109,216
Provision for Post Ret. Health Benefits	8,334	8,333	(1)	66,667	66,664	(3)
Office of The Governor	2,084	2,083	(1)	16,667	16,664	(3)
Office of The Attorney General	4,333	12,500	8,167	71,960	100,000	28,040
Sponsored Programs & Meetings	-	938	938	-	7,504	7,504
Telecom & Data	1,153	4,833	3,680	9,573	38,664	29,091
Rent	-	20,000	20,000	40,480	160,000	119,520
Utilities	-	3,333	3,333	7,098	26,664	19,566
Office Supplies & Postage Expense	1,403	1,625	222	11,400	13,000	1,600
Travel & Expense Reimbursement	-	1,317	1,317	2,477	10,536	8,059
Staff Training & Conferences	-	2,967	2,967	2,318	23,736	21,418
Insurance	4,691	5,417	726	38,021	43,336	5,315
Publications & Public Relations	990	1,788	798	990	14,304	13,314
Professional Services	1,038	19,251	18,213	118,140	362,508	244,368
Dues & Subscriptions	2,595	6,278	3,683	39,564	50,224	10,660
Maintenance Expense	1,121	1,833	712	1,121	14,664	13,543
Depreciation	441	992	551	3,558	7,936	4,378
Contingency	-	-	-	-	-	-
	<u>210,070</u>	<u>353,405</u>	<u>143,335</u>	<u>1,861,130</u>	<u>2,698,159</u>	<u>837,029</u>
Net Operating Income	<u>\$ 369,156</u>	<u>\$ 10,771</u>	<u>\$ 358,385</u>	<u>\$ 2,565,442</u>	<u>\$ 787,222</u>	<u>\$ 1,778,221</u>

NJEFA

Vendor Payments

August 2025

Date	Num	Name	Amount
08/05/2025	EFT	BMO Financial Group	--
08/05/2025	EFT	- DigitalSpace	11.66
08/05/2025	EFT	- Verizon Wireless	369.45
08/05/2025	EFT	- VRC	339.95
08/05/2025	EFT	- Intuit	159.00
08/05/2025	EFT	- Comcast	136.54
08/19/2025	13746	A Quality Business Systems, LLC	921.00
08/19/2025	13747	CliftonLarsonAllen LLP	8,925.00
08/19/2025	13748	Creative Source, Inc	990.00
08/19/2025	13749	FedEx	54.29
08/19/2025	13750	Five Vaughn LLC	200.00
08/19/2025	13751	Gannett New York-New Jersey LocaliQ	196.88
08/19/2025	13752	Government News Network	455.00
08/19/2025	13753	Hawkins, Delafield & Wood	750.00
08/19/2025	13754	NAHEFFA	3,250.00
08/19/2025	13755	NJ Economic Development Authority	1,274.55
08/19/2025	13756	Ocean Computer Group, Inc	356.63
08/19/2025	13757	Perna's Plant and Flower Shop, Inc.	109.95
08/19/2025	13758	Polar Inc.	40.75
08/19/2025	13759	State Of New Jersey Department Of Labor	18.00
08/19/2025	13760	SurveyMonkey Inc	753.40
08/19/2025	13761	Treasurer, State of New Jersey - Pinnacle	635.80
08/19/2025	13762	US Bank (PFM)	549.41
08/19/2025	13763	W.B. Mason Company, Inc.	274.69
08/19/2025	13764	Zions Bank	3,000.00
Total			23,771.95

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of August 31, 2025

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<u>Private</u>						
Princeton University	2025 A	Acq, Constr, Reno of Facilities & Installation of Capital Assets	\$ 650,000,000	(26,521,441)	\$ 623,478,559	4%
Princeton University	2024 A	Acq, Constr, Reno of Facilities & Installation of Capital Assets	955,526,105	(773,042,358)	\$182,483,747.20	81%
Seton Hall University	2020 D	Construction new student housing and athletic facilities	70,000,000	(46,355,057)	\$ 23,644,943	66%
Sub Total			<u>\$ 1,675,526,105</u>	<u>\$ (845,918,856)</u>	<u>\$ 829,607,249</u>	
<u>Public</u>						
Ramapo College	2022 A	Academic Building and Administrative Office Renovations	\$ 10,000,000	\$ 1,377,638	\$ 11,377,638	-14%
Sub Total			<u>\$ 10,000,000</u>	<u>\$ 1,377,638</u>	<u>\$ 11,377,638</u>	
<u>Other Programs</u>						
Equipment Leasing Fund	Series 2023	Acquisition and Installation of Equipment	\$ 81,950,086	\$ (50,677,284)	\$ 31,272,802	62%
Capital Improvement Fund	Series 2023	Capital Improvements	190,925,000	(18,330,854)	172,594,147	10%
Technology Infrastructure Fund	Series 2024	Development of Technology Infrastructure	32,525,000	(14,404,570)	18,120,430	44%
Facilities Trust Fund	Series 2024	Construct, Reconstruct, Develop & Improve Facilities	89,695,000	(46,261,028)	43,433,972	52%
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	101,266,893	(100,426,573)	840,320	99%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667	(40,325,390)	988,277	98%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596	(191,118,739)	786,857	100%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164	(218,855,504)	1,121,660	99%
Sub Total			<u>\$ 949,558,406</u>	<u>\$ (680,399,942)</u>	<u>\$ 269,158,464</u>	
Grand Total			<u><u>\$ 2,635,084,512</u></u>	<u><u>\$ (1,524,941,160)</u></u>	<u><u>\$ 1,110,143,352</u></u>	

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2025 BUDGET VARIANCE ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded September with a year-to-date net operating income in the amount of \$2,848,905 based on year to date revenues of \$4,895,414 and expenses of \$2,046,509.

Revenues

Year-to-date revenues were \$1,045,857 more than projected due to timing of investment income and higher than anticipated initial fees.

Expenses

Operating expenditures for the first nine months of the year were under budget by \$937,082 primarily due to timing of expenditures.

Exhibits

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
SEPTEMBER 2025

	Month Ended September 30, 2025			Year Ended September 30, 2025		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$350,593	\$313,988	\$ 36,605	\$ 3,274,347	\$ 3,147,865	\$ 126,482
Initial Fees	-	-	-	250,000	250,000	-
Investment Income	118,249	50,188	68,061	1,371,067	451,692	919,375
	<u>\$ 468,842</u>	<u>\$ 364,176</u>	<u>\$ 104,666</u>	<u>\$ 4,895,414</u>	<u>\$ 3,849,557</u>	<u>\$ 1,045,857</u>
<u>Operating Expenses</u>						
Salaries	\$110,898	\$135,944	\$ 25,046	\$ 1,132,953	\$ 1,359,442	\$ 226,489
Employee Benefits	49,640	56,000	6,360	458,681	574,257	115,576
Provision for Post Ret. Health Benefits	8,333	8,333	-	75,000	74,997	(3)
Office of The Governor	2,083	2,083	-	18,750	18,747	(3)
Office of The Attorney General	10,000	12,500	2,500	81,960	112,500	30,540
Sponsored Programs & Meetings	188	938	750	188	8,442	8,254
Telecom & Data	2,085	4,833	2,748	11,658	43,497	31,839
Rent	-	20,000	20,000	40,480	180,000	139,520
Utilities	-	3,333	3,333	7,098	29,997	22,899
Office Supplies & Postage Expense	559	1,625	1,066	11,959	14,625	2,666
Travel & Expense Reimbursement	-	1,317	1,317	2,477	11,853	9,376
Staff Training & Conferences	400	2,967	2,567	2,718	26,703	23,985
Insurance	4,880	5,417	537	42,901	48,753	5,852
Publications & Public Relations	-	1,788	1,788	990	16,092	15,102
Professional Services	(6,704)	19,251	25,955	111,436	381,759	270,323
Dues & Subscriptions	2,575	6,278	3,703	42,139	56,502	14,363
Maintenance Expense	-	1,833	1,833	1,121	16,497	15,376
Depreciation	442	992	550	4,000	8,928	4,928
Contingency	-	-	-	-	-	-
	<u>185,379</u>	<u>285,432</u>	<u>100,053</u>	<u>2,046,509</u>	<u>2,983,591</u>	<u>937,082</u>
Net Operating Income	<u>\$ 283,463</u>	<u>\$ 78,744</u>	<u>\$ 204,719</u>	<u>\$ 2,848,905</u>	<u>\$ 865,966</u>	<u>\$ 1,982,940</u>

NJEFA

Vendor Payments

September 2025

Date	Num	Name	Amount
09/05/2025	EFT	BMO Financial Group	--
09/05/2025	EFT	- DigitalSpace	11.66
09/05/2025	EFT	- Verizon Wireless	372.15
09/05/2025	EFT	- VRC	339.95
09/05/2025	EFT	- Intuit	175.13
09/05/2025	EFT	- Comcast	136.54
09/05/2025	EFT	- SurveyMonkey	468.00
09/23/2025	13778	Treasurer, State Of New Jersey - TeamSite/Zscaler	-547.69
09/23/2025	13770	Horizon BCBSNJ	-50.00
09/23/2025	13771	NJ Alliance For Action, Inc.	-400.00
09/23/2025	13769	Government News Network	-455.00
09/23/2025	13779	US Bank (PFM)	-1,508.65
09/23/2025	13766	FedEx	-19.86
09/23/2025	13768	Global Industries, Inc.	-9,450.80
09/23/2025	13773	NJ OIT Fiscal Services	-384.59
09/23/2025	13780	W.B. Mason Company, Inc.	-128.66
09/23/2025	13777	Treasurer, State of New Jersey - Pinnacle	-632.80
09/23/2025	13776	The Hartford	-189.00
09/23/2025	13774	Polar Inc.	-49.70
09/23/2025	13767	Gennaro's/Mercato	-187.90
09/23/2025	13765	CliftonLarsonAllen LLP	-2,824.50
09/23/2025	13772	NJ Economic Development Authority	-1,274.55
09/23/2025	13775	Sun Life Financial	-6,678.28
Total			-23,278.55

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of September 30, 2025

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<u>Private</u>						
Princeton University	2025 A	Acq, Constr, Reno of Facilities & Installation of Capital Assets	\$ 650,000,000	(123,953,299)	\$ 576,178,050	19%
Princeton University	2024 A	Acq, Constr, Reno of Facilities & Installation of Capital Assets	955,526,105	(803,674,512)	\$151,851,593	84%
Seton Hall University	2020 D	Construction new student housing and athletic facilities	70,000,000	(46,289,729)	\$ 23,710,271	66%
Sub Total			<u>\$ 1,675,526,105</u>	<u>\$ (973,917,540)</u>	<u>\$ 751,739,914</u>	
<u>Public</u>						
Ramapo College	2022 A	Academic Building and Administrative Office Renovations	\$ 10,000,000	\$ 1,192,285	\$ 11,192,285	-12%
Sub Total			<u>\$ 10,000,000</u>	<u>\$ 1,192,285</u>	<u>\$ 11,192,285</u>	
<u>Other Programs</u>						
Equipment Leasing Fund	Series 2023	Acquisition and Installation of Equipment	\$ 81,950,086	\$ (51,485,625)	\$ 30,464,461	63%
Capital Improvement Fund	Series 2023	Capital Improvements	190,925,000	(25,153,996)	165,771,004	13%
Technology Infrastructure Fund	Series 2024	Development of Technology Infrastructure	32,525,000	(14,595,793)	17,929,207	45%
Facilities Trust Fund	Series 2024	Construct, Reconstruct, Develop & Improve Facilities	89,695,000	(46,954,521)	42,740,479	52%
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	101,266,893	(100,426,573)	840,320	99%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667	(40,325,390)	988,277	98%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596	(191,118,739)	786,857	100%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164	(218,855,504)	1,121,660	99%
Sub Total			<u>\$ 949,558,406</u>	<u>\$ (688,916,142)</u>	<u>\$ 260,642,265</u>	
Grand Total			<u><u>\$ 2,635,084,512</u></u>	<u><u>\$ (1,661,641,397)</u></u>	<u><u>\$ 1,023,574,464</u></u>	

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