NEW ISSUE - FULL - BOOK ENTRY

The New Jersey Economic Development Authority Revenue Bonds (West Campus Housing, LLC - New Jersey City University Student Housing Project), $50,320,000 Series 2015A
$325,000 Series 2015B (Federally Taxable)

Dated: Date of Delivery  Due: As shown on inside cover

The New Jersey Economic Development Authority Revenue Bonds (West Campus Housing, LLC - New Jersey City University Student Housing Project), Series 2015A (the "Series 2015A Bonds") and the New Jersey Economic Development Authority Revenue Bonds (West Campus Housing, LLC - New Jersey City University Student Housing Project), Series 2015B (Federally Taxable) (the "Series 2015B Bonds") and, together with the Series 2015A Bonds, the "Series 2015 Bonds") will be issued by the New Jersey Economic Development Authority (the "Authority") as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2015 Bonds. Individual purchases of the Series 2015 Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Interest on the Series 2015 Bonds is payable on July 1, 2015 and semiannually thereafter on each January 1 and July 1. Payments of the principal, redemption premium, if any, and interest on the Series 2015 Bonds are to be made to purchasers by DTC through the Participants (defined herein). Purchasers will not receive physical delivery of the Series 2015 Bonds. Payments of principal of and redemption premium, if any, on the Series 2015 Bonds will be made upon presentation and surrender of such 2015 Bonds at the office of U.S. Bank National Association in Morristown, New Jersey, as Trustee (the "Trustee"). See "THE SERIES 2015 BONDS" herein.

Pursuant to an Indenture of Lease, dated as of March 1, 2015 (the "Ground Lease Agreement"), by and between New Jersey City University (the "University") and the Borrower, the University, as lessor, will grant the Borrower, as lessee, a leasehold interest in the sites (the "Facilities Sites") on the campus of the University located in the City of Jersey City, New Jersey, on which the proposed student housing facilities described below will be constructed and renovated.

The proceeds of the Series 2015 Bonds will be used by the Authority to make a loan to the Borrower to (i) finance the design, construction, furnishing and equipping of student housing and related facilities and infrastructure as further described herein (the "New Student Housing"), including initial start-up costs for the New Student Housing; (ii) finance the partial renovation, design, furnishing and equipping of the University's existing Co-Op Hall and Vodra Hall dormitories, including the dining facilities located in Vodra Hall (the "Renovated Student Housing") and, together with the New Student Housing, the "Housing Facilities"); (iii) fund a deposit to the Debt Service Reserve Fund for the Series 2015 Bonds; (iv) pay capitalized interest on the Series 2015 Bonds; and (v) pay costs of issuance of the Series 2015 Bonds.

The Series 2015 Bonds, together with interest thereon, are limited obligations payable solely and only from the Trust Estate (as defined herein). The Trust Estate includes the (i) Revenues (as defined herein) from the Housing Facilities and (ii) moneys on deposit in the funds and accounts established under the Indenture and investment earnings thereon, but excluding moneys on deposit in the Debt Fund. See "SECURITY FOR THE SERIES 2015 BONDS" herein.

The Series 2015 Bonds are offered for delivery when, as and if issued by the Authority and received by the Underwriter (as defined herein), and are subject to prior sale and the approval of legality by McCarter & English, LLP, Newark, New Jersey, Bond Counsel to the Authority, and to certain other conditions. Certain legal matters will be passed upon for the Borrower by its counsel Windels Marx Lane & Mittendorf, LLP, New Brunswick, New Jersey. Certain legal matters will be passed upon for the University by Alfred E. Ramey, Jr., Esq., University Counsel, and by Hawkins Delafeld & Wood LLP, Newark, New Jersey. Certain legal matters will be passed upon for the Underwriter by Ballard Spahr LLP, Cherry Hill, New Jersey. Acacia Financial Group, Inc., Montclair, New Jersey is serving as Financial Advisor to the University. It is expected that the Series 2015 Bonds in definitive book entry form will be available for delivery through DTC in New York, New York on or about March 17, 2015.

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

$50,645,000

New Jersey Economic Development Authority

Revenue Bonds

(West Campus Housing, LLC - New Jersey City University Student Housing Project)

$50,320,000 Series 2015A

$325,000 Series 2015B (Federally Taxable)

### Series 2015A Bonds

#### Serial Bonds

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<th>Price</th>
<th>Yield</th>
<th>CUSIP Number</th>
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<tr>
<td>2018</td>
<td>$305,000</td>
<td>4.000%</td>
<td>106.365</td>
<td>1.990%</td>
<td>64577BHB3</td>
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<td>2019</td>
<td>735,000</td>
<td>2.125</td>
<td>99.004</td>
<td>2.370</td>
<td>64577BHC1</td>
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<td>2020</td>
<td>855,000</td>
<td>2.375</td>
<td>98.551</td>
<td>2.670</td>
<td>64577BHD9</td>
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<tr>
<td>2021</td>
<td>950,000</td>
<td>2.750</td>
<td>98.913</td>
<td>2.940</td>
<td>64577BHE7</td>
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<td>2022</td>
<td>980,000</td>
<td>3.000</td>
<td>98.641</td>
<td>3.210</td>
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</table>

#### Term Bonds

$4,345,000 5.00% Term Bond due July 1, 2026, Price 110.134, Yield 3.800%, CUSIP 64577BHG2†

$5,215,000 4.125% Term Bond due July 1, 2030, Price 98.048, Yield 4.300%, CUSIP 64577BHK3†

$7,950,000 5.00% Term Bond due July 1, 2035, Price 105.339, Yield 4.350%*, CUSIP 64577BHL1†

$5,795,000 5.00% Term Bond due July 1, 2038, Price 104.578, Yield 4.440%*, CUSIP 64577BHH0†

$6,675,000 4.500% Term Bond due July 1, 2041, Price 97.731, Yield 4.650%, CUSIP 64577BHJ6†

$16,515,000 5.00% Term Bond due July 1, 2047, Price 103.907, Yield 4.520%*, CUSIP 64577BHM9†

### Series 2015B Bonds

$325,000 3.000% Term Bond due July 1, 2018, Price 99.223, Yield 3.250%, CUSIP 64577BHN7†

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* Yield shown to first optional redemption date of July 1, 2025.
† Copyright 2015, American Bankers Association. CUSIP data herein are provided by Standard & Poor’s, CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. CUSIP numbers are included solely for the convenience of the holders of the Series 2015 Bonds and the Authority, the Underwriter and the Borrower are not responsible for the selection, uses or correctness (as listed above) of, or subsequent changes to, CUSIP numbers assigned to the Series 2015 Bonds.
IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH MAY STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY, OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2015 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The quotations from, and summaries and explanations of, provisions of laws and documents contained herein, including the cover page and Appendices attached hereto, do not purport to be complete. Reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Series 2015 Bonds shall under any circumstances create any implication that there has been no change in the affairs of Authority or the Borrower since the date of this Official Statement.

The Underwriter may offer and sell the Series 2015 Bonds to certain dealers (including dealers depositing Series 2015 Bonds into investment trust(s)) and others at prices lower or yields higher than the public offering price or yield stated on the cover hereof.

No dealer, broker, salesman, or other person has been authorized by the Authority, the Borrower or the Underwriter to give any information or to make any representation, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there by any sale of the Series 2015 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Information with respect to the Borrower, the University and the Housing Facilities has been furnished by the Borrower, the University and the Developer (as hereinafter defined), and neither the Authority nor the Underwriter makes any representation or warranty as to the accuracy or completeness of such information. Information with respect to the Authority under the captions “THE AUTHORITY” and “LITIGATION” (insofar as such information pertains to the Authority) has been furnished by the Authority, and neither the Borrower nor the Underwriter makes any representation or warranty as to the accuracy or completeness of such information. The Authority is and the Borrower acknowledges and agrees that the Authority is, a conduit issuer and has not prepared or assisted in the preparation of the Official Statement and is not responsible for any statements made herein, except for the information contained under the captions “THE AUTHORITY” and “LITIGATION” (only insofar as such information pertains to the Authority). The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

The Underwriter has provided the following sentence for inclusion in the Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its
responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Series 2015 Bonds are not and will not be registered under the Securities Act of 1933, as amended, or under any state securities laws, and the Indenture has not been and will not be qualified under the Trust Indenture Act of 1939 because of available exemptions therefrom. Neither the Securities and Exchange Commission nor any federal, state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of this Official Statement.

THE AUTHORITY HAS NOT REVIEWED OR APPROVED, AND DOES NOT REPRESENT OR WARRANT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT (OTHER THAN THE STATEMENTS AND INFORMATION SET FORTH UNDER THE SECTION ENTITLED “THE AUTHORITY” AND THE SECTION ENTITLED “LITIGATION” AS IT PERTAINS TO THE AUTHORITY).

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2015 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.
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New Jersey Economic Development Authority
Revenue Bonds
(West Campus Housing, LLC - New Jersey City University Student Housing Project),
$50,320,000 Series 2015A
$325,000 Series 2015B (Federally Taxable)

INTRODUCTION

This Official Statement, including the cover page and Appendices, provides certain information with respect to the issuance and sale by the New Jersey Economic Development Authority (“Authority”) of $50,320,000 aggregate principal amount of the Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project), Series 2015A (the “Series 2015A Bonds”) and $325,000 aggregate principal amount of the Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project), Series 2015B (Federally Taxable) (the “Series 2015B Bonds” and, together with the Series 2015A Bonds, the “Series 2015 Bonds”). The Series 2015 Bonds are being issued by the Authority pursuant to the Constitution and laws of the State of New Jersey (“State”) including, particularly, The New Jersey Economic Development Authority Act, constituting Chapter 80 of the Pamphlet Laws of 1974 of the State, approved on August 7, 1974, as amended (“Act”), the New Jersey Economic Stimulus Act of 2009, constituting Chapter 90 of the Pamphlet Laws of 2009 of the State, approved July 28, 2009, as amended May 5, 2010 and September 18, 2013, one of the purposes of which is to promote economic development and assist institutions of higher education to develop needed dormitory rooms and other educational facilities, a resolution of the Authority adopted on January 13, 2015 (the “Resolution”) and a Trust Indenture, dated as of March 1, 2015 (the “Indenture” or, alternatively, the “Trust Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). Except as otherwise provided herein, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the definitions contained in the form of the Indenture attached hereto as APPENDIX C.


NEW JERSEY CITY UNIVERSITY IS NOT OBLIGATED TO PAY THE PRINCIPAL, REDEMPTION PRICE, IF ANY, OR PREMIUM, IF ANY, OF, OR INTEREST ON THE SERIES 2015 BONDS, AND THE SERIES 2015 BONDS ARE NOT A DEBT, LIABILITY OR OBLIGATION OF NEW JERSEY CITY UNIVERSITY.
The proceeds of the Series 2015 Bonds will be used by the Authority to make a loan to West Campus Housing, LLC (the “Borrower”), whose sole member is the New Jersey City University Foundation, Incorporated, an organization exempt from the payment of federal income tax under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code (the “Foundation”). See “THE BORROWER” herein. Pursuant to an Indenture of Lease, dated as of March 1, 2015 (the “Ground Lease Agreement”), by and between New Jersey City University (the “University”) and the Borrower, the University, as lessor, will grant the Borrower, as lessee, a leasehold interest in the sites (the “Facilities Sites”) on the campus of the University located in the City of Jersey City, New Jersey, on which student housing, and related facilities consisting of (i) approximately 108,000 square feet and 425 beds and related infrastructure as further described herein will be constructed (the “New Student Housing”) and (ii) portions of the existing Co-Op Hall and Vodra Hall dormitories will be renovated (the “Renovated Student Housing”) and, together with the New Student Housing, the “Housing Facilities”). See “PLAN OF FINANCE- The Housing Facilities” and – “The Facilities Sites” and “THE GROUND LEASE AGREEMENT” herein. The Borrower, the University and AUDG Jersey City, LLC (the “Developer”) will enter into the Project Development Agreement, dated as of March 1, 2015 (the “Development Agreement”), pertaining to the design, construction and renovation of the Housing Facilities and provide for the Developer to enter into a lump sum price construction contract for the construction and renovation of the Housing Facilities. See “THE DEVELOPER AND THE DEVELOPMENT AGREEMENT” and “THE GENERAL CONTRACTOR AND THE CONSTRUCTION CONTRACT” herein. The Housing Facilities will initially be managed by AUDG Management, LLC (the “Management Company”) pursuant to the Project Management Agreement, dated as of March 1, 2015 (the “Management Agreement”), by and among the Borrower, the University and the Management Company. See “THE MANAGEMENT AGREEMENT AND THE MANAGEMENT COMPANY” herein. For a summary of the Ground Lease Agreement, the Development Agreement and the Management Agreement, see “APPENDIX B – SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT AND THE MANAGEMENT AGREEMENT.”

The proceeds of the Series 2015 Bonds will be used by the Authority to make a loan to the Borrower to (i) finance the design, construction, furnishing and equipping of the New Student Housing, including initial start-up costs for the New Student Housing; (ii) finance the partial renovation, design, furnishing and equipping of the Renovated Student Housing; (iii) fund a deposit to the Debt Service Reserve Fund for the Series 2015 Bonds; (iv) pay capitalized interest on the Series 2015 Bonds; and (v) pay costs of issuance of the Series 2015 Bonds. See “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Pursuant to the Loan Agreement, dated as of March 1, 2015 (the “Agreement”), by and between the Authority and the Borrower, the Authority has agreed to loan the net proceeds of the Series 2015 Bonds to the Borrower and the Borrower has agreed, among other things, to repay the loan in installments equal to the principal payments, redemption price, if any, or premium, if any, and interest due on the Series 2015 Bonds in accordance with the Agreement and the promissory note delivered by the Borrower to the Authority (the “Series 2015 Note”). See “APPENDIX D - FORM OF LOAN AGREEMENT”.

The Borrower’s obligations under the Agreement and the Series 2015 Note are secured by (i) a Leasehold Mortgage, Security Agreement and Fixture Filing, dated as of March 1, 2015, from the Borrower to the Trustee (the “Leasehold Mortgage”), in the form attached hereto as APPENDIX E, granting the Trustee a mortgage on the Borrower’s leasehold interest in the Facilities Sites (but excluding the University’s fee interest in the Facilities Sites) and the improvements to be renovated and constructed on the Facilities Sites (including the Housing Facilities); (ii) an Assignment of Leases, dated as of March 1, 2015, from the Borrower to the Trustee (the “Assignment of Leases”) assigning the Borrower’s interests in the leases and licenses for the Housing Facilities to the Trustee; and (iii) a collateral
assignment to the Trustee of each of the Borrower’s and the Developer’s rights under the Management Agreement, the Development Agreement, the Construction Contract (as defined herein), the Architect’s Contract, dated as of March 1, 2015 (the “Architect’s Contract”), between the Developer and Niles Bolton Associates, Inc., and all contracts entered into relating to the design and construction of the Housing Facilities pursuant to an Assignment of Contract Documents, dated as of March 1, 2015 (the “Collateral Assignment”), by the Borrower and the Developer in favor of the Trustee.

The Authority’s interests in the Agreement and the Series 2015 Note have been assigned on a first priority basis to the Trustee, except that the Authority has also retained certain reserved rights under the Agreement, as security for the payment of the principal, redemption price, if any, or premium, if any, and interest on the Series 2015 Bonds. See “SECURITY FOR THE SERIES 2015 BONDS” herein.

Brief descriptions of the Authority, the Borrower, the Housing Facilities and the Series 2015 Bonds are included herein. Such descriptions do not purport to be comprehensive or definitive. APPENDICES B, C, D and E hereto are the summaries of the Ground Lease Agreement, the Development Agreement and the Management Agreement and the forms of the Indenture, the Agreement and the Leasehold Mortgage, respectively.

Information with respect to the Borrower, the University and the Housing Facilities has been furnished by the Borrower, the University and the Developer, respectively, and neither the Authority nor the Underwriter makes any representation or warranty as to the accuracy or completeness of such information. Information with respect to the Authority under the captions “THE AUTHORITY” and “LITIGATION” (insofar as such information pertains to the Authority) has been furnished by the Authority, and neither the Borrower nor the Underwriter makes any representation or warranty as to the accuracy or completeness of such information. Notwithstanding the foregoing authorization and approval by the Authority, the Authority is and the Borrower acknowledges and agrees that the Authority is, a conduit issuer and has not prepared or assisted in the preparation of the Official Statement and is not responsible for any statements made herein, except for the information contained under the captions “THE AUTHORITY” and “LITIGATION” (only insofar as such information pertains to the Authority). All statements made herein with respect to the Series 2015 Bonds, the Indenture, the Agreement, the Series 2015 Note, the Ground Lease Agreement, the Leasehold Mortgage, the Assignment of Leases, the Collateral Assignment, the Development Agreement and the Management Agreement are qualified in their entirety by reference to such documents or instruments, copies of all of which are available for inspection at the corporate trust office of U.S. Bank National Association, Morristown, New Jersey 07960, Attention: Corporate Trust Department.

THE SERIES 2015 BONDS INVOLVE A CERTAIN DEGREE OF RISK. NO PROSPECTIVE PURCHASER OF THE SERIES 2015 BONDS SHOULD MAKE A DECISION TO PURCHASE ANY SERIES 2015 BONDS WITHOUT FIRST READING AND CONSIDERING IN FULL THE SECTION ENTITLED “BONDHOLDERS’ RISKS” HEREIN.

THE AUTHORITY

The Authority was established in 1974 as a public body corporate and politic, constituting an instrumentality of the State of New Jersey, exercising public and essential governmental functions, empowered by the Constitution and laws of the State, including specifically, the Act.

The Act authorizes the Authority to assist in various ways in financing the cost of acquiring, constructing, improving and equipping projects, including machinery and equipment, for the manufacturing, processing and assembling of raw materials or manufactured products, for research, office, industrial or commercial facilities, or for the control, abatement or prevention of land, sewer,
water, air, noise or general environmental pollution deriving from the operation of public utilities, industry, manufacturing, warehousing, commercial, office and research facilities. In order to discharge its responsibilities and fulfill the purposes mentioned above, the Authority is authorized to issue and sell bonds and notes for these purposes, including the Series 2015 Bonds herein described.

The Authority consists of thirteen members and three alternate members. Of the thirteen members, an officer of the Executive Branch of the State of New Jersey appointed by the Governor, the Commissioner of Labor and Workforce Development, the Commissioner of Banking and Insurance, the Commissioner of Department of Environmental Protection, and the State Treasurer are ex-officio members and the remaining eight are public members, appointed by the Governor, all for terms of three years. In addition, a public member of the State Economic Recovery Board established pursuant to section 36 of P.L.2002, c.43(N.J.S.A.52:27BBB-36) appointed by the board, shall serve as a non-voting, ex-officio member of the Authority. Alfred C. Koepe is a public member and Chairman of the Authority. The Act, as amended on July 18, 2000, provides that the appointment of new public members shall be as follows: there shall be eight public members, two public members (who shall not be legislators) are appointed by the Governor upon recommendation of the Senate President, and two public members (who shall not be legislators) are appointed by the Governor upon recommendation of the Speaker of the General Assembly, and four public members shall be appointed by the Governor. The appointments of the eight public members shall be as follows: the two members appointed upon the recommendation of the Senate President and the two members appointed upon the recommendation of the Speaker of the General Assembly shall serve terms of three years; two members shall serve terms of two years and two members shall serve terms of one year. There shall be three alternate members. Of the three alternate members, one alternate member (who shall not be a legislator) is appointed by the Governor upon recommendation of the Senate President, one alternate member (who shall not be a legislator) is appointed by the Governor upon recommendation of the Speaker of the General Assembly, and one alternate member shall be appointed by the Governor. The appointments of the alternate members shall be as follows: the alternate member appointed upon the recommendation of the Senate President shall serve a term of three years; the alternate member appointed upon the recommendation of the Speaker of the General Assembly shall serve a term of two years and one alternate member shall serve a term of one year.

The executive staff of the Authority includes professionals in the fields of industrial and commercial development and management, finance and mortgage lending. Timothy J. Lizura is the President and Chief Operating Officer of the Authority.

The Authority maintains offices at 36 West State Street, Trenton, New Jersey 08625-0990 (P.O. Box 990).

THE AUTHORITY HAS NOT REVIEWED OR APPROVED, AND DOES NOT REPRESENT OR WARRANT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT (OTHER THAN THE STATEMENTS AND INFORMATION SET FORTH UNDER THE CAPTION "THE AUTHORITY" AND UNDER THE CAPTION "LITIGATION" IN SO FAR AS SUCH STATEMENTS AND INFORMATION RELATE TO THE AUTHORITY).


Pursuant to the Act, neither the members of the Authority nor any person executing bonds for the Authority shall be liable personally on said bonds by reason of the issuance thereof.

THE BORROWER

THE INFORMATION UNDER THIS HEADING HAS BEEN SUPPLIED BY THE BORROWER AND NEITHER THE UNDERWRITER NOR THE AUTHORITY MAKES ANY REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS.

West Campus Housing, LLC is a single member limited liability company duly formed, validly existing and in good standing under the laws of the State of New Jersey (the “Borrower”). The Borrower was formed, by the filing of a Certificate of Formation with the New Jersey State Treasurer on December 11, 2014, for the purpose of planning, developing, financing, equipping, administering, operating and maintaining one or more residence facilities, dining facilities, parking facilities and other related facilities on the campus of the University exclusively for the benefit of the University and its students. The sole member of the Borrower is New Jersey City University Foundation, Incorporated, a New Jersey nonprofit corporation (the “Foundation”). The Borrower is treated as a “disregarded entity” of the Foundation for federal income tax purposes, meaning that its activities are deemed to be those of its sole member for federal income tax purposes. The only assets of the Borrower are (i) its leasehold interests in the Facilities Sites pursuant to the Ground Lease Agreement and (ii) the Revenues derived from the Housing Facilities. The Borrower will not have any other assets during the term of the Agreement.

The Foundation is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), exempt from federal income tax under Section 501(a) of the Code (except from unrelated business income tax imposed pursuant to Section 511 of the Code). The Foundation is not a “private foundation” as defined in Section 509(a) of the Code. The Foundation was incorporated on June 14, 1971 and is currently governed by a board of 20 directors. Three of these directors includes members of the University’s administration including the President, Vice President for Administration and Finance, and the Vice President for University Advancement. The Foundation is headquartered in Jersey City, New Jersey.

Neither the Foundation nor any limited liability company established by the Foundation other than the Borrower will have any obligation with respect to the Series 2015 Bonds or under any of the Bond Documents.

PLAN OF FINANCE

The Housing Facilities

The Housing Facilities consist of (i) the developing, construction, installation and equipping of a single building, containing a total of approximately 108,000 square feet (the “New Student Housing”) and (ii) the partial renovation, design, furnishing and equipping of the existing Co-Op Hall and Vodra Hall dormitories, including the dining facilities located in Vodra Hall (the “Renovated Student Housing” and, together with the New Student Housing, the “Housing Facilities”).

New Student Housing. The New Student Housing will be constructed on the University’s West Campus and contains approximately 425 beds in 113 units, of which 416 beds are revenue generating.
Each housing unit will be fully furnished with an appropriate number of beds, dressers, desks and closet space reflecting the number of unit occupants as well as living room furnishings and cabinetry for a kitchenette. The units will offer Wi-Fi Internet access, one cable television port in each bedroom as well as the living space and one in-unit control panel for the HVAC system. The units will feature either single or double occupancy bedrooms with shared bathroom and common living space.

Renovated Student Housing. Built in 1989, Co-Op Hall is a 26,614 square foot, three-story building with a basement level and houses 100 beds in double occupied dorm rooms with community bathrooms. Each community bathroom, the building entry lobby and all wing lobbies will be renovated to modernize the facility. The existing wing laundry rooms will be absorbed by the adjacent bathroom renovations and the laundry will be centralized into a modern facility on the basement level. Recent renovations to Co-Op Hall include replacement of the air conditioning system, the central boilers, and the fire alarm and sprinkler system. Built in 1963, Vodra Hall is a 60,000 square foot, five-story building which houses a dining hall as well as academic and office space on its first two levels and suite-style living units on the 3rd, 4th and 5th levels. Renovations in Vodra Hall will include reprogramming ground floor space to create more community gathering and lounge spaces and enhance the Residence Life Department’s office space, also located on the ground floor. Additionally, the dining area will be expanded to accommodate the increase of on-campus residents caused by the New Student Housing. Recent renovations to Vodra Hall include a modernization of all suite bathrooms, a full refurbishment of all residential floors (levels 3-5), fire alarm system modernization and the addition of air conditioning to the building.

The New Student Housing Site (as defined herein) will be adjacent and connect to the site of the University’s new Academic Arts building that is currently in the final stages of design and is planned to include 105,000 square feet in a 4-story building with a 250-seat recital hall, 100-seat lecture hall, music rehearsal spaces, numerous classrooms, academic staff offices, student lounge spaces, retail dining outlet, and computer lab. The New Student Housing and the Academic Arts building are anticipated to be delivered contemporaneously in advance of the Fall 2016 semester.

The New Student Housing has been designed with a single, central point of entry into the building which will work to encourage resident engagement and interaction while also providing for safety and security. The centralized entry features a reception/security desk and the majority of the community’s common spaces, including a large open lounge, game room, multi-purpose classroom, community laundry center, automated vending center, music practice rooms and the residential life staff offices. Dual elevators and a central stair will also be located in the main lobby space to provide vertical circulation to each upper floor which will house two living communities of 56 residents and a Resident Assistant.

The building footprint of the New Student Housing was designed to create a courtyard that will be accessed from the central lobby and will promote an engaging and active outdoor environment. To complement the overall campus aesthetic as well as the design of the adjacent Academic Arts building, the residence hall will feature a full masonry exterior in a mix of brick and precast concrete with a flat roof.

The State of New Jersey Department of Community Affairs (“DCA”) must issue permits in order for site work to begin on the Housing Facilities. The applications and fees required for such permits were submitted in 11 separate packages from October 2014 to January 2015 in order to expedite necessary approvals. These permits include a foundation permit, a building permit and a precast concrete permit. The fee for issuance of all permits has been paid, and a foundation permit has been issued for the project. The building permit has been reviewed and final revisions were delivered to the DCA. The building permit and permit for the precast concrete, will be released by the DCA upon review and approval of the
manufacturer’s final shop drawings are expected to be delivered before the end of February 2015. Assuming the receipt of all necessary permits, the precast concrete off-site work is expected to begin on March 16, 2015.

The New Student Housing will connect to a municipal sewer system within the City of Jersey City, New Jersey and will be treated by the Passaic Valley Sewerage Commission sewerage treatment facilities in the City of Newark, New Jersey. The Treatment Works Approval Permit Application, which is the sewer permit application, has been approved by the Jersey City Municipal Utilities Authority, the Passaic Valley Sewerage Commission and the New Jersey Department of Environmental Protection (“NJDEP”).

In addition to sewer, the New Student Housing will connect directly to municipal and third party utilities for electric, water, cable television and natural gas. The construction necessary to connect all utilities is a part of the New Student Housing. The Renovated Student Housing is already connected to utilities currently available on the University campus. The ongoing costs of utility services will be paid to the University as an Operating Expense of the Housing Facilities, unless deferred by the University as provided in the Management Agreement, in which case such costs will be reimbursed to the University annually from amounts in the Surplus Cash Flow Fund. See “TRUST INDENTURE –Flow of Funds” herein.

The Housing Facilities are designed and to be constructed and reconstructed on the Facility Site pursuant to the Development Agreement. See “THE DEVELOPER AND THE DEVELOPMENT AGREEMENT” and “THE GENERAL CONTRACTOR AND THE CONSTRUCTION CONTRACT” herein.

The Facilities Sites

The Borrower will lease the Facilities Sites from the University pursuant to the terms of the Ground Lease Agreement. See, “THE GROUND LEASE AGREEMENT” and “APPENDIX B – SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT AND THE MANAGEMENT AGREEMENT” herein. The Facilities Sites consist of a 1.109 acre parcel on Block 21902, Lot 14 on the Tax Map of the City of Jersey City in the County of Hudson, New Jersey (the “New Student Housing Site”), and a 0.33 acre portion (Vodra Hall) of existing Block 22901, Lot 3 and a 0.16 acre portion (Co-Op Hall) of existing Block 22901, Lot 9 – 13 on the Tax Map of the City of Jersey City in the County of Hudson, New Jersey (the “Renovated Student Housing Site”). The New Student Housing Site is located on the west portion of the University campus in the City of Jersey City and the Renovated Student Housing Site is located on the University’s main campus at 2039 Kennedy Boulevard, Jersey City, New Jersey.

A portion of the Renovated Student Housing Site and the Revenues associated therewith will be reserved for the University for a period of time as further set forth in the Ground Lease Agreement. See, “THE GROUND LEASE AGREEMENT” and “APPENDIX B – SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT AND THE MANAGEMENT AGREEMENT” herein.

Payment of Debt Service Requirements on the Series 2015 Bonds

Payment of debt service on the Series 2015 Bonds is an obligation of the Borrower pursuant to the Agreement and the Series 2015 Note, payable solely from the Revenues of the Housing Facilities, and
is further secured by the Leasehold Mortgage and the Assignment of Leases. Until the principal of, redemption price, if any, or premium, if any, and interest on the Series 2015 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower is obligated under the Agreement to pay or cause to be paid to the Trustee for deposit into the Debt Service Fund a sum that, together with any other funds available in the Debt Service Fund, will enable the Trustee to pay the amount payable as principal (whether at maturity or upon redemption or acceleration or otherwise), premium, if any, and interest on the Series 2015 Bonds as provided in the Indenture.

See “SECURITY FOR THE SERIES 2015 BONDS” herein and “APPENDIX D - FORM OF LOAN AGREEMENT” hereto.


NEW JERSEY CITY UNIVERSITY IS NOT OBLIGATED TO PAY THE PRINCIPAL, REDEMPTION PRICE, IF ANY, OR PREMIUM, IF ANY, OF, OR INTEREST ON THE SERIES 2015 BONDS, AND THE SERIES 2015 BONDS ARE NOT A DEBT, LIABILITY OR OBLIGATION OF NEW JERSEY CITY UNIVERSITY.

NEITHER THE DEVELOPER NOR THE MANAGEMENT COMPANY IS OBLIGATED TO PAY THE PRINCIPAL, REDEMPTION PRICE, IF ANY, OR PREMIUM, IF ANY, OF, OR INTEREST ON THE SERIES 2015 BONDS, AND THE SERIES 2015 BONDS ARE NOT A DEBT, LIABILITY OR OBLIGATION OF EITHER THE DEVELOPER OR THE MANAGEMENT COMPANY.

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ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of funds to be derived from the sale of the Series 2015 Bonds.

<table>
<thead>
<tr>
<th>Sources:</th>
<th>Series 2015A Bonds</th>
<th>Series 2015B Bonds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Amount of Series 2015 Bonds</td>
<td>$50,320,000.00</td>
<td>$325,000.00</td>
<td>$50,645,000.00</td>
</tr>
<tr>
<td>Original Issue Premium</td>
<td>1,794,722.20</td>
<td>0.00</td>
<td>1,794,722.20</td>
</tr>
<tr>
<td>Original Issue Discount</td>
<td>(296,606.80)</td>
<td>(2,525.25)</td>
<td>(299,132.05)</td>
</tr>
<tr>
<td>Total Sources</td>
<td>$51,818,115.40</td>
<td>$322,474.75</td>
<td>$52,140,590.15</td>
</tr>
</tbody>
</table>

Uses:

| Deposit to Project Fund | $43,185,519.00 | $0.00 | $43,185,519.00 |
| Deposit to Capitalized Interest Fund | 4,388,497.54 | 28,343.83 | 4,416,841.37 |
| Deposit to Debt Service Reserve Fund | 3,234,981.34 | 20,893.66 | 3,255,875.00 |
| Costs of Issuance | 1,009,117.52 | 273,237.26 | 1,282,354.78 |
| Total Uses | $51,818,115.40 | $322,474.75 | $52,140,590.15 |

(1) Interest on the Series 2015 Bonds will be capitalized through February 1, 2017.
(2) Includes Underwriter’s Discount, legal fees and miscellaneous costs of issuance, including the Authority’s fee.

THE SERIES 2015 BONDS

General

The Series 2015 Bonds will be initially issued in the form of a single fully registered Series 2015 Bond for each series and maturity of the Series 2015 Bonds. Upon initial issuance, the ownership of each such Series 2015 Bond will be registered in the registration books kept by the Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). See “THE SERIES 2015 BONDS - Book-Entry Only System” below. The Series 2015 Bonds will be dated the date of delivery, and will bear interest at the rates and mature in the amounts and at the times set forth on the inside cover page of this Official Statement. The Series 2015 Bonds are to be issued as fully registered bonds in denominations of $5,000 or integral multiples thereof. Interest will be payable on July 1, 2015 and semiannually thereafter, on each January 1 and July 1 of each year. The payment of principal of, and redemption price, if any, and premium, if any, on the Series 2015 Bonds are payable upon presentation and surrender at the at the principal corporate trust office of the Trustee at Morristown, New Jersey 07960, which is also acting as paying agent and registrar. Interest on the Series 2015 Bonds shall be made to the registered owner thereof by check or draft mailed to the Owner at his address as it appears on the registration books maintained by the Trustee as of the close of the applicable Record Date; provided that the owners of $500,000 or more in aggregate principal amount of Series 2015 Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee.

With respect to Series 2015 Bonds registered in the name of Cede & Co., as nominee of DTC, neither the Authority nor the Trustee will have any responsibility or obligation to any DTC Participant or to any Indirect DTC Participant. See “THE SERIES 2015 BONDS - Book-Entry Only System” for the definition of “DTC Participant.” Except as otherwise specifically provided in the Indenture and the Series 2015 Bonds with respect to the rights of DTC Participants and Beneficial Owners, when a Book-Entry
System is in effect, the Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2015 Bonds registered in its name for the purposes of (i) payment of the principal of, redemption price, if any, or premium, if any, and interest on the Series 2015 Bonds or portion thereof to be redeemed or purchased, (ii) giving any notice permitted or required to be given to Owners under the Indenture, and (iii) the giving of any direction or consent or the making of any request by the Owners under the Indenture, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. Neither the Authority nor the Trustee will have any responsibility or obligations to DTC, any DTC Participant, any Beneficial Owner or any other person which is not shown on the Series 2015 Bond Register, with respect to (a) the accuracy of any records maintained by DTC or any DTC Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption of, or interest on, any Series 2015 Bonds; (c) the delivery of any notice by DTC or any DTC Participant; (d) the selection of the DTC Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2015 Bonds; or (e) any consent given or any other action taken by DTC or any DTC Participant. The Trustee shall pay all principal of, premium, if any, and interest on the Series 2015 Bonds registered in the name of a nominee of DTC only to or “upon the order of” DTC (as that term is used in the Uniform Commercial Code as adopted in New Jersey), and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal of, premium, if any, and interest on such Series 2015 Bonds to the extent of the sum or sums so paid.

Book-Entry Only System

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2015 Bonds, payment of principal and premium, if any, and interest and other payments with respect to the Series 2015 Bonds to Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in such Series 2015 Bonds and other related transactions by and among The Depository Trust Company ("DTC"), the Direct Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. Information concerning DTC and the Book-Only-Entry System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter, the Authority or the Borrower.

DTC will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2015 Bond will be issued for each series and maturity of the Series 2015 Bonds, each in the aggregate principle amount of such issue and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities
certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2015 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2015 Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial interests in the Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2015 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to
those Direct Participants to whose accounts the Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2015 Bonds will be made to Cede & Co., or such nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Direct or Indirect Participants and not of DTC, the Registrar or the Authority, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co., or such nominee as may be requested by an authorized representative of DTC is the responsibility of the Authority and/or the Paying Agent for the Series 2015 Bonds, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct and Indirect Participants.

THE AUTHORITY, THE STATE, THE BORROWER AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO THE DIRECT PARTICIPANTS OR THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2015 BONDS (i) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON THE SERIES 2015 BONDS, (ii) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2015 BONDS, OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR Cede & Co., ITS NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2015 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, ITS DIRECT PARTICIPANTS OR ITS INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NONE OF THE AUTHORITY, THE STATE, THE BORROWER AND THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE SERIES 2015 BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE AUTHORITY KEPT BY THE TRUSTEE AS BEING A BONDHOLDER. THE AUTHORITY, THE STATE, THE BORROWER AND THE TRUSTEE SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (i) ANY OWNERSHIP INTEREST IN THE SERIES 2015 BONDS; (ii) THE PAYMENT BY DTC TO ANY PARTICIPANT OR BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON THE SERIES 2015 BONDS; (iii) THE DELIVERY TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE; (iv) THE SELECTION BY DTC OR ANY PARTICIPANTS OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2015 BONDS; OR (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR Cede & Co. AS BONDHOLDER.

SO LONG AS Cede & Co. IS THE REGISTERED OWNER OF THE SERIES 2015 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED

Discontinuance of Book-Entry-System. DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving written notice to the Authority and discharging its responsibilities with respect thereto under applicable law, or the Authority, in its sole discretion, may terminate its participation in the system of book-entry transfers through DTC or any other securities depository at any time. In the event that the book-entry system is discontinued, the Trustee will execute and make available for delivery, replacement Series 2015 Bonds in the form of registered certificates.

Transfer fees. For every transfer and exchange of Series 2015 Bonds, owners of such Series 2015 Bonds requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by the Trustee, DTC or the DTC Participant in connection with such transfers or exchanges.

Optional Redemption

Series 2015A Bonds. The Series 2015A Bonds maturing on or after July 1, 2026 are subject to redemption prior to maturity at the option of the Authority, upon written direction from the Borrower, upon the request of the University, as a whole or in part at 100% of the par amount thereof, plus accrued and unpaid interest to the date of redemption, on July 1, 2025, or any date thereafter. If redeemed in part, the maturities of the Series 2015A Bonds to be redeemed shall be designated by the Borrower upon the request of the University, and any partial redemption of Term Bonds shall be applied to reduce the sinking fund amounts in such manner as may be directed in writing by the Borrower, at the request of the University. The Series 2015A Bonds to be redeemed within any maturity shall be selected by the Trustee by lot.

Series 2015B Bonds. The Series 2015B Bonds are not subject to optional redemption in whole or in part prior to maturity.

Mandatory Sinking Fund Redemption of Series 2015A Bonds

The Series 2015A Bonds maturing on July 1, 2026, July 1, 2030, July 1, 2035, July 1, 2038, July 1, 2041 and July 1, 2047, are subject to mandatory sinking fund redemption prior to maturity in part at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts and on the dates set forth below:

<table>
<thead>
<tr>
<th>Series 2015A Bonds Maturing on July 1, 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1 of the Year</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>2023</td>
</tr>
<tr>
<td>2024</td>
</tr>
<tr>
<td>2025</td>
</tr>
<tr>
<td>2026†</td>
</tr>
</tbody>
</table>

† Final Maturity
### Series 2015A Bonds Maturing on July 1, 2030

<table>
<thead>
<tr>
<th>July 1 of the Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2027</td>
<td>$1,225,000</td>
</tr>
<tr>
<td>2028</td>
<td>1,275,000</td>
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<td>2029</td>
<td>1,330,000</td>
</tr>
<tr>
<td>2030†</td>
<td>1,385,000</td>
</tr>
</tbody>
</table>

† Final Maturity

### Series 2015A Bonds Maturing on July 1, 2035

<table>
<thead>
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<th>July 1 of the Year</th>
<th>Principal Amount</th>
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<tr>
<td>2031</td>
<td>$1,440,000</td>
</tr>
<tr>
<td>2032</td>
<td>1,510,000</td>
</tr>
<tr>
<td>2033</td>
<td>1,585,000</td>
</tr>
<tr>
<td>2034</td>
<td>1,665,000</td>
</tr>
<tr>
<td>2035†</td>
<td>1,750,000</td>
</tr>
</tbody>
</table>

† Final Maturity

### Series 2015A Bonds Maturing on July 1, 2038

<table>
<thead>
<tr>
<th>July 1 of the Year</th>
<th>Principal Amount</th>
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<tbody>
<tr>
<td>2036</td>
<td>$1,840,000</td>
</tr>
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<td>2037</td>
<td>1,930,000</td>
</tr>
<tr>
<td>2038†</td>
<td>2,025,000</td>
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† Final Maturity

### Series 2015A Bonds Maturing on July 1, 2041

<table>
<thead>
<tr>
<th>July 1 of the Year</th>
<th>Principal Amount</th>
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<tbody>
<tr>
<td>2039</td>
<td>$2,125,000</td>
</tr>
<tr>
<td>2040</td>
<td>2,225,000</td>
</tr>
<tr>
<td>2041†</td>
<td>2,325,000</td>
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</tbody>
</table>

† Final Maturity
Series 2015A Bonds Maturing on July 1, 2047

<table>
<thead>
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<th>July 1 of the Year</th>
<th>Principal Amount</th>
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<tbody>
<tr>
<td>2042</td>
<td>$2,430,000</td>
</tr>
<tr>
<td>2043</td>
<td>2,550,000</td>
</tr>
<tr>
<td>2044</td>
<td>2,675,000</td>
</tr>
<tr>
<td>2045</td>
<td>2,810,000</td>
</tr>
<tr>
<td>2046</td>
<td>2,950,000</td>
</tr>
<tr>
<td>2047†</td>
<td>3,100,000</td>
</tr>
</tbody>
</table>

† Final Maturity

Extraordinary Mandatory Redemption

(i) The Series 2015 Bonds are subject to mandatory redemption prior to maturity in whole at any time, with ninety (90) days’ notice from the Authority to the Borrower, without premium, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date, if the Authority has notified, in writing, the Trustee, the Borrower and the University that (a) the Borrower has ceased to operate the Housing Facilities or to cause the Housing Facilities to be operated as an authorized project under the Act for twelve (12) consecutive months, without first obtaining the written consent of the Authority, or (b) any representation or warranty of the Borrower in the Agreement or in any document furnished in connection with the Agreement proves to have been false or misleading in any material respect when made (the “Authority Public Purpose Provisions”). Notwithstanding anything in the Indenture to the contrary, failure to meet the Authority’s Public Purpose Provisions is an Event of Default under the Indenture.

(ii) The Series 2015 Bonds shall be redeemed as a whole or in part (in an integral multiple of $5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice that all or any portion of the insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Housing Facilities are not sufficient for or will not be applied to the restoration, repair or reconstruction of the Housing Facilities at a price equal to the principal amount of such Series 2015 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of such Series 2015 Bonds is not an integral multiple of the applicable Authorized Denomination, the principal amount of such Series 2015 Bonds to be redeemed pursuant to this subparagraph shall be decreased to the next lower multiple of $5,000.

Notice of Redemption

At least thirty (30) days before the redemption date of any Series 2015 Bonds, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning the Series 2015 Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Other than with respect to a mandatory sinking fund redemption, the notice of redemption also shall state that such redemption is conditioned upon there being on deposit with the Trustee on the date designated for redemption moneys sufficient for the payment of the redemption price and the accrued interest to the redemption date.
Effect of Redemption

On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Series 2015 Bonds or portions thereof to be redeemed, the Series 2015 Bonds or portions of Series 2015 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2015 Bonds or portions of Series 2015 Bonds on such date, interest on the Series 2015 Bonds or portions of the Series 2015 Bonds so called for redemption shall cease to accrue, such Series 2015 Bonds or portions of Series 2015 Bonds shall cease to be entitled to any benefit or security under the Indenture, and the owners of Series 2015 Bonds or portions of Series 2015 Bonds shall not have rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Series 2015 Bonds for any unredeemed portions of Series 2015 Bonds.

No payment shall be made by the Trustee upon any of Series 2015 Bond or portion thereof called for redemption until such Series 2015 Bond or portions thereof shall have been delivered for payment or cancellation or the Trustee shall have received the items required by the Indenture with respect to any mutilated, lost, stolen or destroyed Series 2015 Bond.

SECURITY FOR THE SERIES 2015 BONDS

Special, Limited Obligations of the Authority

The Series 2015 Bonds are special, limited obligations of the Authority, payable solely and exclusively from the payments required to be made by the Borrower under the Agreement and pledged under the Indenture for payment of the Series 2015 Bonds, which are further secured by the Leasehold Mortgage, the Assignment of Leases, the Collateral Assignment and from amounts on deposit in the funds established under the Indenture (except the Rebate Fund). No recourse shall be had for the payment of principal, or redemption premium, if any, or interest on, the Series 2015 Bonds, or any claim based thereon or on the Indenture or the Agreement, against the Authority or any successor body or against any officer, member, employee or agent, past, present or future of the Authority or any successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of the Authority or any successor body or any such officers, members, employees, or agents is released as a condition of, and in consideration for, the issuance of the Series 2015 Bonds.

NEW JERSEY CITY UNIVERSITY IS NOT OBLIGATED TO PAY THE PRINCIPAL, REDEMPTION PRICE, IF ANY, OR PREMIUM, IF ANY, OF, OR INTEREST ON THE SERIES 2015 BONDS, AND THE SERIES 2015 BONDS ARE NOT A DEBT, LIABILITY OR OBLIGATION OF NEW JERSEY CITY UNIVERSITY.

Trust Estate

The obligations of the Authority under the Indenture and the Series 2015 Bonds will be secured as set forth in the Indenture pursuant to which the Authority will transfer, assign and deliver to and in favor of the Trustee, and its successor or successors in trust, for the benefit of the owners of all Bonds secured thereunder, its interest in the following described properties, rights, interests and benefits which are collectively called the Trust Estate (the “Trust Estate”) which will consist of:

All right, title and interest of the Authority in, to and under the Agreement (subject to the Reserved Rights), all Revenues received by the Borrower and assigned by the Borrower to the Authority under the Agreement and pledged for payment of the Bonds under the Indenture, all payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Authority under the Agreement to pay debt service on the Bonds and pledged for the payment of the Bonds under the Indenture;

All right, title and interest assigned by the Borrower to the Authority under the Agreement in, to and under any leases, subleases, licenses and use agreements or other similar agreements relating to the Housing Facilities (including any and all extensions, renewals, amendments, modifications and supplements thereof or thereto), including all Revenues, all proceeds of insurance (including business interruption insurance, if any) received or receivable by the Borrower as a result of any damage to or destruction of the Housing Facilities, or any part thereof, under the power of eminent domain and all amounts received or receivable by the Borrower as compensation for the transfer of the Housing Facilities, or any part thereof, in lieu of a taking or use of the Housing Facilities, under the powers of eminent domain, but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Housing Facilities to which such proceeds, award or compensation is attributable, all amounts received or receivable by the Borrower from the sale of the Housing Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Housing Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) which hereafter are received by the Borrower for or relating to the Housing Facilities or which hereafter may be assigned by the Borrower pursuant to the Agreement;

All cash, moneys, securities and investments which may at any time and from time to time, pursuant to the provisions of the Indenture, be paid to the Trustee or be in the hands of the Trustee, except for moneys payable to the Authority or the Trustee with respect to their fees, expenses or indemnification or in the Rebate Fund, provided, however, that nothing in the Indenture shall be construed to affect any property held by the Trustee in any capacity other than as Trustee thereunder; and

To the extent not covered by the clauses above, all proceeds of any and all of the foregoing.

See Section 2.1 in the form of the Indenture attached hereto as APPENDIX C for further information with respect to the Trust Estate.
Revenues

The Indenture defines “Revenues” to mean all revenues actually received by or on behalf of the Borrower pursuant to Residential License Agreements and with respect to the operation of the Housing Facilities, including without limitation, all collected payments and other charges for the use or occupancy of the Housing Facilities, utility charges, vending machine and laundry machine revenues and rental interruption insurance proceeds actually received by or on behalf of the Borrower (net of the costs of collecting such proceeds not otherwise included in Operating Expenses), if any, and investment earnings thereon or on any accounts held by the Trustee pursuant to the Indenture; all issues, receipts and profits accruing and to accrue and due and to become due and payable and to be payable pursuant to any leases or licenses relating to the Housing Facilities, excluding any application fees or residents’ security deposits unless and until applied in satisfaction of residents’ obligations in connection with the Housing Facilities as provided for in the Management Agreement, and excluding refunds and reimbursements due to students in accordance with generally applicable University housing policy; and excluding rents, issues, profits, revenues and other amounts reserved by the University pursuant to the Ground Lease Agreement. See “THE GROUND LEASE AGREEMENT - University’s Reservation of Certain Revenues and Portions of the Facilities Sites” herein.

The Loan Agreement; Rate Covenant

Pursuant to the Agreement, the Authority agrees to issue the Series 2015 Bonds and loan the proceeds thereof to the Borrower for application as provided in the Indenture, and the Borrower agrees to repay the loan from the Revenues.

The Borrower covenants in Section 6.2(h) of the Agreement that, subject to the limitations set forth therein, it shall establish and maintain or cause to be established and maintained such license fees, rentals, rates and charges relative to the Housing Facilities, and revise or cause to be revised the same, as will be necessary so that for each Annual Period, the Debt Service Coverage Ratio shall equal or exceed 1.20 to 1.00, as determined in the Borrower’s Annual Audit. The Debt Service Coverage Ratio is defined as the amount of Net Revenues of the Housing Facilities (excess Revenues over Operating Expenses and Rebate Amount (if any) for an Annual Period on a GAAP basis) over Annual Debt Service Requirements (pertaining to Debt Service on the Series 2015 Bonds and, if issued, any Additional Bonds). If for any Annual Period the Debt Service Coverage Ratio falls below 1.20 to 1.00, then the Borrower, within thirty (30) days following written notification thereof, shall hire a housing consultant approved by the University who shall be either an independent accounting or business consulting firm with recognized experience in student housing. The housing consultant shall examine the license fees, rentals, rates, and charges relative to the Housing Facilities and the methods of operation of the Borrower and the Management Company and shall make such recommendations as the consultant believes appropriate to enable the Borrower to achieve the Debt Service Coverage Ratio of at least 1.20 to 1.00 for subsequent Annual Periods. The Borrower shall follow or cause to be followed all reasonable recommendations of such consultant regarding the operation and management of the Housing Facilities, subject to applicable requirements and restrictions imposed by law. So long as the Borrower is working in good faith with such consultant, including following all reasonable recommendations of such consultant, then failure to maintain the Debt Service Coverage Ratio of 1.20 to 1.00 shall not be deemed an Event of Default under the Agreement.

The form of the Agreement is attached hereto as APPENDIX D.
The Leasehold Mortgage

For the purpose of securing the Series 2015 Bonds and any Additional Bonds, the Borrower, as mortgagor, grants the Trustee a mortgage on the Borrower’s leasehold interest in the Facilities Sites (but not the University’s fee interest in the Facilities Sites) and the improvements to be constructed and reconstructed on the Facilities Site, assigns the licenses and subleases affecting the Facilities Sites, and grants a security interest in all accounts acquired by the Borrower relating to the Housing Facilities, all equipment now owned or hereafter acquired by the Borrower located on and used in connection with the operation and maintenance of the Housing Facilities or the Facilities Sites and all general intangibles now owned or hereafter acquired by the Borrower relating to the Housing Facilities or the Facilities Sites. The form of the Leasehold Mortgage is attached hereto as APPENDIX E.

Assignment of Leases

The Borrower will collaterally assign to the Trustee its rights under any leases, subleases, tenancies, licenses (including Student Housing Agreements (as defined in the Ground Lease Agreement)), occupancy agreements, management agreements and/or rental arrangements entered into by the Borrower, or on its own behalf, in its capacity as ground lessee, leasehold owner and landlord of the Housing Facilities, provided that such assignment shall not apply to any leases, subleases, tenancies, licenses (including Student Housing Agreements), occupancy agreements, and/or rental arrangements relating to the period prior to July 1, 2015. Each of the other parties to such contracts will consent to such assignment and agree that upon an Event of Default (as defined in the Agreement), such contracts may be enforced by the Trustee.

Collateral Assignment

Each of the Borrower and the Developer will collaterally assign to the Trustee its respective rights under the Collateral Assignment entered into by the Borrower and the Developer in connection with the Housing Facilities. Each of the other parties to such contracts will consent to such assignment and agree that upon an Event of Default under the Bond Documents, such contracts may be enforced by the Trustee.

Debt Service Reserve Fund

Upon the issuance of the Series 2015 Bonds, there will be deposited in the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Requirement with respect to the Series 2015 Bonds.

Enforceability of Remedies

The realization of value from the security for the Series 2015 Bonds upon any default will depend upon the exercise of various remedies specified by the Indenture. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. See “BONDHOLDERS’ RISKS — Enforceability of Remedies” herein.
DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Series 2015 Bonds:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
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<td>2029</td>
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<td>2030</td>
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<td>2047</td>
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<td>TOTALS</td>
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<td>$32,067</td>
<td>$4,416,841</td>
<td>$98,066,608</td>
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</tbody>
</table>

* Net of capitalized interest.
THE GROUND LEASE AGREEMENT

The following is a summary of certain provisions of the Ground Lease Agreement pursuant to which the real property underlying the Housing Facilities will be leased to the Borrower by the University. For a summary of the Ground Lease Agreement, see “SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT AND THE MANAGEMENT AGREEMENT” in APPENDIX B hereto. Capitalized terms used under this heading not otherwise defined herein have the meanings ascribed to them in the Ground Lease Agreement or as otherwise referenced.

General

The Facilities Sites will be leased by the University to the Borrower pursuant to the Ground Lease Agreement. During the Term (as hereinafter defined), the Borrower shall be deemed to be the owner of the Buildings (as defined in the Ground Lease Agreement) comprising the New Student Housing and, after July 1, 2015, the Renovated Student Housing (but not, in either case, the Land (as defined in the Ground Lease Agreement) and subject, in all events, to the terms of the Ground Lease Agreement). See, “SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT AND THE MANAGEMENT AGREEMENT – Summary of Ground Lease – Ownership of Project” in Appendix B hereto. The term of the Ground Lease Agreement (the “Term”) will end on the earlier of (i) the fortieth (40th) anniversary of the commencement date of the Ground Lease Agreement unless otherwise extended or sooner expired or terminated in accordance with the Ground Lease Agreement or by operation of law; or (ii) the date on which the Series 2015 Bonds have been fully repaid or the Indenture is discharged. Throughout the Term of the Ground Lease Agreement, the Borrower will pay to the University, over and above any additional payments provided for in the Ground Lease Agreement, an absolutely net rent (“Basic Rent”) in an amount equal to the amount provided for in Section 4.12(e) of the Indenture. Basic Rent for each Lease Year shall be paid periodically on each Surplus Cash Flow Application Date (as defined in the Indenture).

Limitations on Use

The Ground Lease Agreement requires that the Premises (as defined in the Ground Lease Agreement) be used solely for the operation of a student housing facility for occupants under Student Housing Agreements and for no other purpose, other than ancillary supporting uses such as dining facilities, storage, management offices and common areas designated for recreational or educational uses by the University’s students, faculty or administrators.

University’s Reservation of Certain Revenues and Portions of the Facilities Sites

Pursuant to Section 6.4 of the Ground Lease Agreement, the University reserves the exclusive right of use and possession of, and all rents, issues, profits, revenues and other amounts attributable to the Renovated Student Housing from the Term Commencement Date (as defined in the Ground Lease Agreement) until July 1, 2015.

Additionally, from and after July 1, 2015, the University reserves for its own use the University Facilities and any University Reserved Revenues (each as defined below). In furtherance of the University’s educational objectives, the Borrower must make available to the University certain spaces or facilities within the Premises as set forth in the Management Agreement or as otherwise agreed by the University and the Borrower. University Facilities will be occupied by the University or its designees for
such purposes as the University determines from time to time, provided that no such purpose shall cause an Event of Taxability (as defined in the Ground Lease Agreement). The Borrower acknowledges and agrees that the continuation of any current uses of University Facilities shall in no event be construed as causing an Event of Taxability.

The Ground Lease Agreement defines “University Facilities” to mean such portions of the Housing Facilities as the University has reserved under the Ground Lease Agreement or may subsequently designate for its own use pursuant to the Ground Lease Agreement. The initial University Facilities include the portions of the first two floors of Vodra Hall used for dining facilities, academic facilities and office space. The Ground Lease Agreement defines “University Reserved Revenues” to mean rents, issues, profits, fees, payments and other revenues derived from the use of University Facilities for purposes unrelated to the housing of students at any of the Housing Facilities. University Reserved Revenues include license fees, registration, tuition and other fees paid by participants in or sponsors of conferences, meetings, seminars, presentations or similar events utilizing University Facilities, or any portions thereof, that are not part of the University residence life program or otherwise intended primarily for occupants of the Housing Facilities.

University Agreements Under the Ground Lease Agreement; Additional Student Housing

The University agrees in Section 42.3 of the Ground Lease Agreement that, after Substantial Completion of the Housing Facilities (or at such other times as are expressly noted below):

(a) it will include the Housing Facilities (i) as part of its on-campus housing stock regularly made available to its students; (ii) in all general information and marketing materials regarding student housing that it provides to students and prospective students, including providing information about the Housing Facilities on the University’s web site; and (iii) in its housing lottery system and will otherwise promote the availability of the Housing Facilities in the same manner as its own housing facilities.

(b) The University will provide to students residing at the New Student Housing substantially the same services and access it provides to students in its own housing facilities, including, without limitation, the University’s current student life programs, access to the University’s computer network and student transportation system, to the extent applicable.

(c) The University will not construct or cause the construction of any additional housing facilities for the University’s students on or off campus (“Additional Student Housing”) beyond the replacement of substantially the same number of units of the University’s existing housing facilities, unless: (i) the Housing Facilities are projected to maintain a minimum Debt Service Coverage Ratio of at least 1.20 for the remaining term of the Series 2015 Bonds when taking into account the Additional Student Housing, based on projections prepared by an independent consultant; and (ii) the construction of the Additional Student Housing is supported by a demand study from an independent consultant concluding that sufficient demand exists for the additional number of beds to be added by the Additional Student Housing. The projections and demand study shall be prepared by nationally recognized consulting firm experienced in student housing for comparably sized or larger institutions of higher education selected by the University and reasonably acceptable to the Borrower.

(d) The University will not direct or assign students on a priority basis to the Renovated Student Housing or any Additional Student Housing in preference over the New Student Housing, except to meet existing or future special program needs, such as Freshman Housing or Honors Housing.

(e) If the Borrower is in default in respect of the Bond Documents (as defined in the Ground Lease Agreement) the University will reasonably cooperate with the Borrower in selecting an
independent consultant and in implementing such consultant’s recommendations regarding the operation and management of the Housing Facilities, provided that such recommendations shall neither increase the University’s costs, responsibilities or liabilities nor decrease its rights, remedies or benefits in connection with the Housing Facilities in any material respect.

(f) The University will enforce its then current policies regarding withholding of grades, transcripts and/or registration in the event of delinquencies in the payment of amounts due under applicable Student Housing Agreements (as defined in the Ground Lease Agreement) with respect to the Housing Facilities in substantially the same manner as it does with respect to its other student housing facilities.

(g) The Housing Facilities shall be subject to the jurisdiction of the University’s campus security force.

(h) To the extent that the University has reserved under the Ground Lease Agreement or subleases or licenses back from the Borrower all or a portion of the Housing Facilities, including but not limited to any administrative facilities, residential units, common area, educational space, dining facilities or retail space, the University may further license or sublease such space (or any portions thereof) to any party and under any terms permitted by law, provided that such licenses or sub-subleases do not materially impair the Borrower’s ability to meet its obligations under the Bond Documents with respect to the Housing Facilities or cause any tax-exempt Bonds to lose their tax-exempt status.

Events of Default and Remedies

“Events of Default” under the Ground Lease Agreement are defined in Section 23.1(a) of the Ground Lease Agreement.

Pursuant to the provisions of Section 23.1(b) of the Ground Lease Agreement, upon the occurrence of an Event of Default, the University may, at its option, but subject to the rights of any Leasehold Mortgagee as described below, give to the Borrower and to each Leasehold Mortgagee a notice of election to terminate the Ground Lease Agreement, and if the Term shall have commenced, to end the Term of the Ground Lease Agreement, at the expiration of three (3) days from the date the notice is served. At the expiration of such three (3) days the Ground Lease Agreement shall terminate and all right, title and interest of the Borrower under the Ground Lease Agreement shall expire as fully and completely as if that day were the date therein specifically fixed for the expiration of the Term of the Ground Lease Agreement, and neither the Borrower nor any Leasehold Mortgagee shall have any right to cure within such three (3) day period. Notwithstanding the foregoing and as further described in Section 22.1 of the Ground Lease Agreement, the University agrees that, upon the occurrence of an Event of Default under the Ground Lease Agreement and subsequent action by any Leasehold Mortgagee (including the Trustee) to cure such Default, it will postpone the service of notice of election to end the Term of the Ground Lease Agreement as provided in Section 23.1 and postpone any other action as a consequence of such Default for such period or periods of time as may be necessary for such Leasehold Mortgagee, with due diligence, to foreclose its Leasehold Mortgage or otherwise acquire the Borrower’s interest in the Ground Lease Agreement and to perform or cause to be performed all of the covenants and agreements therein contained.

TRUST INDENTURE

The following summarizes certain selected provisions of the Indenture, but is not intended to be a summary of all of the material terms of the Indenture. The form of the complete Indenture
is attached hereto as APPENDIX C and must be reviewed in its entirety to ascertain all of the material terms and conditions thereof.

Creation of Funds and Accounts

Section 4.1 of the Indenture creates and establishes the Bond Proceeds Fund and a Costs of Issuance Account therein; the Project Fund, and the Project Account, Construction Account and Retainage Account therein; the Capitalized Interest Fund and separate accounts therein for the Series 2015 Bonds and any Additional Bonds; the Receipts Fund; the Debt Service Fund, and separate Interest Accounts, Principal Accounts and Redemption Accounts therein for the Series 2015 Bonds and any Additional Bonds; the Debt Service Reserve Fund; the Operating Reserve Account; the Replacement Fund; the Surplus Cash Flow Fund; and the Rebate Fund. The Indenture also provides that one or more Operating Accounts may be established under the Management Agreement, which Operating Accounts are not held by the Trustee.

Flow of Funds

Section 4.6 of the Indenture provides that there shall be deposited into the Receipts Fund all Revenues received by or on behalf of the Borrower. Moneys on deposit in the Receipts Fund will be transferred by the Trustee on the dates indicated below in the following priority:

(a) At such time as may be required by the Arbitrage Certificate and the Tax Regulatory Agreement, to the Rebate Fund, the amount required to be deposited thereunder;

(b) Monthly, on the twenty-fifth (25th) day of each month to the Operating Account of the Borrower, an amount equal to the Operating Expenses of the Housing Facilities for the immediately following month, in accordance with the Annual Operating Budget for the current Annual Period (or in the case of each June 25 payment, the Annual Operating Budget for the next Annual Period); provided, however, the deposits to the Operating Account shall be reduced after the Surplus Cash Flow Application Date by any balance remaining in the Operating Account that exceeds $100,000 as of the end of the prior Annual Period, as reflected in the Annual Audit. Such amount shall be specified in a certificate to be delivered to the Trustee under Section 4.12 of the Indenture;

(c) Monthly, on the twenty-fifth (25th) day of each month, to the applicable Interest Account within the Debt Service Fund, a sum equal to (i) with respect to the Interest Payment Date occurring on July 1, 2015, one-fourth (1/4th), and (ii) with respect to each Interest Payment Date thereafter, one-sixth (1/6th) of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2015 Bonds and any Additional Bonds, or such lesser amount that, together with amounts already on deposit in the Interest Account of the Debt Service Fund and available therefor, will be sufficient to pay interest on the Series 2015 Bonds and any Additional Bonds to become due on the immediately succeeding Interest Payment Date, except to the extent such amounts are payable from the Capitalized Interest Fund;

(d) Monthly, on the twenty-fifth (25th) day of each month, commencing July 25, 2017, to the applicable Principal Account within the Debt Service Fund, a sum equal to one-twelfth (1/12th) of the amount payable on the immediately succeeding Principal Payment Date as principal of or sinking fund installment on the Series 2015 Bonds and any Additional Bonds, or such lesser amount that, together with amounts already on deposit in the Principal Account of the Debt Service Fund and available therefor, will be sufficient to pay principal of on sinking fund installments on the Series 2015 Bonds and any Additional Bonds to become due on the immediately succeeding Principal Payment Date;
(e) Monthly, on the twenty-fifth (25th) day of each month, to the Debt Service Reserve Fund, the amount necessary to cure any shortfalls in the Debt Service Reserve Requirement arising from the annual valuation thereof plus the amount necessary in twelve (12) equal installments to restore any amounts withdrawn from the Debt Service Reserve Fund to pay Debt Service;

(f) Monthly on the twenty-fifth (25th) day of each month, to the Replacement Fund, an amount equal to one twelfth (1/12) of the Replacement Fund Requirement, plus the amount, if any, as may be necessary in twelve (12) equal monthly amounts, to restore the amount of any draws from the Replacement Fund to pay Debt Service; and

(g) Annually, on June 30 of each Annual Period, any amounts remaining in the Receipts Fund shall be transferred to the Surplus Cash Flow Fund.

Each month, the Trustee shall make each transfer for which there are sufficient funds in the Receipts Fund in accordance with the monthly priority of transfers set forth above in an amount necessary first to pay the amount required to be transferred to such transferee or fund in the current month and second to pay any amounts owed to such transferee or fund and not paid in any prior month.

Capitalized Interest Fund

Section 4.5(b) of the Indenture provides that the Capitalized Interest Fund shall be funded on the date of delivery of the Series 2015 Bonds from the proceeds thereof in the amount of $4,416,841.37. The amounts on deposit in the Capitalized Interest Fund shall be transferred by the Trustee for deposit to the Debt Service Fund to be used to pay the interest on the Series 2015 Bonds on July 1, 2015, January 1, 2016, July 1, 2016 and January 1, 2017 and a portion of the interest on the Series 2015 Bonds on July 1, 2017. Earnings on amounts in the Capitalized Interest Fund shall be deposited into the Project Account of the Project Fund.

Debt Service Reserve Fund

Section 4.8(b) of the Indenture provides that moneys on deposit in the Debt Service Reserve Fund shall be maintained in an amount equal to the Debt Service Reserve Fund Requirement, and shall be transferred to the Debt Service Fund to the extent there are not sufficient moneys in the Debt Service Fund to pay principal, sinking fund installments or interest on the Series 2015 Bonds when due.

Project Fund

Moneys in the Project Fund shall be applied to the payment of the Costs of the Facilities pursuant to the procedure established in Section 4.4 of the Indenture.

Operating Reserve Account

Pursuant to Section 4.10 of the Indenture, the Trustee shall transfer moneys from the Surplus Cash Flow Fund to the Operating Reserve Account so that the balance therein equals the Operating Reserve Requirement. If (i) there are insufficient Revenues to make the required monthly deposit into the Operating Account under Sections 4.6(b) or (f) of the Indenture, or (ii) upon receipt of a written request from the Borrower, the moneys in the Operating Reserve Account shall be used (A) for the purpose of paying Operating Expenses of the Housing Facilities to the extent of any deficiency in amounts available in the Operating Account to pay such Operating Expenses, but only in compliance with the applicable provisions of the Annual Operating Budget, or (B) for the purpose of making any payment to the Debt Service Fund necessary to prevent a default on the Series 2015 Bonds and any Additional Bonds.
Replacement Fund

Pursuant to Section 4.11 of the Indenture, the Trustee shall, in accordance with Section 4.6(h) of the Indenture, deposit into the Replacement Fund, an amount equal to the Replacement Fund Requirement. Moneys in the Replacement Fund may be drawn on and used by the Borrower to (i) replace any worn out, obsolete, inadequate, unsuitable or undesirable property, furniture, equipment, fixtures and other property owned by the Borrower and that are part of the Housing Facilities, (ii) maintain the Housing Facilities and to make all alterations, repairs, restorations and replacements to the Housing Facilities as and when needed to preserve the Housing Facilities in good working order, condition and repair, each as required by the Lease, or (iii) make any payment to the Debt Service Fund necessary to prevent a default on the Series 2015 Bonds and any Additional Bonds. Withdrawals from the Replacement Fund for the purposes set forth above shall be made by the Trustee upon its receipt of a requisition from the Borrower.

Surplus Cash Flow Fund

Pursuant to Section 4.12 of the Indenture, the Trustee shall transfer moneys from the Receipts Fund to the Surplus Cash Flow Fund in accordance with the provisions of Section 4.6(i) of the Indenture. Amounts held in the Surplus Cash Flow Fund shall be applied in the following priority:

(a) To cure any shortfalls in the amounts required to be deposited under Sections 4.6(a) through 4.6(h) to the extent the amounts in the Receipts Fund are insufficient therefor.

(b) To reimburse the University for University Temporary Housing Expenses. If there are still any amounts due for University Temporary Housing Expenses after the related Surplus Cash Flow Application Date, such amounts shall accrue interest from the Surplus Cash Flow Application Date and shall be due and payable on the immediately following Surplus Cash Flow Application Date.

(c) On each Surplus Cash Flow Application Date, the amount necessary to cause the amount on deposit in the Operating Reserve Account to equal the Operating Reserve Requirement.

(d) On each Surplus Cash Flow Application Date, provided that (x) all amounts outstanding have been paid in full under clauses (a), (b), and (c) above, (y) the Debt Service Coverage Ratio is not less than 1.10 to 1.00 for the most recently ended Annual Period and (z) no Event of Default has occurred and continues to exist as follows:

(i) First, to the University, in an amount equal to the Subordinated University Operating Expenses, which includes utilities, landscape maintenance, including snow removal, security and/or any other service or Operating Expenses with respect to the Housing Facilities, for the most recently ended Annual Period, and any unpaid and outstanding Subordinated University Operating Expenses, including accrued interest thereon, for prior Annual Periods; and

(ii) Second, to the Management Company, in an amount equal to the Subordinated Management Fees for the most recently ended Annual Period, and any unpaid and outstanding Subordinated Management Fees, including accrued interest thereon, for prior Annual Periods.

(e) On each Surplus Cash Flow Application Date, provided that (x) all amounts outstanding have been paid in full under clauses (a), (b), (c) and (d) above, (y) the Debt Service Coverage Ratio is not less than 1.20 to 1.00 for the most recently ended Annual Period and (z) no Event of Default
has occurred and continues to exist, to the University, (A) first, an amount equal to the Annual Ground Rent for the most recently ended Annual Period, including any unpaid and outstanding Annual Ground Rent, including accrued interest thereon, for prior Annual Periods, and (B) second, at the written direction of the Borrower at the request of the University, an amount to redeem or defease Bonds pursuant to Section 3.4(a) or Section 13.2, respectively, of the Indenture.

(f) Any deferred amounts payable under the Section 4.12 of the Indenture that are reflected as bearing interest shall bear interest at a rate equal to the Series 2015 Bonds Interest Rate.

Rebate Fund

Moneys deposited and held in the Rebate Fund shall be used to make all rebate payments owed to the United States under the Code, and shall not be subject to the pledge of the Indenture.

Additional Bonds

Pursuant to Section 5.1 of the Indenture, Additional Bonds, which will be payable from the Revenues and secured by the Leasehold Mortgage on parity with the Series 2015 Bonds, may be issued in the sole discretion of the Authority in one or more series by the Authority at the request of the Borrower, as directed by the University, under a supplement to the Indenture, for (i) additional costs to complete the Housing Facilities or (ii) to renovate, rehabilitate, improve or expand the Housing Facilities, or (iii) to refund all or any portion of the Series 2015 Bonds and any Additional Bonds for savings, so long as:

(a) no Event of Default under the Indenture has occurred and is then continuing and the Authority shall have approved the issuance of such Additional Bonds; and

(b) a Rating Confirmation has been received from the Rating Agency; and

(c) in the case of Additional Bonds the proceeds of which are used to renovate, rehabilitate, improve or expand the Housing Facilities (but excluding Additional Bonds to be used to complete the Housing Facilities or to refund any of the Bonds), the Borrower delivers to the University and the Trustee a housing study (based on assumptions reasonably acceptable to the University) delivered by a housing consultant acceptable to the University demonstrating that the Debt Service Coverage Ratio will not be less than 1.20 to 1.00 beginning with the date the Additional Bonds are issued and ending upon the final maturity of the Series 2015 Bonds then outstanding.

Events of Default and Remedies

The “Events of Default” under the Indenture are defined in Section 8.2 of the Indenture.

Pursuant to Section 8.3 of the Indenture, upon the occurrence and during the continuance of an Event of Default, the Authority, the Trustee and, subject to Sections 8.10 and 8.11 of the Indenture, the Series 2015 Bondholders, shall have all the rights and remedies as may be allowed by law, the Indenture, the Leasehold Mortgage or pursuant to the provisions of the Agreement, by virtue of such assignment under the Indenture, including but not limited to, acceleration of the maturity of the Series 2015 Bonds, with the consent of a majority of Bondholders of the Series 2015 Bonds, by notice in writing to the Authority (except that no consent shall be required if acceleration is due to Extraordinary Mandatory Redemption under Section 3.4(c)(i) of the Indenture - see subsection (i) under “THE SERIES 2015 BONDS—Extraordinary Mandatory Redemption” herein).
THE DEVELOPER AND THE DEVELOPMENT AGREEMENT

The following is a summary of certain provisions of the Development Agreement. For a summary of the Development Agreement, see “SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT AND THE MANAGEMENT AGREEMENT” in APPENDIX B hereto. Capitalized terms used under this heading not otherwise defined herein have the meanings ascribed to them in the Development Agreement or as otherwise referenced.

General

AUDG Jersey City, LLC (the “Developer”), is wholly owned by Ambling University Development Group, LLC, an experienced leader in the student housing industry and headquartered in Valdosta, Georgia. Ambling University Development Group, LLC through certain affiliated companies specializes in providing development and construction management of both on and off-campus student housing communities. Ambling University Development Group, LLC’s development experience through its affiliates and principles since 1997 includes more than 39,000 beds of student housing among 66 projects in 21 states nationwide. Its expertise includes significant replacement housing projects with multiple phases of construction and demolition across multiple campus sites as well as single site new construction. Additionally, Ambling University Development Group, LLC, through its affiliates and principles, has significant experience with dining halls, having developed facilities providing more than 3,800 dining seats. In addition, Ambling University Development Group, LLC, through its affiliates and principles, has developed parking decks providing more than 6,000 structured parking spaces. Ambling University Development Group, LLC also has significant experience with a variety of mixed use facilities with retail space.

Key Personnel

A brief description of the education and professional background of the officers of the Developer having primary responsibility for the development of the Housing Facilities follows:

Greg Blais, President

As president, Greg Blais is responsible for coordinating and monitoring all aspects of the university development team. Mr. Blais is involved in all phases of project development including underwriting analysis and project financing to ensure timely and on budget success. Additionally, Mr. Blais routinely interacts with a variety of industry professionals including local, state and university officials. His efforts to promote positive working relationships between all parties involved through every phase of project design and construction brings together partnerships that enhance the final product.

Mr. Blais serves as project executive on all university related projects overseeing the continued interaction with college and university administrators during all phases of development. Mr. Blais continually focuses on innovative development solutions that can further enhance the various campuses with whom AUDG partners. Mr. Blais is a graduate of Mississippi State University and has over 16 years of experience in student housing development which entails over 30,000 beds developed.
Greg Hunter, Chief Financial Officer

As chief financial officer, Greg Hunter is responsible for the accounting, finance, asset management and information technology for the Developer. In this position, Mr. Hunter works closely with his colleagues to develop business strategies that support the overall mission, goals and objectives of the company, while providing overall financial leadership and direction. He is responsible for ensuring that proper financial controls are in place to maximize opportunities while minimizing risk to the company. Mr. Hunter oversees the Developer’s investment portfolio and other investment opportunities.

Mr. Hunter works with the Developer’s other senior leaders to determine the best financing structure based on the projects analytics. He is responsible for coordinating the closing of the financing for each project. During each project’s construction, Hunter monitors the cost and oversees funding to ensure the projects are within budget. Mr. Hunter is a graduate of Valdosta State University, a Certified Public Accountant and has over 15 years of experience in real estate development and finance which entails over $1.5 billion in projects.

Paul Morgan, Vice President, Project Management

As vice president of project management, Paul Morgan is responsible for the development of facilities for university client’s building programs. Mr. Morgan is involved in all aspects of the process from pre-development to the successful delivery of the product.

Mr. Morgan demonstrates expertise in team building, and maintaining working relationships with clients, consultants, contractors, and facility operators. He takes pride in resolving project issues fairly and expeditiously. He has extensive experience in negotiating contracts, fees, site assessment, budget development, cost control, design management, and construction administration. He has successfully managed over 10,000 beds of student housing with a combined total budget of $600 Million and holds a bachelor’s degree in architecture from Texas Tech University.

Jeremy Doss, Vice President, Development

As vice president, Jeremy Doss is responsible for creating development opportunities for the team by introducing the Developer’s services to Higher Education clients as well as working closely with these collegiate partners throughout the development process for on-campus housing, dining, retail, structured parking and other revenue generating campus facilities. His key functions include creating and cultivating close relationships with clients, spearheading RFP production, overseeing programmatic and conceptual design generation, proforma and cost analysis, rental rate verification, managing consultants and other team members as well as monitoring the overall schedule and progress of each project.

A seasoned development executive, Mr. Doss has fourteen years of experience in the campus development industry and direct involvement with more than 15,000 beds of housing, over 200,000 sf of campus retail and 86,000 sf of dining hall space, which total in excess of $700 million. Mr. Doss holds a bachelor’s degree in real estate from the University of Georgia.

The Development Agreement

The Borrower, the University and the Developer will enter into a Project Development Agreement dated as of March 1, 2015 (the “Development Agreement”) that will set forth certain terms and conditions relating to the development, design, construction and renovation of the Housing Facilities.
The Development Agreement requires that the total development cost will not exceed, subject to the terms of the Development Agreement, $43,185,519, and that the Developer develop the Housing Facilities in accordance with the requirements of the Development Agreement, and that the Developer will achieve Substantial Completion of the Housing Facilities to the Borrower on or before June 30, 2016, with respect to the New Student Housing, and September 1, 2015, with respect to the Renovated Student Housing (collectively, the “Outside Completion Dates”), as such dates may be extended from time-to-time as provided in the Development Agreement.

If the Housing Facilities are not substantially complete on or before the applicable Outside Completion Date, as may be extended as provided in the Development Agreement, the University (on behalf of the Borrower) will provide alternate housing on-campus or in area hotels for a period of time. To offset the costs of such relocation and any costs incurred as University Temporary Housing Expenses, the Developer shall be responsible for the payment to the University of liquidated damages at the Facilities Sites beginning on the Outside Completion Date and continuing throughout the Liquidated Damages Period, as described in Section 17.2 of the Development Agreement.

THE GENERAL CONTRACTOR AND THE CONSTRUCTION CONTRACT

The Developer and Terminal Construction Corporation (the “General Contractor”) will enter into a construction contract (the “Construction Contract”) dated as of March 10, 2015 pursuant to which the General Contractor has agreed to construct the Housing Facilities. The Construction Contract will have a lump sum price of $33,100,000. The General Contractor is one of the top 400 full service construction companies in the United States. Headquartered in Wood-Ridge, New Jersey, they have been in business for 68 years and have successfully completed projects totaling over $1.2 billion in the past 10 years. The General Contractor has worked with all levels of governmental agencies including federal, state, county and municipalities, as well as numerous Fortune 500 companies, and is the largest builder of university housing in New Jersey, having delivered more than 3,850 resident units valued at more than $275 million, including the first privatized on-campus student housing project in New Jersey for Montclair State University. The General Contractor’s university projects include the following:

<table>
<thead>
<tr>
<th>Project</th>
<th>University</th>
<th>Value</th>
<th>Completed</th>
</tr>
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<tr>
<td>The Heights, Student Residence Facility, and 25,000 square foot Dining Facility</td>
<td>Montclair State University, Montclair, NJ</td>
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<td>New Residence Hall Project #06-MP1</td>
<td>Kean University, Union, NJ</td>
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<td>Elizabeth Campus Expansion Building</td>
<td>Union County College, Elizabeth, NJ</td>
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<td>Gilligan Student Union Bldg Renovation</td>
<td>New Jersey City University, Jersey City, NJ</td>
<td>$14,000,000</td>
<td>2007</td>
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<td>College Art &amp; Science Building</td>
<td>New Jersey City University, Jersey City, NJ</td>
<td>$25,000,000</td>
<td>2006</td>
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<tr>
<td>University Hall, New Academic Building</td>
<td>Montclair State University, Montclair, NJ</td>
<td>$51,900,000</td>
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<td>MSU Child Center</td>
<td>Montclair State University, Montclair, NJ</td>
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</tr>
<tr>
<td>Project</td>
<td>University</td>
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</tr>
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<td>Alexander Kasser Theatre</td>
<td>Montclair State University, Montclair, NJ</td>
<td>$27,000,000</td>
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<td>Lawrence T. Babio Center for Technology Management</td>
<td>Stevens Institute of Technology, Hoboken, NJ</td>
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<td>Castle Point Parking Facility</td>
<td>Stevens Institute of Technology, Hoboken, NJ</td>
<td>$9,500,000</td>
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<td>The Village, Student Residence Facility</td>
<td>Montclair State University, Montclair, NJ</td>
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<td>Henry M. Rowan Hall, School of Engineering</td>
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<tr>
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<td>Richard Stockton College, Pomona, NJ</td>
<td>$48,500,000</td>
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THE MANAGEMENT AGREEMENT AND THE MANAGEMENT COMPANY

The following is a summary of certain provisions of the Management Agreement. For a summary of the Management Agreement, see “SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT AND THE MANAGEMENT AGREEMENT” in APPENDIX B hereto. Capitalized terms used under this heading not otherwise defined herein have the meanings ascribed to them in the Management Agreement or as otherwise referenced.

The Project Management Agreement dated as of March 1, 2015 (the “Management Agreement”), is by and among the Borrower, the University and AUDG Management, LLC (the “Management Company”), a Georgia limited liability company qualified to do business in the State of New Jersey. The initial term of the Management Agreement shall be approximately fifteen years, commencing at the start of the Operating Period (as defined in the Management Agreement) and ending on the sooner to occur of (i) June 30, 2030, and (ii) such other date upon which the Management Agreement is terminated in accordance with its terms; provided, further however, that the Borrower and the University have the right to extend the term of the Management Agreement annually upon not less than ninety (90) days’ notice.

The Management Agreement provides that the Management Company will be compensated for its services an annual fee in installments as follows:

(i) from June 1, 2015 until Substantial Completion of the New Student Housing the Management Fee shall be in the amount of $55,000 per annum, pro rated as applicable;

(ii) from Substantial Completion of the New Student Housing until the first anniversary thereof the Management Fee shall be in the amount of $216,000 per annum; and.
(iii) commencing on the first anniversary of the Substantial Completion of the New Student Housing and on each subsequent anniversary thereof, the amount of the annual Management Fee shall adjusted to reflect the Applicable CPI Adjustment (as defined in the Management Agreement).

Fifty percent (50%) of the Management Fee shall be paid in equal monthly installments, in arrears, out of the Operating Account as an Operating Expense, commencing on July 1, 2015. The remaining fifty percent (50%) of the Management Fee shall be paid on a subordinated basis at the end of each Annual Period, to the extent of funds available for such purpose as provided in the Management Agreement. Upon termination or expiration of the Management Agreement any unpaid subordinated amounts will become due and payable.

In the event that at the end of any Annual Period the funds available for payment of Subordinated University Operating Expenses (including, to the extent available, amounts held in any reserve funds under the Indenture) are insufficient for the timely payment to the University notwithstanding the subordination of the Management Fees as provided in Section 9.2 of the Management Agreement, then payment to the University, as Subordinated University Operating Expenses, shall be deferred to the extent necessary and shall be payable out of Surplus Cash Flow (as defined in the Indenture) in accordance with the Indenture. See “TRUST INDENTURE –Flow of Funds” herein.

The Management Company shall manage, operate, and maintain the Housing Facilities, with the advice and consultation of a Project Operations Committee established by the Borrower and the University pursuant to the Ground Lease Agreement, which shall be composed of members appointed by the Borrower, the University and the Management Company. The Manager shall exercise commercially reasonable prudence and diligence in performing its obligations under the Management Agreement.

The Management Company will engage in overall marketing and advertising of the Housing Facilities in a manner that is consistent with the marketing of student housing at other urban colleges and universities of comparable size. The University will have full responsibility for licensing the Housing Facilities residential units, as agent for and on behalf of the Borrower. University students will execute student housing licenses for the Housing Facilities on the then current form of residence license agreements in use by the University (the “Student Housing Agreements”). Promptly after the University has issued a room assignment following execution of any Student Housing Agreements (or, to the extent a Housing Facility is not Substantially Complete on or before the Outside Completion Date, the other housing to which such students are temporarily assigned as provided under the Ground Lease Agreement for Displaced Students (as such term is defined in the Development Agreement)), the University shall send a list of those students who have entered into Student Housing Agreements to the Borrower and the Management Company, together with their room assignments. Except for the application fees received and retained by the University as set forth in Section 3.1 of the Management Agreement, all Revenues collected by the University as agent on behalf of the Borrower shall be deposited with the Trustee pursuant to the Bond Documents.

The Management Company

The Management Company is a Georgia limited liability company formed on July 20, 2014 for the express purpose of managing both off-campus and on-campus student housing and multi-family communities. As of the present date, the Management Company has responsibility for the management of approximately 1,600 beds of housing in close proximity to three (3) separate collegiate campuses (excluding the Housing Facilities). The Management Company’s corporate headquarters is located in Valdosta, Georgia and on-site property managers at each student housing development location.
Key Personnel

Below is a brief description of the education and professional background of the employees of the Management Company having primary responsibility for the management of the Housing Facilities:

*Ryan Holmes, Chief Executive Officer*

An entrepreneur and business owner for over 20 years, Ryan Holmes serves as chief executive officer of the Management Company. In this role, Mr. Holmes is responsible for spearheading the company’s growth nationwide and providing strategic, executive and developmental oversight. His experience includes leading the development of projects representing a value of over $2.5 billion.

Initially, Mr. Holmes began his tenure with the organization in the student housing arena where he was instrumental in identifying and implementing a new financing structure allowing for utilization of a not-for-profit financial structure. Under his leadership, AUDG has grown and diversified its product and service offering. Mr. Holmes offers valuable oversight where needed with respect to project specific financing and project management. Mr. Holmes has led the management of over 25,000 beds in his career.

*Frances Dunn, Vice President*

As Vice President of the Management Company, Frances Dunn’s primary focus is on the people of our company and ensuring each site has the highest caliber of talent from the community Management Company to resident services Management Company to the maintenance personnel. Ms. Dunn manages the day-to-day operations in the fields, while also playing an active role in corporate decision-making and collaboration. With over 11 years of management experience, Ms. Dunn is an essential asset of the AUDG team in maximizing the asset value for our partners.

Ms. Dunn is responsible for the recruiting, hiring and training of field personnel. She monitors the financial performance of the AUDG portfolio, including property specific expenses and revenue and provides detailed reports to ownership. Using her unique experience in student housing leasing and management, she provides leasing and marketing guidance to the on-site teams. Ms. Dunn holds a bachelor’s degree in communications from North Carolina State University.

*Jenny Templeton, Director of Marketing*

As Director of Marketing, Jenny Templeton is responsible for the strategic marketing direction and expression of AUDG while maintaining the company’s brand and culture throughout all operational and development aspects. With over eight years of student housing marketing experience, Ms. Templeton coordinates all marketing and public relations efforts including the sales and marketing programs targeted toward the university market sector.

She oversees the overall branding of off-campus developments and the production and messaging of property level marketing collateral to assist lease-up and resident relations. Ms. Templeton collaborates with the development team during the design of new projects to ensure the physical space needs of the management company are met and that the building program fits the target market and the AUDG brand. She holds a bachelor’s degree in Ag Communications from the University of Georgia.
NEW JERSEY CITY UNIVERSITY

Introduction

New Jersey City University (the “University”) opened its doors as the New Jersey Normal School of Jersey City on September 12, 1929, with 331 students and one building on campus, Hepburn Hall. Eighty years later, more than 8,000 degree-seeking students enjoy the fifty-two acre campus, which now features twenty seven buildings. The University is a public university located in Jersey City, New Jersey. The mission of the University is to provide a diverse population with an excellent university education. The University is committed to the improvement of the educational, intellectual, cultural, socioeconomic, and physical environment of the surrounding urban region and beyond. Through implementation of its mission, the University has realized its vision of becoming a nationally recognized leader in urban public higher education.

As a member of the New Jersey Association of State Colleges and Universities, the University has fully-accredited colleges of arts and sciences, education, and professional studies which offer over 41 undergraduate degree programs, 27 masters programs, and 2 doctoral programs, including emerging and interdisciplinary fields. A student-teacher ratio of 12:1 and average class size of 24 translate to exceptional attention from a dedicated, innovative, and involved faculty.

The University is one of the most diverse college campuses in America, which helps students prepare for success by engaging in rigorous applied-learning experiences that include laboratory experiments, performances, exhibitions, and cooperative education internships. The University provides a variety of technology-rich resources and services in support of teaching and learning. A collection of online library databases, technology-enabled facilities, and wireless hot spots distributed throughout the campus enhance the teaching and learning experience. Courses offered in a variety of formats including online, blended and web-enhanced, provide students greater flexibility in course scheduling.

Outstanding faculty is integral to creating the University academic experience with 89% of the instructors being recognized experts who carry the highest academic credentials in their field. Many are involved in the community and all are dedicated to excellence in teaching and innovation in scholarship. The University’s students identified the faculty as the University’s greatest asset in a 2009 survey by an independent research firm.

Governing Body

The governing body of the University is a Board of Trustees consisting of persons appointed by the Governor with the advice and consent of the State Senate (the “Public Members”), two students, one voting and one non-voting, and the President of the University, who serves ex-officio, without vote.

Public Members of the Board of Trustees are appointed to six year terms. They may continue to serve as members of the Board after the expiration of their respective terms until their successors are appointed and qualified. The student members of the Board are appointed to two year terms.

Pursuant to N.J.S.A. 18A:3B-6, N.J.S.A. 18A:64-6, and N.J.S.A. 18A:64-7, the Board of Trustees has authority over all matters concerning the supervision and operations of the University including but not limited to such matters as fiscal affairs and capital improvements. It is vested with the conduct of the University and is empowered, for example, to determine University policies; set tuition; disburse the funds of the University; invest and reinvest University funds; own, lease, dispose of and operate property.
whether real, personal or mixed or any interest therein; establish fees for room and board; manage and maintain, and provide for the payment of charges and expenses in respect to all properties utilized by the University; and accept from any governmental or private sources appropriations, gifts, grants, contributions of money or property. In addition to its other powers and duties, the Board of Trustees has such powers that are incident to the proper governance, conduct, and management of the University and the control of its properties and funds.

Enrollment

Fall 2014 enrollment totaled 8,184 students, of which 6,271 were full-time and part-time undergraduates. Full-time enrolled undergraduates have decreased approximately 5% since the 2010-11 academic year. University undergraduates are primarily from New Jersey with 99% of the 2014-15 student body residing in the State. Total enrollment for the 2014-15 academic year decreased approximately 4% since 2010-11. The following table presents annual undergraduate and graduate full-time and part-time student enrollment from academic year 2010-2011 to 2014-15.

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Undergraduate</th>
<th>Graduate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>6,588</td>
<td>1,929</td>
<td>8,517</td>
</tr>
<tr>
<td>2011-12</td>
<td>6,639</td>
<td>1,689</td>
<td>8,328</td>
</tr>
<tr>
<td>2012-13</td>
<td>6,587</td>
<td>1,906</td>
<td>8,493</td>
</tr>
<tr>
<td>2013-14</td>
<td>6,438</td>
<td>2,005</td>
<td>8,443</td>
</tr>
<tr>
<td>2014-15</td>
<td>6,271</td>
<td>1,913</td>
<td>8,184</td>
</tr>
</tbody>
</table>

Source: New Jersey City University, Institutional Research, 2013 University Registrar Actual FTE Report (10/16/2014)

Admissions for Full-Time Freshmen

Applicants for full-time freshmen to the University have decreased nearly 11.9% in the five prior years, although acceptances have increased from 43.3% to 51.3%. Actual full-time freshmen enrollment has averaged 728 as yield declined from 39.7% in 2010 to 34.5% in 2014. The University believes that freshmen enrollment has been impacted in part by the lack of available on-campus housing, which the Housing Facilities are intended to address.

<table>
<thead>
<tr>
<th>Fall Term</th>
<th>Applicants</th>
<th>Accepts</th>
<th>Accepts (%)</th>
<th>Enrollments</th>
<th>Enrolled (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4,439</td>
<td>1,921</td>
<td>43.3%</td>
<td>762</td>
<td>39.7%</td>
</tr>
<tr>
<td>2011</td>
<td>4,290</td>
<td>1,951</td>
<td>45.5%</td>
<td>739</td>
<td>37.9%</td>
</tr>
<tr>
<td>2012</td>
<td>4,971</td>
<td>2,171</td>
<td>43.7%</td>
<td>797</td>
<td>36.7%</td>
</tr>
<tr>
<td>2013</td>
<td>4,183</td>
<td>1,727</td>
<td>41.3%</td>
<td>649</td>
<td>37.5%</td>
</tr>
<tr>
<td>2014</td>
<td>3,911</td>
<td>2,005</td>
<td>51.3%</td>
<td>691</td>
<td>34.5%</td>
</tr>
</tbody>
</table>

Degrees Conferred

The University's undergraduate degree programs are comprehensive and include a spectrum of majors, minors, and college degrees in Liberal arts, Business, Health professions, and Criminal justice/professional security in three colleges: William J. Maxwell College of Arts and Sciences, Deborah Cannon Partridge Wolfe College of Education, and the College of Professional Studies. Certifications are offered in various fields of education. The Graduate Studies program offers 26
Masters Degree programs in Art, Art Education, Educational Technology, Educational Psychology, Early Childhood Education, Reading Specialist, Educational Counseling, Health Sciences, Criminal Justice, Professional Security Studies, Music, Music Education, Special Education, Nursing and Accounting. The University also offers a Professional Diploma in School Psychology.

Student Life

Open to all students, the University offers over 25 student organizations and student clubs which provide opportunities to develop leadership, social, and recreational skills outside the formal academic setting. Additionally, there are 9 officially recognized fraternities and sororities that play a positive role in the total educational process of the University and provide opportunities for individual growth in terms of leadership and responsibility. There are also 13 honor societies that have a presence on campus as well which recognize outstanding academic achievement.

The University is a member of Division III of the NCAA and offers 6 varsity level men’s sports and 6 varsity level women’s sports. The University also offers 7 team and 3 individual intramural sports to its students.

Tuition, Fees and Charges

The University’s tuition for recent academic years per full-time student can be found in the chart below. The University’s tuition for the 2014-15 academic year for undergraduate students (tuition and fees only) is approximately $10,853 per year for New Jersey residents and $19,425 per year for non-residents. Graduate student tuition is approximately $15,372 per year for residents and $25,207 per year for non-residents, assuming 24 credit hours per academic year. Online graduate courses are also offered at $640.50 per credit (2014-15 rate) to both residents and non-residents of the State of New Jersey.

[Remainder of page intentionally left blank.]
### Undergraduate Tuition and Fees

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Undergraduate In-State Resident</th>
<th></th>
<th>Undergraduate Non-Resident</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Tuition</td>
<td>Mandatory Fees</td>
<td>Total</td>
<td>Annual Tuition</td>
</tr>
<tr>
<td>2010-11</td>
<td>$6,804</td>
<td>$2,544</td>
<td>$9,348</td>
<td>$14,373</td>
</tr>
<tr>
<td>2011-12</td>
<td>$7,076</td>
<td>$2,945</td>
<td>$10,021</td>
<td>$14,948</td>
</tr>
<tr>
<td>2012-13</td>
<td>$7,359</td>
<td>$3,063</td>
<td>$10,422</td>
<td>$15,546</td>
</tr>
<tr>
<td>2013-14</td>
<td>$7,561</td>
<td>$3,092</td>
<td>$10,653</td>
<td>$15,973</td>
</tr>
</tbody>
</table>

### Graduate Tuition and Fees

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Graduate In-State Resident</th>
<th></th>
<th>Graduate Non-Resident</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Tuition</td>
<td>Mandatory Fees</td>
<td>Total</td>
<td>Annual Tuition</td>
</tr>
<tr>
<td>2010-11</td>
<td>$11,400</td>
<td>$1,982</td>
<td>$13,382</td>
<td>$21,030</td>
</tr>
<tr>
<td>2011-12</td>
<td>$11,856</td>
<td>$2,302</td>
<td>$14,158</td>
<td>$21,871</td>
</tr>
<tr>
<td>2012-13</td>
<td>$12,330</td>
<td>$2,394</td>
<td>$14,724</td>
<td>$22,746</td>
</tr>
<tr>
<td>2013-14</td>
<td>$12,672</td>
<td>$2,417</td>
<td>$15,089</td>
<td>$22,752</td>
</tr>
</tbody>
</table>

Sources: New Jersey City University Tuition & Fees (http://www.njcu.edu/Tuition_and_Fees.aspx) and New Jersey Office of the Secretary of Higher Education (http://www.state.nj.us/highereducation/statistics/index.shtml#ENR)

(1) Calculated based on 32 credit hours.
(2) Calculated based on 24 credit hours.

### New Jersey City University Housing

The University has a two residence halls for on-campus living and one off-site apartment complex that together house approximately 260 students. Once all housing facilities are filled to capacity all other students are placed on a wait-list until a room becomes available. Co-Op Hall and Vodra Hall are provided for students wishing to reside on-campus and 2040 Apartments located on Kennedy Boulevard is offered for students as an off-site apartment style alternative to the residence hall layout. Co-Op Hall and Vodra Hall will be renovated with proceeds from the Series 2015 Bonds and will be part of the Housing Facilities described herein. Upon completion of the Housing Facilities, the 2040 Apartments are expected to close and, if closed, will no longer be part of the housing stock at the University. Those students that reside on-campus are required to have a meal plan. Limited housing is available for graduate students.
Co-Op Hall is a traditional co-ed residence hall for approximately 100 first-year residents, which includes freshmen, first-year transfers and first-year residents. A four story facility with male and female wings and double room occupancy, there are community bathrooms in each area. The bathrooms contain sinks, shower stalls and toilets. Co-Op Hall has free laundry facilities on each wing, and lounges located on each floor equipped with a microwave, oven and refrigerator. The most modern of the three residence buildings, Co-Op Hall has central A/C, free Wi-Fi and cable, safety windows on lower levels, 24 hour security monitoring, and an elevator. Co-Op Hall will be renovated with proceeds from the Series 2015 Bonds and will be part of the Housing Facilities described herein.

Vodra Hall is an upperclassmen dormitory located in the center of campus. This residence hall accommodates 102 students and also shares building space with several administrative offices. Residents enjoy suite-type facilities with a shared bath between rooms. There is a laundry room/kitchen area on each floor, computer lab on the Academic Floor (5th) and three study/social lounges. Cable and Wi-Fi is free throughout the building. Single and double room occupancy is available, in addition to accommodations for special needs students. On the first floor are the offices of ResLife, Medical Services, Academic Advising/Co-Op Education, a security station, dining facility, computer lab and meeting room/social lounge. The building has two elevators for residents' use. Vodra Hall is equipped with smoke detectors and sprinkler systems in rooms and common areas. Vodra Hall will be renovated with proceeds from the Series 2015 Bonds and will be part of the Housing Facilities described herein.

The 2040 Apartments, located at 2040 Kennedy Boulevard, are directly across from the main campus on Kennedy Boulevard. A four-story walk-up, this facility has two and three bedroom suites with a common area and bathroom in each unit (Kitchen not available—microwaves only). The residents of this facility are junior, senior and graduate level students, or at least 21 years of age. Continuing residents have first choice in this building. The building has 24-hour security monitoring, safety windows on the first floor levels, a laundry room, and social lounge on the first floor with microwave, and free cable/Wi-Fi. A parking lot is adjacent to the building. Residents of 2040 are at the upper level of their academic pursuit and prefer to live in 2040 because it boasts a small community with private bedrooms and structured theme housing. Upon completion of the Housing

\* Off-campus housing.

<table>
<thead>
<tr>
<th>Residence Hall</th>
<th>Design Capacity</th>
<th>Style</th>
<th>Year Built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-Op Hall</td>
<td>100</td>
<td>Traditional</td>
<td>1989</td>
</tr>
<tr>
<td>Vodra Hall</td>
<td>102</td>
<td>Suites</td>
<td>1963</td>
</tr>
<tr>
<td>2040 Apartments*</td>
<td>57</td>
<td>Apartments</td>
<td>1940</td>
</tr>
<tr>
<td><strong>Total Beds</strong></td>
<td><strong>259</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Facilities, the 2040 Apartments are expected to close and, if closed, will no longer be part of the housing stock at the University.

2014 - 2015 Room Rates

Students who reside in University-operated housing typically pay room and board costs per semester. As shown in the table below, the cost per semester for the 2014-15 academic year is $5,302 per semester regardless of hall/apartment selection. All students living in residence halls are required to have a meal plan, the price of which is included in the aforementioned rate.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Rate per Semester</th>
<th>Fall 2014 Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Dormitories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-Op Hall</td>
<td>$5,302</td>
<td>99%</td>
</tr>
<tr>
<td>Vodra Hall</td>
<td>$5,302</td>
<td>100%</td>
</tr>
<tr>
<td>Apartment Style Housing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Off-Campus)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2040 Apartments(^{(2)})</td>
<td>$5,302</td>
<td>100%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Includes meal plan of $1,894 per semester.

\(^{(2)}\) Upon completion of the Housing Facilities, the 2040 Apartments are expected to close and if closed will no longer be part of the housing stock at the University.

CASH FLOW FORECAST

The Cash Flow Forecast (the “Cash Flow Forecast”) set forth below relating to the Housing Facilities’ ability to generate revenues from the operations sufficient to pay principal and interest on the Series 2015 Bonds for each of the years ending June 30, 2016 through June 30, 2020 has been prepared by the Developer based on operating budgets formulated by the Management Company. The Authority makes no representations with respect to the Cash Flow Forecast.

The Cash Flow Forecast, presented below, reflects the issuance of the Series 2015 Bonds. The Debt Service Reserve Fund is assumed to be gross funded and is assumed to bear interest at 0.50%. The Project Fund and the Capitalized Interest Fund will be gross funded and no interest earnings are assumed.

The 2016 through 2020 operating projections are based on the operating budgets prepared by the Management Company in consultation with the University and are based on certain assumptions relating to the Housing Facilities as summarized herein. Revenues for the Fiscal Year 2017 associated with the operation of 627 beds of housing (611 student revenue beds and 16 resident advisor beds) are based on the rental rates outlined in the table below, assuming a 95% occupancy rate during the academic term. No summer term income from students has been included in the cash flow although the Housing Facilities are expected to be utilized in the summer months for summer conferences and programs. The Fiscal Year 2018 through 2020 operating projections assume a 3% annual growth rate of the 2017 budgeted semester rental rates per bed.
New Student Housing

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number of Units</th>
<th>Number of Beds</th>
<th>2016/17 Semester Rates Per Bed&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Bed / 1 Bath (Double Occ.)</td>
<td>80</td>
<td>320</td>
<td>$4,600</td>
</tr>
<tr>
<td>4 Bed / 2 Bath (Single Occ.)</td>
<td>24</td>
<td>96</td>
<td>$5,150</td>
</tr>
<tr>
<td>RA Suite</td>
<td>7</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Resident Coordinator Apartment</td>
<td>2</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>113</strong></td>
<td><strong>425</strong></td>
<td></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Does not include the University required meal plan.

Renovated Student Housing

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number of Units</th>
<th>Number of Beds</th>
<th>2015/16 Semester Rates Per Bed&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-Op Hall</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bed</td>
<td>1</td>
<td>98</td>
<td>$3,750</td>
</tr>
<tr>
<td>Vodra Hall</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bed /1 Bath (Double Occ.) and 4 Bed /2 Bath (Single Occ.)</td>
<td>1</td>
<td>97</td>
<td>$3,750</td>
</tr>
<tr>
<td>RA Suite</td>
<td>-</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2</strong></td>
<td><strong>202</strong></td>
<td></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Does not include the University required meal plan.

Revenues of the Housing Facilities do not include any revenues related to the 3,150 square foot dining facility located in Vodra Hall being constructed and equipped as part of the Housing Facilities and which will be leased by the Borrower to the University.

Operating expenses for the Housing Facilities are based on a budget prepared by the Management Company and include annual deposits as required by the Indenture. Operating expenses, including deposits to the Replacement Fund, have been projected to grow annually at a rate of 3%.

If the Housing Facilities are not delivered by the Guaranteed Date (June 30, 2016, with respect to the New Student Housing, and August 1, 2015, with respect to the Renovated Student Housing) and the University is required to house (either on-campus or off-campus) those students who have executed Student Housing Agreements, the Developer must pay liquidated damages as set forth in Section 17.2 of the Development Agreement. The rents paid by such Displaced Students (as defined in the Development Agreement) will be treated as Revenues and deposited with the Trustee. See “APPENDIX B – SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE
GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT AND THE MANAGEMENT AGREEMENT” herein.

The achievement of any financial forecast is dependent upon future events, the occurrence of which cannot be assured. Therefore, the actual results achieved may vary from the Cash Flow Forecast. Such variation could be material. See “BONDHOLDERS’ RISKS – Actual Results May Differ from Cash Flow Forecast and – Forward Looking Statements.”

[Remainder of page intentionally left blank.]
### CASH FLOW FORECAST

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30,</th>
<th>2016¹</th>
<th>2017¹</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Term Revenue</td>
<td>$1,462,500</td>
<td>$5,439,175</td>
<td>$5,602,350</td>
<td>$5,770,421</td>
<td>$5,943,533</td>
</tr>
<tr>
<td>LESS: Academic Term Vacancies</td>
<td>73,125</td>
<td>271,959</td>
<td>280,118</td>
<td>288,521</td>
<td>297,177</td>
</tr>
<tr>
<td>Conference/Other Income</td>
<td>0</td>
<td>200,000</td>
<td>206,000</td>
<td>212,180</td>
<td>218,545</td>
</tr>
<tr>
<td>LESS: Vacancies</td>
<td>0</td>
<td>10,000</td>
<td>10,300</td>
<td>10,609</td>
<td>10,927</td>
</tr>
<tr>
<td>Net Revenues</td>
<td>1,389,375</td>
<td>5,357,216</td>
<td>5,517,933</td>
<td>5,683,471</td>
<td>5,853,975</td>
</tr>
<tr>
<td>Investment Earnings on Debt Service Reserve Fund²</td>
<td>0</td>
<td>6,783</td>
<td>16,279</td>
<td>16,279</td>
<td>16,279</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$1,389,375</td>
<td>$5,363,999</td>
<td>$5,534,212</td>
<td>$5,699,750</td>
<td>$5,870,254</td>
</tr>
<tr>
<td>Payroll</td>
<td>$330,764</td>
<td>$340,994</td>
<td>$351,224</td>
<td>$361,761</td>
<td>$372,613</td>
</tr>
<tr>
<td>Contract Services</td>
<td>16,421</td>
<td>49,749</td>
<td>51,241</td>
<td>52,779</td>
<td>54,362</td>
</tr>
<tr>
<td>Turnover Expense</td>
<td>32,234</td>
<td>66,462</td>
<td>68,456</td>
<td>70,510</td>
<td>72,625</td>
</tr>
<tr>
<td>Marketing and Leasing</td>
<td>24,328</td>
<td>50,160</td>
<td>51,665</td>
<td>53,215</td>
<td>54,811</td>
</tr>
<tr>
<td>Administrative</td>
<td>17,029</td>
<td>35,112</td>
<td>36,165</td>
<td>37,520</td>
<td>38,368</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>6,082</td>
<td>6,270</td>
<td>6,458</td>
<td>6,652</td>
<td>6,851</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>20,070</td>
<td>62,700</td>
<td>64,781</td>
<td>66,518</td>
<td>68,514</td>
</tr>
<tr>
<td>Common Area Utilities</td>
<td>63,860</td>
<td>109,725</td>
<td>113,017</td>
<td>116,407</td>
<td>119,899</td>
</tr>
<tr>
<td>Unit Utilities</td>
<td>217,160</td>
<td>678,414</td>
<td>698,766</td>
<td>719,729</td>
<td>741,321</td>
</tr>
<tr>
<td>Management Fees</td>
<td>27,500</td>
<td>108,000</td>
<td>111,240</td>
<td>114,577</td>
<td>118,015</td>
</tr>
<tr>
<td>Residence Life Programs</td>
<td>80,402</td>
<td>82,889</td>
<td>85,376</td>
<td>87,937</td>
<td>90,575</td>
</tr>
<tr>
<td>Audit / Rating Agency / Trustee Fees</td>
<td>20,000</td>
<td>20,600</td>
<td>21,218</td>
<td>21,855</td>
<td>22,510</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$885,044</td>
<td>$1,661,235</td>
<td>$1,711,072</td>
<td>$1,762,404</td>
<td>$1,815,276</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$504,331</td>
<td>$3,702,764</td>
<td>$3,823,140</td>
<td>$3,937,346</td>
<td>$4,054,978</td>
</tr>
</tbody>
</table>

¹ Debt service is net of capitalized interest.
² Debt Service Reserve Fund interest earnings assumed at 0.50%.

### MARKET STUDY

A Market Study comprised of an initial report as well as an update related thereto relating to the Housing System (collectively, the “Market Study”) and an analysis of the housing market near the campus.
of the University has been prepared by Anderson Strickler LLC (the “Market Consultant”). The Market Study is attached hereto as APPENDIX A and should be read in its entirety. The Market Study includes forecasts as to the housing development trends in and around the area where the Housing Facilities will be. The achievement of any forecast is dependent upon future events, the occurrence of which cannot be assured. See “BONDHOLDERS’ RISKS-Actual Results May Differ from Market Study and Cash Flow Forecast” herein. The Trustee and the Authority make no representation as to any aspect of the Market Study or the ability of the Borrower to make payments such that the Authority would be able to pay amounts sufficient to satisfy the principal, premium, if any, and interest due on the Series 2015 Bonds.

BONDHOLDERS’ RISKS

Introduction

AN INVESTMENT IN THE SERIES 2015 BONDS INVOLVES A DEGREE OF RISK BECAUSE OF THE VARIOUS RISKS DESCRIBED IN THIS OFFICIAL STATEMENT. No person should purchase any of the Series 2015 Bonds without carefully reviewing the following information, which summarizes some, but not necessarily all, of the factors that should be carefully considered prior to such a purchase. Furthermore, the tax-exempt feature of the Series 2015 Bonds is relatively more valuable to high tax bracket investors than to investors who are in the lower tax brackets, and so the value of the interest compensation to any particular investor will vary with his or her marginal tax rate. Each prospective investor should determine his or her present and anticipated marginal tax rate before investing in the Series 2015 Bonds. Each prospective investor should also carefully examine this Official Statement and his or her own financial condition (including the diversification of his or her investment portfolio) in order to make a judgment as to whether the Series 2015 Bonds are an appropriate investment.

Identified and summarized below are a number of “Bondholders’ Risks” that could adversely affect the operation of the Housing Facilities and/or the Series 2015 Bonds and that should be considered by prospective investors. The following discussion is not intended to be exhaustive, but includes certain major factors that should be considered along with other factors set forth elsewhere in this Official Statement, including the Appendices hereto.

Revenues from Operation of the Housing Facilities

If sufficient Revenues are not generated by the Housing Facilities to allow the Authority to pay principal of and interest on the Series 2015 Bonds, an Event of Default will occur under the Indenture. Upon an Event of Default, the Series 2015 Bonds may not be paid or may be paid before maturity or applicable redemption dates and a forfeiture of redemption premiums, if any, may result. The Housing Facilities’ ability to generate revenues and the overall financial condition of the Housing Facilities may be adversely affected by a wide variety of future events and conditions, including but not limited to, (i) a decline in the enrollment of the University, (ii) increased competition from other schools, or off-campus housing options, (iii) loss of accreditation, (iv) failure to meet applicable federal guidelines or some other event that results in students being ineligible for federal financial aid, and (v) cost overruns in connection with the Housing Facilities or other capital improvements.

Limited Obligations of the Authority

The Series 2015 Bonds constitute limited obligations of the Authority. The sources of payment are solely derived from the Trust Estate, which in turn is primarily comprised of: (i) the
Borrower’s payments under the Agreement and the Series 2015 Note from Revenues, (ii) moneys on deposit in the funds and accounts established under the Indenture and investment earnings thereon, but excluding moneys on deposit in the Rebate Fund, and (iii) proceeds, if any, received upon the foreclosure of the Leasehold Mortgage.

The Authority is obligated to make payments on the Series 2015 Bonds only from the Trust Estate, which includes the Borrower’s payments from Revenues. Revenues are derived from the ownership and operation of the Housing Facilities. Furthermore, the Borrower’s ability to meet its obligations under the Agreement and the Series 2015 Note and thereby the Authority’s ability to meet its obligations under the Indenture will depend upon achieving and maintaining certain occupancy levels at the Housing Facilities throughout the term of the Series 2015 Bonds. Even if the Housing Facilities are operating in an efficient manner, other factors could affect the Borrower’s ability to meet its obligations under the Agreement and the Series 2015 Note and thereby the Authority’s ability to make payments under the Indenture and the Series 2015 Bonds. No assurance can be made that the Housing Facilities will generate sufficient revenues to pay maturing principal of, premium, if any, and interest on the Series 2015 Bonds and the payment of operating expenses of the Housing Facilities.

Limited Resources of the Borrower

The Borrower has no substantial revenues or assets other than the Housing Facilities and the Series 2015 Bonds are secured only by the operations and assets of the Housing Facilities. Therefore, timely payment of principal of, premium, if any, and interest on the Series 2015 Bonds will be dependent upon the Borrower’s ability to generate revenues from the Housing Facilities sufficient to pay its operating expenses and loan payments under the Agreement. If after payment of operating expenses, net revenues are insufficient to pay the debt service on the Series 2015 Bonds, the Borrower may not have money or assets other than the Housing Facilities from which to make the payments required under the Agreement, and is not obligated to use any such money or assets to make such payments.

As described in Section 10.22 of the Agreement and notwithstanding any provision of the Agreement or applicable law to the contrary, in exercising or enforcing any and all rights and remedies against the Borrower or otherwise in connection with or with respect to the Agreement or any of the matters described in the Agreement, and regardless of any default or Event of Default, the Authority, the Trustee and the Holders of the Series 2015 Bonds shall under all circumstances (a) have recourse only to the Revenues, the Borrower’s interests in the Ground Lease Agreement, the Housing Facilities, the Development Agreement, the Project Documents (as defined in the Ground Lease Agreement), the Bond Documents, the Approvals (as defined in the Ground Lease Agreement), the Management Agreement, the Student Housing Agreements, the rent under the Subleases (as defined in the Ground Lease Agreement) not yet paid to or received by the Borrower, amounts due under the Student Housing Agreements and not yet paid to or received by the Borrower, and any other revenue from any of the foregoing not yet paid to or received by the Borrower, and indemnifications provided to the Borrower by the Developer and the Management Company, and (b) not seek to exercise or enforce any rights or remedies against the Borrower personally or the Borrower’s other assets. The provisions of Section 10.22 of the Agreement will survive any termination of the Agreement.

No Obligations of the University on the Series 2015 Bonds

Although the University has agreed to undertake certain limited obligations in connection with the Housing Facilities under the Ground Lease Agreement, the Development Agreement and the Management Agreement, the University is not obligated to pay the principal or redemption premium, if any, or interest on the Series 2015 Bonds, and the Series 2015 Bonds are not a debt, liability or obligation of the University.
Required Occupancy Levels and Rents

In order for the Borrower to generate sufficient revenues to enable it to make the required payments under the Agreement and the Series 2015 Note and for the Authority to pay the Series 2015 Bonds, the Housing Facilities must meet certain occupancy levels and achieve certain rents. There can be no assurance, however, that the Housing Facilities will be able to meet and maintain such required occupancy and rent levels.

Insurance and Legal Proceedings

The Borrower is required to carry property and general liability insurance in amounts deemed adequate by management and consistent with industry practices and in compliance with the requirements of the Ground Lease Agreement and the Agreement. There can be no assurance that any current or future claims will be covered by or will not exceed applicable insurance coverage. A claim against the Borrower not covered by, or in excess of, the Borrower’s insurance as provided in the Ground Lease Agreement could have a material adverse effect upon the Borrower and the Housing Facilities.

Special Purpose Building

The Housing Facilities are not general purpose buildings and would not be generally suitable for residential rental, industrial or commercial use. If it were necessary to foreclose a judgment lien on the Leasehold Mortgage under “forced sale” conditions, for example like those that might be present in a bankruptcy context, proceeds of the sale of the Housing Facilities might prove insufficient to repay the full amount of debt secured thereby. In addition, the use of the Housing Facilities will remain subject to the terms of the Ground Lease Agreement.

Governmental Regulation

The housing industry is significantly regulated by the federal and local government. Regulations and conditions affecting the acquisition, development and ownership of residential real estate, including environmental regulations, the Americans with Disabilities Act, the Fair Housing Amendments Act of 1988 and general conditions in the multi-family residential real estate market, could reduce the revenues or increase the operating and other expenses of the Housing Facilities, require significant capital investment and expenditures, or otherwise could have a material adverse effect on the financial condition of the Housing Facilities or the results of its operations.

Risks of Construction; Delay

If completion of some or all of the Housing Facilities should be delayed beyond the currently estimated construction period, receipt of revenues projected from the operation of the Housing Facilities may be delayed and the ability of the Borrower to make required payments under the Agreement may be adversely affected. Construction is subject to the usual risks associated with construction projects, including but not limited to cost overruns, delays in issuance of required permits or other necessary approvals or permits, strikes, shortages of materials, adverse weather conditions, subcontractor defaults, delays and unknown contingencies.

The Construction Contract between the General Contractor and the Developer will obligate the General Contractor to complete the Housing Facilities within a specified time where the basis for payment is a lump sum price. The cost of the Housing Facilities may be increased, however, if there are change orders. The Construction Contract requires the General Contractor to furnish performance and payment

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bonds; however, there can be no assurance that the obligations of the surety under such bonds can be enforced without costly and time-consuming litigation.

The Development Agreement among the Developer, the University and the Borrower requires the Developer to provide the Housing Facilities for a guaranteed maximum price. Although the Developer has included contingency funds within the guaranteed maximum price to allow for certain change orders and the Developer is exclusively responsible for cost over-runs beyond the guaranteed maximum price except as otherwise provided therein, there can be no assurance that funds for possible overages are available without costly and time-consuming litigation.

**Environmental Assessments; Liens Under Environmental Statutes**

A Phase I Environmental Site Assessment (the “Phase I”) titled “Phase I Environmental Site Assessment for a Portion of Block 21902, Lot 14, Jersey City, New Jersey” was performed by Langan Engineering and Environmental Services, Inc. (“Langan”) in September 2014 with respect to the New Student Housing Site. The Phase I identified three recognized environmental conditions (RECs) relating to potential environmental contamination above applicable New Jersey standards in subsurface soil or groundwater: (1) Soil RECs; (2) Groundwater RECs; and (3) Vapor–Related RECs. The soil RECs were remediated to the NJDEP Soil Cleanup Criteria (SCC) standard, and no further action is recommended. With respect to groundwater impacts, a classification exception area (CEA) exists. A CEA provides notice that there are impacts to the groundwater at concentrations above the Groundwater Quality Criteria (GWQC) in a designated area. The CEA # G000008789 identifies hexavalent chromium contamination existing for the shallow and deep aquifers. The Phase I report states this is regional in nature and does not require monitoring operations by the property owner. With respect to vapor-related RECs, existing groundwater site conditions received supplemental investigations by Paulus, Sokolowski & Sartor, LLC in August 2014 to aid in determining the character of the aquifers in relation to volatile organic constituents. The data generated from the supplemental investigation was summarized in a memorandum dated January 18, 2015 (the “Memorandum”) which noted that the subsequent investigations found that no volatile organics were identified in close proximity to the site and therefore installation of a Vapor Intrusion Mitigation System is not necessary for volatile organic constituents. The Memorandum also noted that the New Student Housing Site is identified as being located on an area with potentially low radon levels. Due to the low radon potential, no radon system is required pursuant to NJDEP standards.

The University is party to a Consent Decree filed January 14, 2010 in the United States District Court for the District of New Jersey whereby Honeywell International Inc. (“Honeywell”) was required to take certain remediation actions in order to reduce levels of chromium present in certain areas of soil and groundwater of the University and the University was required to use reasonable efforts to maintain such levels during construction activities. According to a Conditional No Further Action Letter dated May 7, 2012 (“NFA”) from the NJDEP, certain remedial actions were completed and no further action is required by Honeywell provided it, as well as each subsequent owner, lessee and operator, have obtained and remain in compliance with all applicable permits and authorizations. In connection with the issuance of the Series 2015 Bonds, Langan will execute a certificate for the benefit of the University stating that all applicable remediation requirements under the Consent Decree and NFA have been complied with in the construction of the New Student Housing Site.

A Phase I Environmental Site Assessment was performed by Langan in January 2015 with respect to Co-Op Hall, which concluded that no RECs existed in connection therewith. A Phase I Environmental Site Assessment was performed by Langan in January 2015 with respect to Vodra Hall (the “Vodra Report”). While such study concluded that no RECs exist in connection with Vodra Hall, the Vodra Report notes a potential for asbestos-containing materials (ACM) and lead based paint (LBP) on the premises. A Limited Hazardous Materials (Hazmat) Survey Report (the “Hazmat Survey”) was performed
by Langan in January 2015 for Co-Op Hall and Vodra Hall in order to address the potential presence of ACM and LBP. In Co-Op Hall, all visually identified and sampled suspect materials in the spaces surveyed were confirmed to be non-ACM. Certain areas of Vodra Hall which were visually identified were confirmed to be ACM, and certain remedial recommendations are provided in the report (to be taken prior to renovations) in conformance with New Jersey law and as monitored by a third party project monitor. A monitor has been provided for as indicated in the Development Agreement. The Hazmat Survey also indicated that paint of select metal components contained in Vodra Hall was identified as LBP; paint on other building components including those tested in Co-Op Hall were identified as non-LBP. The Hazmat Study identified various requirements for compliance in the demolition, recycling and disposal of various building components.

The University is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the Facilities Sites, and the University has agreed in the Ground Lease Agreement that it shall be responsible for certain Pre-Existing Unknown Conditions (as defined in the Development Agreement), and shall promptly effectuate Remediation (as defined in the Ground Lease Agreement) of any Pre-Existing Unknown Conditions in, on, above, under or from the Facilities Sites as necessary to comply with any Environmental Law (as defined in the Ground Lease Agreement) or any other federal, state or local law, statute, rule, regulation and/or ordinance. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the University or the Borrower could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the Housing Facilities. In addition, under applicable environmental statutes, in the event an enforcement action was initiated, a lien superior to the Trustee’s lien on behalf of the Bondholders could attach to the Housing Facilities.

Effect of Determination of Taxability

The Borrower has covenanted in the Agreement and the Authority has covenanted in the Indenture not to take any action that would cause the Series 2015A Bonds to be arbitrage bonds or that would otherwise adversely affect the federal income tax status of interest on the Series 2015A Bonds, and the Borrower and the Foundation, by its execution of the Agreement, have agreed that the Borrower and the Foundation will conduct their operations in a manner that will result in the Foundation’s continued qualification as an organization described in Section 501(c)(3) of the Code. The Borrower, the Foundation and the Authority will also make representations with respect to certain matters within their knowledge that have been relied on by Bond Counsel and that Bond Counsel has not independently verified. Failure to comply with such covenants could cause interest on the Series 2015A Bonds to become subject to federal income taxation retroactive to their date of issuance.

It is possible that upon a determination that an Event of Taxability has occurred, interest previously paid on the Series 2015A Bonds could become retroactively taxable from the date of their issuance. Additionally, certain owners of Series 2015A Bonds are subject to possible adverse tax consequences. See “TAX MATTERS” herein.

Market for the Series 2015 Bonds

There can be no assurance that a secondary market for the Series 2015 Bonds will exist, or that the Series 2015 Bonds can be sold for any particular price. Accordingly, a purchaser of the Series 2015 Bonds should recognize that an investment in the Series 2015 Bonds will in all likelihood be illiquid and be prepared to have his or her funds committed until the Series 2015 Bonds mature or are redeemed.
Enrollment

The Borrower’s ability to maintain the required occupancy levels depends, to a large extent, on the University’s ability to maintain student enrollment. Enrollment can be affected by a number of factors including, without limitation, (i) increased competition from other schools, (ii) changes in the demand for higher education in general or for programs offered by the University in particular, (iii) loss of accreditation of the University’s programs, (iv) failure of the University to meet applicable federal guidelines or some other event which results in students of the University being ineligible for federal financial aid, and (v) state budget cuts.

The Borrower’s ability to generate revenues and its overall financial condition may be adversely affected by a wide variety of future events and conditions including a decline in the enrollment of the University. The Ground Lease Agreement requires that the Housing Facilities be used solely for the operation of a student housing facility for occupants under Student Housing Agreements and for no other purpose, other than ancillary supporting uses such as storage, management offices and common areas designated for recreational or educational uses by the University’s students, faculty or administrators. There can be no assurance that there will be sufficient demand or enrollment at the University for the Borrower to lease all of the beds in the Housing Facilities.

The University will not be liable for the payment of the principal of, premium, if any, or interest on the Series 2015 Bonds, nor will the University be responsible or liable for any other obligations of the Borrower or the obligations of any other party in connection with the Series 2015 Bonds.

Actual Results May Differ From Market Study and Cash Flow Forecast

The Market Study and its forecast of future demands included in APPENDIX A hereto, and the Cash Flow Forecast and its forecast of future revenues and expenses with respect to the Housing Facilities, are based upon assumptions concerning future events, circumstances and transactions. The Market Study should be read in its entirety. In addition, the Cash Flow Forecast contained herein only covers the approximate 5-year period ending June 30, 2020 and consequently does not cover the entire period during which the Series 2015 Bonds may be Outstanding. The achievement of any results of the Market Study of any cash flow forecast or other forecast is dependent upon future events, the occurrence of which cannot be assured. Realization of the results forecasted will depend, among other things, on the implementation by the University of policies and procedures consistent with the assumptions. Future results will also be affected by events and circumstances beyond the control of the Borrower. For the reasons described above, it is likely that the actual results of the Housing Facilities will be different from the results forecast in the Market Study and the Cash Flow Forecast included herein, and those differences may be material and adverse.

Forward Looking Statements

This Official Statement, including but not limited to the information contained in the Market Study and under the caption “CASH FLOW FORECAST”, contains statements relating to future results that are “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. The factors that may cause projected revenues and expenditures to be materially different from those anticipated include (1) the ability of the University to market the Housing Facilities, (2) the ability of the Housing Facilities to maintain substantial occupancy at projected increased rent levels of the Housing
Facilities, (3) the ability of the residents of the Housing Facilities to meet their financial obligations, (4) lower than anticipated revenues, (5) higher than anticipated operating expenses, (6) litigation, (7) changes in governmental regulation, (8) loss of federal tax-exempt status of the Foundation, (9) loss of local property tax exemption, (10) changes in demographic trends, (11) competition from other residential rental and student housing facilities, (12) changes in the student housing industry and (13) general economic conditions. No representation or assurances can be made that Revenues will be generated from the operation of the Housing Facilities in amounts sufficient to pay maturing principal and interest on the Series 2015 Bonds.

Additional Bonds

The Authority has the right in its sole discretion to issue Additional Bonds under the Indenture that will be equally and ratably secured on a parity basis with the Series 2015 Bonds. See “TRUST INDENTURE–Additional Bonds” herein. THE ISSUANCE OF SUCH ADDITIONAL BONDS COULD DILUTE THE SECURITY FOR THE SERIES 2015 BONDS.

Risk of Audit by Internal Revenue Service

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. Certain types of transactions are being targeted for audit, including financings of student housing facilities.

No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Series 2015A Bonds. No ruling with respect to the tax-exempt status of the Series 2015A Bonds has been or will be sought from the Internal Revenue Service, and the opinion of Bond Counsel as to the excludability from gross income of the interest on the Series 2015A Bonds for federal income tax purposes is not binding on the Internal Revenue Service or the courts. See “TAX MATTERS” herein. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Authority as the taxpayer and the Bondholders may have no right to participate in such procedure. An audit could result in a loss of the tax-exempt status of the Series 2015A Bonds such that interest on the Series 2015A Bonds shall be includible in the gross income for the owners thereof for federal income tax purposes. Neither the Underwriter nor Bond Counsel is obligated to defend the tax-exempt status of the Series 2015 Bonds. Neither the Authority nor Bond Counsel is responsible to pay or reimburse the cost of any Bondholders with respect to any audit or litigation relating to the Series 2015A Bonds. In addition, if the Series 2015A Bonds were to be audited, the market for and the market value of the Series 2015A Bonds could be adversely affected during the pendency of the examination and thereafter, even if the outcome of the audit were to be favorable.

Tax-Exempt Status of the Foundation

The Borrower is a limited liability company whose sole member is the Foundation. See “BORROWER” herein. The Borrower is treated as a “disregarded entity” of the Foundation for federal income tax purposes, meaning that the activities of the Borrower are deemed to be those of the Foundation, the sole member, for federal income tax purposes. The Foundation has obtained a determination letter from the Internal Revenue Service stating that it will be treated as an exempt organization as described in Section 501(c)(3) of the Code and that it has not been classified as a “private foundation.” In order to maintain its exempt status, the Foundation is subject to a number of requirements affecting its operations. The possible modification or repeal of certain existing federal income tax laws, the change of Internal
Revenue Service policies or positions, the change of the Foundation’s or the Borrower’s method of operation, purposes or other factors could result in a loss by the Foundation of its tax-exempt status.

The Foundation has covenanted in the Agreement to remain eligible for such tax-exempt status and to avoid operating the Housing Facilities in a manner which would cause the Foundation to lose its tax-exempt status. Failure of the Housing Facilities to remain so qualified or of the Borrower to so operate the Housing Facilities could affect the funds available to the Borrower for payments under the Agreement by subjecting the Borrower and the Foundation to federal income taxation and could result in the loss of the excludability of interest on the Series 2015A Bonds for gross income for purposes of federal income taxation.

Neither the Foundation nor any limited liability company established by the Foundation other than the Borrower will have any obligation with respect to the Series 2015 Bonds or under any of the Bond Documents.

Taxation of Series 2015A Bonds

An opinion of Bond Counsel will be obtained as described under “TAX MATTERS” herein. Such an opinion is not binding on the Internal Revenue Service. Application for a ruling from the Internal Revenue Service regarding the status of the interest on the Series 2015A Bonds has not been made. The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading “TAX MATTERS.” Failure by the Authority, the Borrower, the Foundation, the University or the Management Company to comply with certain provisions of the Code and covenants contained in the Indenture and the Agreement could result in interest on the Series 2015A Bonds becoming includable in gross income for federal tax purposes for the owners thereof.

Risk of Redemption and Acceleration

The Series 2015 Bonds are subject to redemption or acceleration prior to maturity in certain circumstances. See “THE SERIES 2015 BONDS” herein. Bondholders may not realize their anticipated yield or investment to maturity because Series 2015 Bonds may be redeemed or accelerated prior to maturity at par or at a Redemption Price that results in the realization of less than the anticipated yield to maturity.

If an Event of Default occurs under the Indenture, including but not limited to an Event of Default resulting from a payment default on the part of the Borrower under the Agreement, the principal of Series 2015 Bonds may be accelerated and become immediately due and payable, at par, with interest payable thereon to the accelerated payment date. See “APPENDIX C - FORM OF THE TRUST INDENTURE” hereto.

Enforceability of Remedies

The realization of any rights upon a default by the Borrower will depend upon the exercise of various remedies specified in the Agreement and the Leasehold Mortgage. Certain remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Agreement and the Leasehold Mortgage may not be readily available or may be limited. For example, a court may decide not to order the specific performance of the covenants contained in the Agreement. Accordingly, the Trustee’s and the Authority’s ability to exercise its remedies under the Agreement or the Leasehold Mortgage upon a default by the Borrower could be impaired by the need for judicial approval.
The enforceability of the obligations of the Borrower under the Agreement and the Leasehold Mortgage also may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or by equitable principles affecting the enforcement of creditors’ rights generally.

Certain Interests and Claims of Others

Certain interests and claims of others are and may be on a parity with or prior to the pledge made in the Indenture and certain statutes and other provisions may limit the Authority’s rights to make such pledges. Examples of such claims, interests, and provisions are:

(i) statutory liens;
(ii) constructive trusts, equitable liens, or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction;
(iii) federal bankruptcy laws as they affect amounts earned with respect to the Housing Facilities after any effectual institution of bankruptcy proceedings by or against the Borrower or the University;
(iv) as to those items in which a security interest can be perfected only by possession, including items converted to cash, the rights of third parties in such items not in the possession of the Trustee;
(v) items not in possession of the Trustee, the records to which are located or moved outside the State, which are thereby not subject to or are removed from the operation of New Jersey law; the requirement that appropriate continuation statements be filed in accordance with New Jersey law; and
(vi) the imposition of local real estate taxes on the Housing Facilities or the Borrower’s interest therein.

Effect of Bankruptcy

The various legal opinions to be delivered concurrently with the delivery of the Series 2015 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and other governmental authorities, including police powers exercised for the benefit of the public health and welfare, and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). A Borrower bankruptcy could significantly and adversely affect the timing, cost and availability of various remedies that would otherwise be available to the Trustee.

Miscellaneous

The Borrower may be impacted by the cost and the limited availability and sufficiency of insurance for risks such as property damage and general liability.

The occurrence of natural disasters may damage the Housing Facilities, interrupt utility service to the Housing Facilities or otherwise impair the operation of the Borrower and the generation of revenues from the Housing Facilities. Although the Agreement requires that the Borrower provide or cause to be provided commercial casualty insurance for the Housing Facilities in an amount equal to the replacement value of the Housing Facilities, there is no assurance that if there is significant damage to the Housing
Facilities and the Housing Facilities are not reconstructed, that the insurance proceeds will be adequate to redeem the Series 2015 Bonds in full.

**LEGAL MATTERS**

Legal matters incident to the authorization and issuance of the Series 2015 Bonds are subject to the approving legal opinion of McCarter & English, LLP, Newark, New Jersey, Bond Counsel to the Authority. A copy of such opinion will be available at the time of the delivery of the Series 2015 Bonds. Certain legal matters will be passed upon for the Borrower by its counsel Windels Marx Lane & Mittendorf, LLP, New Brunswick, New Jersey. Certain legal matters will be passed upon for the University by Alfred E. Ramey, Jr., Esq., University Counsel, and by Hawkins Delafield & Wood LLP, Newark, New Jersey. Certain legal matters will be passed upon for the Underwriter by Ballard Spahr LLP, Cherry Hill, New Jersey.

The proposed text of the approving legal opinion of Bond Counsel is attached hereto as APPENDIX F. The actual legal opinion to be delivered may vary from the text of APPENDIX F, if necessary, to reflect facts and law on the date of delivery of the Series 2015 Bonds. The opinion will speak only as of its date and subsequent distribution of such opinion by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of such opinion, Bond Counsel has affirmed its opinions.

The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading “TAX MATTERS” and will make no statement regarding the accuracy or completeness of this Official Statement.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

The legal opinion to be delivered concurrently with the delivery of the Series 2015 Bonds expresses the professional judgment of the attorneys rendering the opinion regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

**LITIGATION**

As of the date hereof, to the best knowledge of the Authority, there is no action, suit or proceeding at law or in equity pending or threatened against the Authority to restrain or enjoin the issuance or sale of the Series 2015 Bonds or in any way contesting the validity or affecting the power of the Authority with respect to the issuance and sale of the Series 2015 Bonds or the documents or instruments executed by the Authority in connection therewith or the existence of the Authority or the right or powers of the Authority to finance the Housing Facilities.

As of the date hereof, to the Borrower’s knowledge, there is no litigation pending or threatened against the Borrower, wherein an unfavorable decision would adversely affect the ability of the Borrower to construct or operate the Housing Facilities or to carry out the Borrower’s obligations under the Agreement or would have a material adverse impact on the financial position of the Borrower.
As of the date hereof, to the University’s knowledge, there is no litigation pending or threatened against the University, wherein an unfavorable decision would adversely affect the ability of the University to carry out the University’s obligations under the Ground Lease Agreement or the Management Agreement.

**TAX MATTERS**

**Exclusion of Interest on the Series 2015A Bonds From Gross Income for Federal Tax Purposes**

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Series 2015A Bonds in order to assure that interest on the Series 2015A Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority, the Borrower, the Foundation, the University or the Management Company to comply with such requirements may cause interest on the Series 2015A Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2015A Bonds. The Authority, the Borrower, the Foundation, the University and the Management Company will make certain representations in their tax certificates, which will be executed on the date of issuance of the Series 2015A Bonds, as to various tax requirements. The Authority, the Borrower, the Foundation, the University and the Management Company have covenanted to comply with the provisions of the Code applicable to the Series 2015A Bonds and have covenanted not to take any action or fail to take any action that would cause the interest on the Series 2015A Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel, will rely upon the representations made in the tax certificate and will assume continuing compliance by the Borrower, the Foundation, the University and the Management Company with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Series 2015A Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Series 2015A Bonds for the purposes of alternative minimum tax.

Assuming the Authority, the Borrower, the Foundation, the University and the Management Company observe their covenants with respect to compliance with the Code, McCarter & English, LLP, Bond Counsel to the Authority, is of the opinion that, under existing law, interest on the Series 2015A Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Series 2015A Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Series 2015A Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the Series 2015A Bonds may not be permitted to participate in the audit process, and the value and liquidity of the Series 2015A Bonds may be adversely affected.
Original Issue Discount

Certain maturities of the Series 2015A Bonds (the “Discount Bonds”) were sold at an initial offering price less than the principal amount payable on the Discount Bonds at maturity. The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

Original Issue Premium

Certain maturities of the Series 2015A Bonds were sold at an initial offering price in excess of the amount payable at the maturity date (the “Premium Bonds”). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium which will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

Additional Federal Income Tax Consequences

In the case of certain corporate holders of the Series 2015A Bonds, interest on the Series 2015A Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2015A Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the Series 2015A Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2015A Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.
Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2015A Bonds from gross income pursuant to Section 103 of the Code and interest on the Series 2015A Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2015A Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2015A Bonds.

**Changes in Federal Tax Law**

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Series 2015A Bonds, gain from the sale or other disposition of the Series 2015A Bonds, the market value of the Series 2015A Bonds, or the marketability of the Series 2015A Bonds. For example, the President of the United States has submitted proposals to Congress for legislation that would, among other things, limit the value of tax-exempt interest for higher-income taxpayers. No prediction can be made as to the ultimate outcome of these legislative proposals. If enacted into law, such proposals (or any other proposal involving a piecemeal or comprehensive review of the provisions of the Code, including provisions affecting the federal tax treatment of interest on tax-exempt bonds, that Congress might consider) could affect the tax exemption of interest, market price or marketability of tax-exempt bonds (including the Series 2015A Bonds). Prospective purchasers of the Series 2015A Bonds should consult their own tax and financial advisers regarding such matters.

**Federal Tax Matters Relating to the Series 2015B Bonds**

*General:* The following discussion is a summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of the Series 2015B Bonds by original purchasers of the Series 2015B Bonds who are U.S. Holders (as defined below). This summary is based on the Code, Treasury regulations, revenue rulings and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Series 2015B Bonds will be held as “capital assets” under the Code, and it does not discuss all of the United States federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series 2015B Bonds as a position in a “hedge” or “straddle” for United States federal income tax purposes, or holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar. Each prospective purchaser of the Series 2015B Bonds should consult with its own tax advisor concerning the United States federal income tax and other tax consequences to it of the acquisition, ownership and disposition of the Series 2015B Bonds, as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

*U.S. Holders – Interest Income:* Interest on the Series 2015B Bonds is not excludable from gross income under Section 103 of the Code for United States federal income tax purposes.

*U.S. Holders – Disposition of Series 2015B Bonds:* Except as discussed above, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Series 2015B Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder’s adjusted tax basis in the Series 2015B Bonds. A U.S. Holder’s adjusted tax basis in a Series 2015B Bond generally will equal such U.S. Holder’s initial investment in the Series 2015B Bonds, decreased by the amount of any payments, other than qualified stated interest payments, received. Such gain or loss generally will be long-term capital gain or loss if the Series 2015B Bonds was held for more than one year.
**U.S. Holders – Defeasance:** U.S. Holders of the Series 2015B Bonds should be aware that, for federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Series 2015B Bonds to be deemed to be no longer outstanding under the Indenture (a “defeasance”) could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for federal income tax purposes, the character and timing of receipt of payments on the Series 2015B Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Series 2015B Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for federal income tax purposes, and for state and local tax purposes.

**U.S. Holders – Backup Withholding and Information Reporting:** U.S. Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Series 2015B Bonds, if they fail to provide an accurate Form W-9, “Request for Taxpayer Identification Number and Certification,” or a valid substitute form, or have been notified by the Internal Revenue Service of a failure to report all interest and dividends, or otherwise fail to comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the U.S. Holder’s United States federal income tax liability (or refund) provided that the required information is timely furnished to the Internal Revenue Service. Prospective U.S. Holders should consult their tax advisors concerning the application of backup withholding rules.

**State Taxation**

Bond Counsel is of the opinion that, based upon existing law, interest on the Series 2015 Bonds and net gains from the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

**Form of Bond Counsel Opinion**

The form of opinion Bond Counsel expects to deliver at settlement of the issuance of the Series 2015 Bonds is included in APPENDIX F herein.

**STATE NOT LIABLE ON SERIES 2015 BONDS**

The State is not obligated to pay, and neither the faith and credit nor taxing power of the State is pledged to the payment of the principal, or redemption premium, if any, or the interest on the Series 2015 Bonds. The Series 2015 Bonds are special, limited obligations of the Authority, payable solely out of the revenues or other receipts, funds or moneys of the Authority pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Series 2015 Bonds. The Series 2015 Bonds do not now and shall never constitute a charge against the general credit of the Authority. The Authority has no taxing power.

**RATING**

Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies (“S&P”), has assigned a municipal bond rating of “BBB-” to the Series 2015 Bonds. The rating reflects only the view of S&P and an explanation of the rating may be obtained only from S&P. There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by S&P, if in its judgment, circumstances so warrant. A downward change in or withdrawal of such rating, may have an adverse effect on the market price of the Series 2015 Bonds. An explanation of the
significance of the rating can be received from S&P at the following address: 55 Water Street, New York, New York 10041.

UNDERWRITING

RBC Capital Markets, LLC (the “Underwriter”) has agreed, subject to certain conditions, to purchase the Series 2015 Bonds from the Authority at an aggregate purchase price of $51,684,785.15 (which includes a par amount of $50,645,000.00, plus net original issue premium of $1,495,590.15, and less an Underwriter's discount of $455,805.00). The Underwriter’s obligations are subject to certain conditions precedent contained in a contract of purchase, and the Underwriter will be obligated to purchase all of the Series 2015 Bonds if any Series 2015 Bonds are purchased.

The Underwriter is purchasing the Series 2015 Bonds and intends to offer the Series 2015 Bonds to the original purchasers thereof at the offering prices set forth on the inside cover page of this Official Statement, which offering price may subsequently be changed without any requirement of prior notice. The Underwriter has reserved the right to permit other securities dealers who are members of the Financial Industry Regulatory Authority to assist in selling the Series 2015 Bonds. The Underwriter may offer and sell Series 2015 Bonds to certain dealers at prices lower than the public offering price or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts and/or commissions that may be received by such dealers in connection with the sale of the Series 2015 Bonds will be deducted from the Underwriter’s discount.

The Borrower has agreed to indemnify the Underwriter against certain civil liabilities, including certain liabilities under federal securities laws. Under existing statutes, regulations, and court decisions, the enforceability of such an agreement to indemnify is uncertain.

CONTINGENT FEES

Payment of the fees of Bond Counsel, counsel to the Underwriter, and an underwriting discount to the Underwriter are each contingent upon the issuance of the Series 2015 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2015 Bonds upon an Event of Default under the Trust Indenture (as defined therein) are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified by the Trust Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2015 Bonds, including Bond Counsel's approving opinion, will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See “APPENDIX C – FORM OF TRUST INDENTURE” attached hereto for a description of events of default and remedies.

CONTINUING DISCLOSURE AGREEMENT

On the date of delivery of the Series 2015 Bonds, the Borrower will enter into a written undertaking with the Trustee, acting as dissemination agent, satisfying the requirements of Rule 15c2-12(b)(5) (codified at 17 C.F.R. §240.15c2-12), as the same may be further amended, supplemented and officially interpreted from time to time, or any successor provision thereto (“Rule 15c2-12”), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended
and supplemented (codified as of the date hereof at 15 U.S.C. 77 et seq.) in the event that Rule 15c2-12 requires such an undertaking. The Continuing Disclosure Agreement shall also provide for the following additional information to be provided to the dissemination agent for filing with “EMMA”, the Electronic Municipal Market Access facility for municipal securities of the Municipal Securities Rulemaking Board:

(a) Audited financial statements of the Housing Facilities will be delivered within 150 days of the end of each Annual Period, June 30 of each year;

(b) Construction progress reports reflecting budget to actual reconciliations, percent completion of each construction line item together with narrative explaining any variance to budget and schedule delays will be delivered within forty-five (45) of the end of each month during the construction of the Housing Facilities;

(c) Quarterly unaudited financial reports for the Housing Facilities will be delivered within fifty five (55) days of the end of each quarter of the Annual Period;

(d) Reports providing the number of beds for which residence license agreements have been executed for the Housing Facilities as of January 1 and July 1 will be delivered by the following December 25 and June 25, respectively;

(e) No later than 30 days after the receipt by the Borrower of its annual financial statement, a certificate in connection with the Debt Service Coverage Ratio as described in the Indenture;

(f) Annual updates and statistical information relating to the University under the caption “NEW JERSEY CITY UNIVERSITY” and the rental information under the heading “CASH FLOW FORECAST” in this Official Statement; and

(g) A statement from the University disclosing any change in its residency policy.

The form of the Continuing Disclosure Agreement is attached hereto as APPENDIX G.

**FINANCIAL ADVISOR**

Acacia Financial Group, Inc., Montclair, New Jersey, has served as Financial Advisor to the University in connection with the issuance of the Series 2015 Bonds.

**MISCELLANEOUS**

All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed. To the extent that any statement herein includes matters of opinion or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.
The attached APPENDICES A through G are integral parts of this Official Statement and should be read in their entirety, together with all of the foregoing statements.

The agreement of the Authority with the holders of the Series 2015 Bonds is fully set forth in the Indenture, and neither any advertisement of the Series 2015 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2015 Bonds.

The information contained herein should not be construed as representing all conditions affecting the Authority, the Borrower, the Housing Facilities, or the Series 2015 Bonds. The foregoing statements relating to the Act, the Indenture, the Agreement, the Series 2015 Note, the Leasehold Mortgage, the Assignment of Leases, the Collateral Assignment, the Ground Lease Agreement, the Management Agreement and the Development Agreement and other documents are summaries of certain provisions thereof and in all respects are subject to and qualified in their entirety by express reference to the provisions of such documents in their complete forms. For a complete statement of the provisions of such documents, reference is made to the documents in their entireties, copies of which are on file at the designated corporate trust office of the Trustee.

THE AUTHORITY HAS NOT REVIEWED OR APPROVED, AND DOES NOT REPRESENT OR WARRANT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT (OTHER THAN THE STATEMENTS AND INFORMATION SET FORTH UNDER THE SECTION ENTITLED “THE AUTHORITY” AND THE SECTION ENTITLED “LITIGATION” AS IT PERTAINS TO THE AUTHORITY).

[Remainder of page intentionally left blank.]
The delivery of this Official Statement has been authorized by the Authority and the Borrower.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By:  /s/ John J. Rosenfeld
     Name: John J. Rosenfeld
     Title: Director – Bonds and Incentives

WEST CAMPUS HOUSING, LLC

By: New Jersey City University Foundation, Incorporated, a New Jersey nonprofit corporation, Its Sole Member

By:  /s/ Daniel P. Elwell
     Name: Daniel P. Elwell
     Title: Executive Director
APPENDIX A

MARKET STUDY

The Market Study includes a review of data on current housing and off-campus market analysis in the area where the Housing Facilities are to be located, as well as a student survey and demand analysis. The achievement of any financial forecasts is dependent upon future events, the occurrence of which cannot be assured. Therefore, the actual results achieved may vary from the forecasts. Such variation could be material. See “BONDHOLDERS’ RISKS – Actual Results May Differ from Market Study and Cash Flow Forecast”.
Student Housing Market Study Update

New Jersey City University
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EXECUTIVE SUMMARY

In 2002, New Jersey City University (NJCU) retained Anderson Strickler, LLC (ASL) to conduct a comprehensive student housing plan. Based on the results of the analysis, ASL estimated the demand for additional housing to be between 218 and 450 beds, using 246 beds of semi-suite style housing for planning purposes. In 2012, NJCU retained ASL to update the previous study through focus groups, an off-campus market analysis, a student survey, and a demand analysis. As a result of the study (“2012 study”), ASL estimated demand for 700 beds of housing and recommended a 350-bed first phase of housing assuming double rooms in suites.

After the 2012 study, the university engaged a development team that created plans for a 425-bed project of 336 double suites and 80 single bed suites in addition to several units for residence life staff. In 2014, the university retained ASL to update portions of the 2012 market work. The scope included an update of the off-campus market analysis, a review of demographic and enrollment statistics, and an update of the demand model using fall 2014 data.

Though on balance, there appears to be sufficient demand for a 425-bed project, there are factors supporting the project and factors that need attention for the project to be successful.

Data supporting additional housing are as follows:

- The percent of full-time undergraduate enrollment living on campus has held steady at 5% even during periods of decline. Occupancy rose to 97% in fall 2014.
- There have been no significant changes in demographic factors that would cause a shift in demand.
- Rental rates tested in 2012 are lower than the rents being planned for a 2016 on a nominal basis. However, when a 3% inflation factor is added to the 2012 rents for four years to bring the rents to 2016 dollars, the 2012 rents are actually higher for the two-double bedroom suite, the unit type both projects have in common.
- There appears to be no existing or planned housing geared toward students within a three-mile radius, though there is a handful of small market infill properties in the pipeline.
- The proposed type of housing does not have community bathrooms, a feature that students do not favor as the existing hall with community bathrooms has traditionally had the highest vacancy rate.
- The 2014 proposed unit mix offers a number of single bedrooms as an option; only double bedrooms were tested in the 2012 housing study. Focus group participants in the 2012 study, though concerned about cost, believed that a four-single bedroom unit provided a good balance of privacy and cost.
- The university plans to vacate their student residence known as “2040” upon completion of the new housing. Based on the 12 survey responses from 2040 residents, a majority would be interested in living in the tested units.
- Several new initiatives are underway that will contribute to filling beds including an honors program that requires students to live on campus, domestic students who attend the university
EXECUTIVE SUMMARY
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for a semester, the addition of a men’s tennis team, and efforts to increase the international population.

Data challenging additional housing are as follows:

- The demand represents an additional 75 beds or a 21% increase over the 2012 plan while full-time undergraduate enrollment decreased 3% between fall 2012 and fall 2014 (4,834 to 4,682) and spring semester occupancy typically drops further. However, the 425 beds are still below the 639-demand based on fall 2014 enrollment.

- Occupancy in the residence halls (including resident assistants) fluctuated from 87% to 95% between fall 2009 and fall 2013, dropping in the spring to 83% to 90%. However, as noted above, in fall 2014, occupancy rose to 97%.

- 2014-15 housing rates for existing campus housing of $3,408 are lower than 2016 rents on both a nominal and inflated basis. Currently, students pay the same rate across existing unit types; this practice will be changing.

Based on the above analysis as well as the conservative estimates used in the 2012 study, the university is in a position to fill the beds in the new complex. Plans to avoid slow initial leasing must be put into place. Marketing and the development and enhancement of new programs will be key as the university will need to reach outside of its historical recruiting area to attract residential students.
HOUSING PLANS

In 2012 ASL administered a survey for NJCU students. Based on concerns about affordability, the university elected to test two suite-style units in the survey as opposed to more expensive apartment-style units. Students were asked to rank each option as “preferred,” “acceptable,” or “would not live there.” The rates and floor plans are in Table 1. The rents assume that all units are furnished and that rent includes utilities, Internet, and cable television. Rents do not include the cost of a meal plan. Rates are based on a 10-month academic-year housing contract. (Floor plans are not to scale.)

Table 1: 2012 Floor Plans and Tested Rents

Though the demand analysis indicated demand for approximately 700 beds in 2012, ASL recommended the number of beds be split into two equal phases of 350 primarily because adding 700 beds to a 269-bed system (or 207 beds after the closing of 2040 Apartments) is a major undertaking; absorption of 350 beds is more manageable.

Current housing plans are for 425 beds in 113 units. The number and mix of rentable beds are in Table 2. Not shown are seven resident assistant suites and two resident coordinator suites.
Table 2: 2014 Floor Plans and Tested Rents

As can be seen above, the proposed program for delivery in 2016 is different from that of 2012. The number of beds is higher in the 2014 plan than in 2012 (425 vs. 350 beds), the unit mix is different (2012 was two- and three-double-bedroom suites and 2014 is two-double-bedroom and four-single-bedroom suites), and the rents are different. These differences are described further in the demand section.
OFF-CAMPUS MARKET

National and Regional Multifamily Overview

According to Marcus & Millichap, a real estate investment service firm, the national apartment market has stayed in balance despite significant increases in supply. The number of new units that came on line in 2013 represented an 84% increase over 2012. Fortunately for the multifamily market, household formations grew rapidly in 2013 at approximately twice the annual average of the previous five years. In addition, the GDP was strong, immigration was on the rise, and employment increased having now recovered 88% of total jobs lost in the recession.

However, the additional 215,000 units projected to come on line in 2014 will exceed the demand for 176,000 units, increasing vacancy rates from 4.9% to 5.1%. Different segments of the market exhibited different results in 2013. Mid- to lower-tier assets performed better than Class A properties with effective rent growth of 4.2% in 2013 vs. 2.6% for Class A, despite strong lease-up in the higher class.

New York, ranked number one for the second year in a row in Marcus & Millichap’s 2014 National Apartment Index, and Northern New Jersey rated sixth (up from eighth in the 2013 index), outperformed national averages. Low vacancies in New York, caused in part to a growing high tech industry, will encourage renters to turn to lower-priced areas such as Essex, Hudson, and Bergen counties where vacancies are already under 4%.

---

1 2014 Real Estate Investment Research, National Apartment Report, Marcus & Millichap
Hudson County Vacancy and Rental Rates

According to REIS’s¹ report on the Hudson County apartment market for the 2nd quarter of 2014, vacancy rates for Hudson County, Northern New Jersey, the Northeast, and the US for the past several years have been fairly steady. As 5% is the general rule of thumb for a market balanced between landlords and tenants, as can be seen in Figure 1, that balance has been achieved. However, although REIS projects the three other markets will have vacancy rates of 5% or less, the projection for Hudson County is 8.8% by 2018. This above-average vacancy rate is due to numerous upscale, commuter-oriented projects in the pipeline and will not impact the NJCU neighborhood.

The reasoning behind this increase in vacancy is that REIS predicts construction in Hudson County will outpace absorption as can be seen in Figure 2. Beginning with the largest single year of construction in 2014, with just over 2,000 units, construction exceeds absorption through the end of the estimated period ending in 2018. While the occupancy of new units in Northern New Jersey ranged between 63.5% in 2008 to 85.8% in 2013, REIS predicts the percentage dropping to 31% in 2014 compared to about two-thirds in the Northeast and the US.

Figure 1: Hudson County Market Rental Vacancy 2009-2018

² REIS is a commercial real estate market information firm.
According to REIS, rents have been gradually increasing over the past several years in Hudson County since a dramatic decrease in 2009, as can be seen in Figure 3. Rent growth between 2012 and 2013 was 1.5% compared to 2.2% to 3.1% in the other three sectors. The county’s rent growth has typically been lower than growth in Northern New Jersey, the Northeast, and the US. In terms of the number of properties, 34 reported negative growth in rents in the 2nd quarter of 2014 (typically in the -0.1% to -2.1% range) as compared to 41 reporting positive growth (with a mode of 0% to 2%).

### Jersey City Pipeline

The vast majority of new projects in Hudson County are located in Jersey City. According to the Jersey City government, “Jersey City is experiencing its highest recorded level of residential construction with 5,609 units under construction and 17,089 approved” in the Journal Square and Downtown areas.3 This

---

3 Jersey City: Year in Review, July 29, 2014
is likely due to the increase in the commuter population mentioned earlier. It also may be due in part to changes to the tax abatement program that has resulted in the program being expanded beyond its roots on the waterfront to more interior locations such as Journal Square.

**Area Projects**

ASL identified and researched 19 projects in Hudson County within three miles of the campus that are proposed, planned, under construction, or recently completed. According to Jersey City’s Division of City Planning, in addition to these larger new projects, there are several small infill projects between Fisk Street and Claremont Avenue in some stage of planning. One example given by City Planning as an active project is a development of six two-family homes. However, once again, none of the projects are actively targeted toward the student market.

**West Campus and Adjoining Development**

According to university representatives, in addition to the student housing and 103,000 square feet of academic space planned for a fall 2016 opening on the West Campus site, private developers are considering market rate housing and retail for the area. This residential housing is not anticipated to be geared toward students, but toward commuters who would have the means to pay the rents of the high-end units under discussion.
STUDENT DEMOGRAPHIC CHARACTERISTICS

Full-Time Undergraduate Enrollment Trends

NJCU experienced a 5% jump in full-time undergraduate enrollment between fall 2009 and fall 2010. Since then, fall enrollment has decreased slightly each year from a high of 4,929 in 2010 to 4,682 in fall 2014 - a 5% decrease over five years. As is typical for universities, there is a decrease in enrollment from fall to spring semester. This drop has increased since the 2009-10 academic year when enrollment dropped 3.8%. Enrollment decreased 9% between fall 2013 and spring 2014. Enrollment trends are in Figure 4.

![Figure 4: NJCU Full-Time Undergraduate Enrollment Trends](image)

In fall 2009, NJCU housed 6% of full-time undergraduate enrollment. From fall 2010 to fall 2014, beds-to-enrollment remained steady in the 5% range.

Gender

The female/male enrollment ratio has remained consistent since fall 2009. Total full-time undergraduate enrollment was 60% female in 2009 and 59% in 2013. However, 53% of those living on campus in fall 2009 were female compared to 57% in fall 2013. Figure 5 sorts fall enrollment trends by gender and on- and off-campus residents. There is an insignificant difference between female and male students in terms of interest in campus housing.

![Figure 5: Full-time NJCU Students by Gender, Fall Semester](image)

4 There are a handful of “unclassified students” included in the total number but not included in the bar chart.
Age
As seen in Figure 6, the age of full-time undergraduate students at NJCU has not changed significantly since 2009 but there are slightly more students 25 and older attending. In fall 2009, 28% of students fit this age bracket compared to 30% in fall 2013. Other age brackets are nearly the same as they were in 2009, with some fluctuation in-between. In fall 2013, 22% of students living on-campus were 18 and younger, 40% were 19 to 20 years old, 34% were 21 to 24 years old, and 3% were 25 years and older.

Figure 6: Full-time NJCU Students by Age, Fall Semester

County of Origin
Less than 1% of NJCU students come from out of state. Nearly 60% are from Hudson County. Figure 7 shows all counties where nine or more students are from. Adjacent New Jersey counties are Essex County, Bergen County, and Union County, making up nearly another 20% of NJCU students.

Figure 7: Full-time Undergraduate Enrollment County of Origin, Fall 2013
Nearly one quarter of students living on campus are from Essex County and 13% are from Middlesex County. Only 7.7% are from out of state and 1.2% are from another country. All are shown in Figure 8.

**Figure 8: Residential Students County of Origin, Fall 2013**

**Students Living On Campus**

The number of first-semester freshmen has increased from 72 to 81 students while first-semester transfer students has decreased from 24 to 15. As seen in Figure 9, continuing students make up the bulk of campus residents and have decreased from 157 to 148 since fall 2008. Few graduate students live on campus.

**Figure 9: Resident Students by Class, Fall Semester**
DEMAND ANALYSIS

NEW JERSEY CITY UNIVERSITY ■ STUDENT HOUSING MARKET STUDY UPDATE

DEMAND ANALYSIS

Approach

ASL’s methodology centers on the full-time off-campus population as these students represent the incremental demand for housing. The methodology for calculating demand for the 2012/13 study used the responses to Question 30 on the survey asking where respondents “would have lived” had student housing been available to them when making a decision of where to live for the 2012–13 academic year. The first step in calculating demand is to determine a capture rate using the following equation:

\[
\text{Capture Rate} = \frac{\text{Number of Full-time Respondents Definitely Interested in Housing}}{\text{Number of Full-time Respondents}}
\]

The capture rate reflects the percentage of respondents at each level of interest (e.g., definitely interested). A “closure” rate is necessary to reflect that not all students who express interest will sign a lease. ASL assumed a 50% closure rate for those who indicated that they “definitely would have lived” in the housing and did not include any other level of interest. The full-time enrollment is multiplied by the capture rate; then the closure rate is applied to yield the demand from freshmen, sophomores, juniors, seniors, and graduate students.

Fall 2012 Demand Calculation

ASL calculated demand using methodologies described in the section above. If the proposed housing had been available when off-campus full-time respondents were making their decision of where to live for the 2012–13 academic year, the potential demand for housing from full-time “definitely interested” students would be between 557 and 829 beds with a midpoint of 693. The range is based on the statistical confidence level of ±5.51% in student responses based on the number of full-time off-campus responses received and the full-time off-campus headcount of the population, making the midpoint a reasonable demand estimate. Table 3 is a breakdown of the mid-point of the demand range by class showing potential demand of 693 beds.

<table>
<thead>
<tr>
<th>Class</th>
<th>Full-Time Off-Campus Enrollment</th>
<th>Definitely Interested</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Capture Rate</td>
</tr>
<tr>
<td>Freshman</td>
<td>863</td>
<td>30%</td>
</tr>
<tr>
<td>Sophomore</td>
<td>810</td>
<td>29%</td>
</tr>
<tr>
<td>Junior</td>
<td>1,084</td>
<td>24%</td>
</tr>
<tr>
<td>Senior</td>
<td>1,836</td>
<td>33%</td>
</tr>
<tr>
<td>Degree seeking graduate</td>
<td>335</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>4,928</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: Off-Campus Demand Summary, Fall 2012

Fall 2012 Demand Calculation Restated

In preparing the 2014 market study update, the university supplied ASL with revised enrollment figures for fall 2012 to include only undergraduate students. The demand calculation resulting from the restated figures is only slightly less than the original 2012 calculations with demand at 666 beds vs. 693. In the restated numbers the two major differences were higher freshman and lower senior interest given shifts in the enrollment figures. The 666-bed figure does not include graduate students. See Table 4.
**Demand Analysis**

**New Jersey City University - Student Housing Market Study Update**

### Fall 2014 Demand Calculation

Using the same methodology, ASL calculated demand using fall 2014 numbers. The mid-point of the demand range is lower than that in 2012 owing to a decline in the number of full-time undergraduates from 4,834 in fall 2012 to 4,682 in 2014. Fall 2014 demand, sorted by class is shown in Table 5.

<table>
<thead>
<tr>
<th>Class</th>
<th>Full-Time Off-Campus Enrollment</th>
<th>Definitely Interested</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Capture Rate</td>
</tr>
<tr>
<td>Freshman</td>
<td>1,092</td>
<td>30%</td>
</tr>
<tr>
<td>Sophomore</td>
<td>733</td>
<td>29%</td>
</tr>
<tr>
<td>Junior</td>
<td>1,220</td>
<td>24%</td>
</tr>
<tr>
<td>Senior</td>
<td>1,367</td>
<td>33%</td>
</tr>
</tbody>
</table>

4,412 639

Table 5: Off-Campus Demand Summary, Fall 2014

### Fall 2012 Demand vs. Fall 2014 Demand

Data supporting additional housing are as follows:

- The percent of full-time undergraduate enrollment living on campus has held steady at 5% even during periods of decline. Occupancy rose to 97% in fall 2014.

- There have been no significant changes in demographic factors that would cause a shift in demand.

- Rental rates tested in 2012 are lower than the rents being planned for a 2016 on a nominal basis. However, when a 3% inflation factor is added to the 2012 rents for four years to bring the rents to 2016 dollars, the 2012 rents are actually higher for the two-double bedroom suite, the unit type both projects have in common.
  - The 2012 per-person rents were based on a 10-month lease and quoted as a monthly rate in the survey resulting in a midpoint semester rent of $4,400 for the two-double bedroom suite (the monthly rate multiplied by five). Adding inflation raises the rate to $4,952.
  - This compares to semester rents in the 2016 housing of $4,600 for the two-double suite.

- There appears to be no existing or planned housing geared toward students within a three-mile radius, though there is a handful of small market infill properties in the pipeline.
The proposed type of housing does not have community bathrooms, a feature that students do not favor as the existing hall with community bathrooms has traditionally had the highest vacancy rate.

The 2014 proposed unit mix offers a number of single bedrooms as an option; only double bedrooms were tested in the 2012 housing study. Focus group participants in the 2012 study, though concerned about cost, believed that a four-single bedroom unit provided a good balance of privacy and cost.

The university plans to vacate their student residence known as “2040” upon completion of the new housing. Based on the 12 survey responses from 2040 residents, a majority would be interested in living in the tested units.

Several new initiatives are underway that will contribute to filling beds.

- The university is in the second year of an honors program that requires students to live on campus. The current goal is 40–50 students with a potential to grow to 80 students.
- Another program houses 10–15 students who transfer for a semester to a year from other schools in the US. This program is also expected to grow.
- The university has started an intercollegiate tennis team, the members of which may decide to live on campus
- Plans to attract international students are underway, though there are no specific projections at this time.

Data challenging additional housing are as follows:

- The demand represents an additional 75 beds or a 21% increase while full-time undergraduate enrollment decreased 3% between fall 2012 and fall 2014 (4,834 to 4,682) and spring semester occupancy typically drops further. However, the 425 beds are still below the 639-demand based on fall 2014 enrollment.

- Occupancy in the residence halls (including resident assistants) fluctuated from 87% to 95% between fall 2009 and fall 2013, dropping in the spring to 83% to 90%. However, as noted above, in fall 2014, occupancy rose to 97%.

- 2014-15 housing rates for existing campus housing of $3,408, however, are lower than 2016 rents on both a nominal and inflated basis. Currently, students pay the same rate across existing unit types; this practice will be changing.

Based on the above analysis as well as the conservative estimates used in the 2012 study, the university is in a position to fill the beds in the new complex. Plans to avoid slow initial leasing must be put into place. Marketing and the development and enhancement of new programs will be key as the university will need to reach outside of its historical recruiting area to attract residential students.
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ATTACHMENT 1: Focus Group Notes
ATTACHMENT 2: Student Survey Tabulation
ATTACHMENT 3: Student Survey Response Demographics
EXECUTIVE SUMMARY
NEW JERSEY CITY UNIVERSITY ■ STUDENT HOUSING STUDY

A. EXECUTIVE SUMMARY

In 2002, New Jersey City University (NJCU) retained Anderson Strickler, LLC (ASL) to conduct a comprehensive student housing plan, consisting of a market analysis, an investigation of the need for faculty/staff housing, a financial review, and development of an economic model with capital budgets and operating pro forma. Based on the results of the analyses, ASL estimated the demand for additional housing to be between 218 and 450 beds using 246 beds of semi-suite style housing in the financial pro forma. In 2012, NJCU retained ASL to update the previous study through focus groups, an off-campus market analysis, a student survey, and a demand analysis. As a result of the study, ASL estimates demand for a 350-bed phase of housing.

* * *

NJCU has 269 beds of campus housing in three residence halls: Co-op Hall with 106 beds of traditional housing, Vodra Hall with 102 beds of semi-suite housing, and the 2040 Building with 62 beds of suite-style housing. Fall 2012 occupancy at NJCU was 89%, down from 99% in fall 2009. A central assumption for the construction of additional campus housing is the increased recruitment and enrollment of students outside NJCU’s traditional geographic markets. Room charges are the same regardless of unit type. The meal plan is mandatory for all students. Overall costs have increased on average 4.5% per academic year since 2008/2009 and are currently a total of $10,238 per academic year.

In terms of the off-campus market, vacancy rates in Hudson County have been declining over the past several years, to 4.4%. As 5% is the general rule of thumb for a market balanced between landlords and tenants, the Hudson County market is relatively tight. Vacancy rates in Hudson County are projected to level off in the 4.5%–4.8% range in the coming years. Rents have been gradually increasing over the past several years and are expected to be in the 1.7%–1.9% range before increasing to 2.7% and 2.1% in 2016 and 2017 respectively. Much new product is coming on the market, but none of it is targeted to NJCU students. Students find housing far below the average rents in the area.

High-speed wireless Internet, in-unit temperature control, and common area laundry facilities are the most important housing features and policies. A mandatory meal plan would have a negative influence or prevent some from living in the housing. In terms of retail options for the West Campus, a convenience store was ranked highest.

There was not a meaningful difference in preference between the two unit types—the two-double-bedroom suite or the three-double-bedroom suite—in terms of “preferred,” “acceptable,” or “would not live there” survey responses.

Though the demand analysis indicates demand for approximately 700 beds, ASL believes the number of beds should be split into two equal phases of 350 beds for the following reasons:

- NJCU is known primarily as a commuter school. Even with a strong marketing effort, changing this image will take time.

- Though focus group participants and survey respondents did not have any significant issues with the West Campus location, full redevelopment is still years away, perhaps causing some hesitation by potential residents.
Adding 700 beds to a 269-bed system is a major undertaking; absorption of 350 beds is more manageable.

Creating two phases of 350 beds will ensure both phases have reasonable economies of scale.
B. METHODOLOGY

Focus Groups
ASL conducted four focus groups with a total of 57 participants on December 4, 2012. Participants were divided by various student groups: residence life students, commuter students, international and out-of-state students, and transfer students. Using a moderator’s guide ASL developed with input from the university, the ASL moderator asked questions about students’ current housing situation, lifestyle preferences, preferred unit types and amenities, and budget considerations. Results were used to design survey questions. Focus group notes are in Attachment 1.

Off-Campus Market Analysis
Given that the area surrounding NJCU does not contain a large proportion of student renters, ASL relied on data from the student survey, data published by the nationally recognized real estate data firm of REIS, web research, and information on the redevelopment plan for the NJCU area provided by the university.

Student Survey
ASL designed a student survey with input from campus administrators. The purpose of the survey was to collect students’ demographic information, information on students’ current housing situation, and information on desired unit types at estimated rents. The Web survey was posted from December 21, 2012 through February 6, 2013. To notify students, NJCU sent an electronic mail message to students inviting them to respond. The university also set up computer stations from February 4–5, 2013 to encourage more responses. As an incentive to respond to the survey, prizes totaling $500 were offered to four randomly selected respondents. With 393 responses from a distribution of 8,492 students, the survey achieved a 5% overall response rate based on headcount. Tabulations of survey responses are in Attachment 2, while demographic information has been incorporated into Attachment 3.

Demand Analysis
ASL’s methodology centers on the full-time off-campus population as these students represent the incremental demand for housing. The methodology for calculating demand uses the responses to Question 30 on the survey asking where respondents “would have lived” had student housing been available to them when making a decision of where to live for the 2012–13 academic year. The first step in calculating demand is to determine a capture rate using the following equation:

\[
\text{Capture Rate} = \frac{\text{Number of Full-time Respondents Definitely Interested in Housing}}{\text{Number of Full-time Respondents}}
\]

The capture rate reflects the percentage of respondents at each level of interest (e.g., definitely interested). A “closure” rate is necessary to reflect that not all students who express interest will sign a lease. ASL assumed a 50% closure rate for those who indicated that they “definitely would have lived” in the housing and did not include any other level of interest. The full-time enrollment is multiplied by the capture rate; then the closure rate is applied to yield the demand from freshmen, sophomores, juniors, seniors, and graduate students.

1 ASL assumes that students have equal access to the survey.
C. EXISTING HOUSING

Overview

NJCU has 269 beds of campus housing in three residence halls: Co-op Hall, Vodra Hall, and 2040 Building. Co-op Hall has a design capacity of 106 beds. The four-story building, opened in 1989, is an on-campus, three-story residence hall with double rooms and community bathrooms. Each bathroom has three sinks and two showers. Residents are primarily freshmen, first year students, and transfers. The building has central air conditioning, seven laundry areas (two washers and two dryers on each floor), two social lounges with kitchens, and one computer lab (two computers). The building has one elevator.

Vodra Hall, constructed in 1964 with a design capacity of 102 beds, is an on-campus suite-style six-story building with residents in two double rooms sharing a bathroom (two sinks, one shower, and one toilet). The bathrooms were renovated in 2012. Residents are primarily sophomores, juniors, and seniors. Common spaces include three laundry facilities, three social lounges, two computer labs, two study lounges, and a campus dining facility. The first floor is made up of the main security office, residence life office, health and wellness center, a cafeteria, and career services office.

The 2040 Building, which was constructed in the 1930s, can house 62 students and was acquired by the University. It is located across the street from the University on Kennedy Boulevard. The apartments were reconfigured 9–12 years ago and all kitchens were removed. There is a small parking lot adjacent to the building. Inside there is a laundry room with a microwave, and a small lounge with computer access. This four-story building is not air-conditioned and there is no elevator. The 2040 Building is home primarily to juniors, seniors, and graduate students.

Occupancy and Fees

As can be seen in Table 1, fall 2012 occupancy at NJCU was 89%, down from 99% in fall 2009. According to the university, although NJCU has historically opened at near-full capacity each fall, the university historically experiences a reduction in occupancy each subsequent spring semester. This pattern is attributed to the socio-economic background of NJCU’s students and their ability to finance the full cost of tuition and fees and room and board charges. A central assumption for the construction of additional campus housing is the increased recruitment and enrollment of students outside NJCU’s traditional geographic markets of Hudson and Essex Counties.

<table>
<thead>
<tr>
<th>Term</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall</td>
<td>97%</td>
<td>94%</td>
<td>91%</td>
<td>89%</td>
</tr>
<tr>
<td>Spring</td>
<td>87%</td>
<td>88%</td>
<td>86%</td>
<td>85%</td>
</tr>
</tbody>
</table>

Table 1: Occupancy Rates 2009–12

Table 2 summarizes academic year room and board charges over the past five years. Room charges are the same regardless of unit type. The meal plan is mandatory for all students. Overall costs have increased on average 4.5% per academic year since 2008/2009.
EXISTING HOUSING
NEW JERSEY CITY UNIVERSITY ■ STUDENT HOUSING STUDY

<table>
<thead>
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<th></th>
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<tbody>
<tr>
<td>Room</td>
<td>$5,513</td>
<td>$5,788</td>
<td>$6,020</td>
<td>$6,260</td>
<td>$6,520</td>
</tr>
<tr>
<td>Board</td>
<td>$3,100</td>
<td>$3,255</td>
<td>$3,345</td>
<td>$3,478</td>
<td>$3,618</td>
</tr>
<tr>
<td>Total</td>
<td>$8,612</td>
<td>$9,043</td>
<td>$9,364</td>
<td>$9,732</td>
<td>$10,138</td>
</tr>
</tbody>
</table>

Table 2: Room and Board Rates 2008/2009–2012/2013

Student Response

Based on the survey, 15% of students who live off campus are very satisfied with their current living situation and 54% are satisfied. When “satisfied” and “very satisfied” are combined, the off-campus respondents’ level of satisfaction is nearly the same as on-campus respondents'. Typically, ASL finds that off-campus respondents are twice as “very satisfied” as on-campus respondents with the total of “very satisfied” and “satisfied together being fairly close, which is true with NJCU. The comparison is shown in Figure 1.

Figure 1: Satisfaction with Current Housing Situation

Not surprisingly, students who own their own home are the most satisfied with their current housing situation. Just over 70% of those living in 2040 Apartments are satisfied or very satisfied. Those living in Co-op Hall show the highest level of dissatisfaction. Figure 2 shows satisfaction by living situation, with ‘n’ being the number of respondents.

Figure 2: Satisfaction by Living Situation
Reasons for Living/Moving off Campus

Focus group participants that commute to campus suggested several reasons, in addition to financial barriers, as to why they chose not to live on campus. A number of students did not find the housing attractive, while some believed that there are not enough activities on campus since NJCU is known as a commuter school. Concerns were also expressed about the level of rules and regulations. In other groups, it was stated that not only is it less expensive to live off campus, but that the lower price comes with more space, privacy, and kitchen facilities. There are no visitation rules and parking is typically provided. Off-campus housing is reportedly easy to find by using websites or by finding “for rent” signs at properties near the campus.

Twenty-three respondents indicated that they previously lived on campus, but now live off campus. The survey provided a list of reasons for moving off campus and asked respondents to select all that apply. The responses most frequently selected were the lack of weekend activities, the cost of campus housing, lack of common area spaces and lack of activities during the week as Figure 3 shows.

**Figure 3: Reasons for Moving Off Campus**
D. OFF-CAMPUS MARKET

National and Regional Multifamily Overview

The national multifamily market is on an upswing by all measures. Permits, starts, number of units under construction, completions, and absorption are all increasing. Vacancy rates are declining and rents are increasing. Reasons cited for this activity include higher levels of immigration, a surge in echo boomers forming their own households, a decline in the homeownership rate, high levels of college debt negatively impacting purchase power, a decrease in the net worth of baby boomers which limits their ability to help their children with down payments, and the overall slow pace of the economic recovery.

The area surrounding NJCU is following this trend. According to HUD’s Regional Activity report, the rental market in the New Jersey/New York region were tighter in 2012 than in 2011 with vacancy rates decreasing and rents increasing.

Hudson County Vacancy and Rental Rates

According to REIS’s report on the Hudson County apartment market for the 4th quarter of 2012, vacancy rates, after spiking in 2009-2010, have been declining over the past several years, to 4.4%, as can be seen in Figure 4. As 5% is the general rule of thumb for a market balanced between landlords and tenants, the Hudson County market is relatively tight in general as are the markets in Northern New Jersey, the Northeast, and the US. In Hudson County, units built since 2009 have vacancy rates higher than the overall rate. Vacancy rates in Hudson County are projected to level off in the 4.5%–4.8% range in the coming years.

![Figure 4: Hudson County Market Rental Vacancy 2007-2017](image)

Also according to REIS, rents have been gradually increasing over the past several years since a dramatic decrease in 2009, as can be seen in Figure 5. Rent growth slowed in 2012 in Hudson County, but is expected to be in the 1.7%–1.9% range before increasing to 2.7% and 2.1% in 2016 and 2017 respectively. The county’s rent growth has typically been lower than growth in Northern New Jersey, the Northeast, and the US. In terms of the number of properties, 36% reported negative growth in rents in 2012 (typically in the -0.1% to -1.7% range) as compared to 64% reporting positive growth (typically in the 0% to 1.6% range.)
Pipeline

Construction, Absorption, and Vacancy

As shown in Figure 6, construction in 2010 greatly outpaced absorption, contributing to a slowdown in the market in the next two years; 2013 is also projected to be a relatively slow year for both construction and absorption. Construction and absorption are expected to both increase and be more in balance between 2014 and 2017.

Area Projects

ASL identified six projects in Hudson County within three miles of the campus that are proposed, planned, under construction, or recently completed. However, none of projects is targeted toward the student market.
The Monticello, located at 228 Monticello Avenue approximately 1.5 miles from campus, is a project in the planning process. The community will contain a mix of 120 affordable and market-rate units in a six-story building. Ground floor retail will include a grocery store; parking is also to be provided.

The Madox, located at 198 Van Vorst Street approximately three miles from campus, was completed at the end of 2012. The 131-unit building is marketed as a “high end” complex with upscale finishes and amenities. One-bedroom units rent between $2,600 and $3,000 and two-bedroom units rent between $3,400 and $3,900.

Whitlock Mills, located at 160 Lafayette Street approximately 1.5 miles from campus, is a renovation of an historic factory. Ninety units are complete with construction underway on an additional phase. Upon completion, the complex will have 330 units: 198 affordable and 132 market-rate.

Journal Square Center Towers, two miles from campus, are planned to be located adjacent to the PATH station in Journal Square. At the end of 2012, Jersey City’s Planning Board approved the project. The project is planned to contain three towers: one with 540 units, one with 700 units, and one with 600 units. The complex will include retail and/or restaurant components. The development group plans to start construction at the end of the year.

18 Park, located approximately 1.5 miles from campus in Liberty Harbor North, is under construction and slated for completion in the fall of 2014. The building will contain 422 apartments and 10,000 square feet of retail. The property is located next to the Marin Station of the light rail system.

70–90 Columbus, which is slated to begin construction in the near future and is located three miles from campus, will consist of two 48-story towers containing 942 upscale units, a 144-room hotel, 12,000 square feet of ground floor retail, and parking.

**Route 440-Culver Development Plan**

In early February 2013, the Route 440-Culver Development Plan will be presented to Jersey City’s Planning Board. The redevelopment area, containing 29.7 acres, is located to the north of NJCU’s West Campus Redevelopment Area. Two districts are planned for the area.

- **Mid Rise-A District** is planned for detached homes, townhouses, mid-rise apartment buildings (which may include ground floor retail), civic uses, and parks and public open spaces.
- **Mid Rise-B District** is planned for townhouses, mid-rise apartment buildings (which may include ground floor retail), general and/or professional office buildings, civic uses, public and private technical schools, commercial theaters, parks and public open spaces, and automotive servicing/sales facilities.

Though the new redevelopment plans will not have an immediate impact on the demand for student housing, continued improvements to the area around the university will hopefully help draw more students to the area and, as opposed to providing competition, provide an alternative to residence hall living for students as they progress through their academic career.
**Rents**

**Survey Data**

For single student survey respondents that rent housing on their own, and do not share a bedroom (28 respondents), the total median monthly cost of housing (per person) housing cost for a three bedroom unit is $750 ($600 rent and $150 other expenses), $800 ($600 rent and $200 other expenses) for a two-bedroom unit, and $886 ($736 rent and $150 other expenses) for a one-bedroom unit. Figure 7 shows the median per-person monthly cost of housing where “n” is the number of respondents.²

![Figure 7: Single Students—Total Median Monthly Housing Cost by Unit Type per Person](image)

When married students and students with children were asked to list their housing expenses, the information was collected “per unit.” For this cohort total median monthly cost of housing is $1,545 ($1,150 rent and $395 other expenses) for a three-bedroom unit, $1,265 ($975 rent and $290 other expenses) for a two-bedroom unit, and $1,015 ($775 rent and $240 other expenses) for a one-bedroom unit.³ Figure 8 shows the median monthly cost of housing for three unit types where “n” is the number of respondents.

![Figure 8: Families—Total Median Monthly Housing Costs by Unit](image)

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² Other housing expenses include utilities (electricity, gas, water, sewer, and trash), local telephone, Internet, and cable television.

³ Ibid.
Rent Comparison

Not surprisingly, students find and rent accommodations at rents significantly lower than the Hudson County average, which includes upscale properties geared toward commuters. A comparison of monthly, per-unit rents is shown in Table 3.

<table>
<thead>
<tr>
<th>Source</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey, single students, median</td>
<td>$736</td>
<td>$1,200</td>
<td>$1,800</td>
</tr>
<tr>
<td>Survey, families, median</td>
<td>$775</td>
<td>$975</td>
<td>$1,150</td>
</tr>
<tr>
<td>REIS data</td>
<td>$2,311</td>
<td>$2,995</td>
<td>$3,944</td>
</tr>
</tbody>
</table>

Table 3: Rent Comparison, per unit

Where Students Live

The most common ZIP Codes for off-campus renters who provided ZIP Codes are 07305 (the same ZIP Code as NJCU) and Jersey City ZIP Code 07304 (to the north of campus.) Figure 9 shows renter ZIP Codes with five or more respondents.

<table>
<thead>
<tr>
<th>ZIP Code</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>07047 - North Bergen, NJ</td>
<td>6</td>
</tr>
<tr>
<td>07002 - Bayonne, NJ</td>
<td>7</td>
</tr>
<tr>
<td>07305 - Jersey City, NJ</td>
<td>10</td>
</tr>
<tr>
<td>07304 - Jersey City, NJ</td>
<td>12</td>
</tr>
</tbody>
</table>

Figure 9: Renter Respondent ZIP Codes

Of the 70 survey respondents who rent their housing:

Type of Housing

- Most, 85% rent an apartment (42% in an apartment complex or building and 43% in a house or converted house); 11% rent a house, townhouse, or duplex (where the whole building is rented by one or more students). Only 1% rent a room in a private home and 3% have some other living arrangement.

- Two-bedroom units are the most prevalent (36% rent a two-bedroom unit), while 29% rent a three-bedroom unit, 23% rent a one-bedroom unit, and 9% rent a unit with four or more bedrooms. Just 3% rent an efficiency or studio apartment.

Sharing

- Just over one-quarter live alone (27%); 27% live with one other, 16% live with two others, 13% live with three others, and 17% live with more than three others.

- Almost two-thirds of renters have a private bedroom (62%), while 21% of renters share a bedroom with a spouse and/or children and 13% share with a partner or significant other. Only 4% share with a roommate. This is much lower than the 10% median figure ASL has seen at other

* Assumes one resident per bedroom
When asked why students share a bedroom with a roommate, the handful that do, do so to save on rent, to live with friends, or could not find housing with a private bedroom.

- 41% share a bathroom with one other while 34% have a private bathroom and 25% have more than two renters sharing a bathroom.

**Policies and Amenities**

- Nearly half signed a 12-month lease (51%) and 37% have a month-to-month lease (7% started at the end of a 12-month lease term). Six-month leases are less common (3%), no one signed an academic-year or semester lease; 9% have some other lease term arrangement.

- Almost three-quarters rent an unfurnished unit (72%), 6% rent a fully furnished unit and 22% rent a partially furnished unit.

- In terms of utilities, with the exception of water/sewer and trash, most utilities are not included in rent, as can be seen in Figure 10.

**Figure 10: Utilities Included in Rent**
E. LIVING PREFERENCES

Campus Housing Features

Survey respondents indicated how influential certain unit and community amenities would have on their decision to live in new campus housing. The survey allowed selection of one of five responses for each listed feature:

1. Would not live in new housing without it
2. Would have a positive influence on my decision
3. Would have no influence on my decision
4. Would have a negative influence on my decision
5. Would not live in new housing if it was there

Figure 11 shows response from respondents to all unit features and housing policies. When looking at the means, high-speed wireless Internet, in-unit temperature control, and common area laundry facilities are most important. A non-denominational prayer space would have little impact on students desire to live in the proposed housing and a mandatory meal plan would have a negative influence or prevent some from living in the housing.

Figure 11: Influence of Unit Features and Housing Policies
Retail Options for West Campus

Students were asked how interested they would be in a prepared list of retail options for the West Campus. Based on the means, as Figure 12 shows, a convenience store was ranked highest. Respondents showed the least interest in a vegan restaurant.

![Figure 12: Retail Option Preferences]

### Unit Preferences

Focus group participants were shown a series of floor plans to generate discussion about unit layout and features. The two-double-bedroom semi-suite unit plan consists of two double rooms that share common bathroom facilities (similar to Vodra.) The two-double-bedroom suite unit provides an additional bathroom and living area to the previous unit. The four-single bedroom suite unit is the same as the previous unit except there are four single bedrooms instead of two doubles. The apartment-style housing adds a kitchen in the unit and has two double, four single, or two single bedrooms. Focus group participants’ comments are summarized below:

- **Two-Double-Bedroom Semi-Suite (similar to Vodra):** Although four students per bathroom is “pushing it,” the layout is superior to having to use a community bathroom. However, there were concerns about sharing cleaning responsibilities and the possibility of getting locked out of the bathroom by suite-mates. Compartmentalizing the bathroom would help. This type of housing would be appropriate for freshmen, but not beyond that. Having community spaces on the hall would encourage student interaction.

- **Two-Double-Bedroom Suite:** The addition of the common area space makes the units more attractive than 2040 Apartments, which have no interior common space. Two students per bathroom and compartmentalizing the bathroom makes it easier for students to share the facilities. A full kitchen would improve the unit. This type of housing would be appropriate for students who have already lived on campus for a year. The international/out-of-state group believed that in terms of price, that they should already be receiving this type of unit for what
they are paying. The residence life and transfer groups had mixed opinions on whether more should be charged for this unit type or not.

- **Apartment-Style:** Participants appreciated that the three apartment-type units tested allowed for additional privacy, social area, and a full kitchen, though they were concerned about cost. Most of the residence life group preferred the two-double-bedroom apartment. Though likely expensive, the four-single bedroom unit provided a good balance of privacy and cost. Some did not view the two-single-bedroom apartment as “realistic.” Apartments should only be made available to transfer, upper division, and graduate students.

Based on concerns about affordability, the university elected to test two suite-style units in the survey. Students were asked to rank each option as “preferred,” “acceptable,” or “would not live there.” The rates and floor plans tested are shown in Table 4. The rents assume that all units are furnished and that rent includes utilities, Internet, and cable television. Rents do not include the cost of a meal plan. Rates assume a 10-month academic-year housing contract. (Floor plans are not to scale.)

### Table 4: Floor Plans and Tested Rents

<table>
<thead>
<tr>
<th>Suite Type</th>
<th>Rents Assumed (per month, per student)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three-Double-Bedroom</td>
<td>$835-$855</td>
</tr>
<tr>
<td>Two-Double-Bedroom</td>
<td>$870-$890</td>
</tr>
</tbody>
</table>

There was not a meaningful difference in preference between the two unit types in terms of “preferred,” “acceptable,” or “would not live there,” as shown in Figure 13, which shows survey response to the unit preference question (Question 31) for all respondents.

<table>
<thead>
<tr>
<th>Suite Type</th>
<th>Preferred</th>
<th>Acceptable</th>
<th>Would not live there</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Double-Bedroom Suite</td>
<td>22%</td>
<td>52%</td>
<td>26%</td>
</tr>
<tr>
<td>3-Double-Bedroom Suite</td>
<td>22%</td>
<td>49%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Figure 13: Unit Preference for All Survey Respondents**
When the results are sorted by current living situation (on- vs. off-campus respondent), results indicate on-campus respondents have a slightly higher tolerance for the units with less privacy (i.e., three-double bedroom suite) while off-campus respondents are more likely to “not live” in the three-double-bedroom suite. Figure 14 illustrates unit preference sorted by on- and off-campus responses.

![Figure 14: Unit Preference by On- vs. Off-Campus Respondents](image)

In terms of lease preference, off-campus respondents were somewhat more interested in a 12-month lease than on-campus respondents were, as shown in Figure 15.

![Figure 15: Lease Preference by On- vs. Off-Campus Respondents](image)

**Interest**

If the student housing options in the survey had been available to survey respondents for fall 2012 when they were choosing their housing for the academic year, 34% of all respondents indicated they would have definitely lived there and 34% indicated they might have lived there. Figure 16 sorts results from on- and off-campus respondents for fall 2012.

![Figure 16: Interest in Housing on Campus, Fall 2012](image)
Those who were not interested in the proposed housing selected all of the reasons they were not interested. Overall, respondents cited the main reasons as the cost of the housing and/or that they were living at home. Figure 17 shows responses for all reasons listed in the survey.5

Figure 17: Reasons for Lack of Interest in Proposed Housing

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5 Survey respondents who indicated that they would not live in campus housing were permitted to select more than one reason from a pre-printed list. Respondents could also select “other” and write in a reason. The list appears in Attachment 3.
F. DEMAND ANALYSIS

Overview
Based on the results of the survey, ASL analyzed demand to estimate the number and type of units desired by students. Using the assumptions described below, ASL determined that there is potential demand for approximately 350 beds of housing at the West Campus. Given the relatively even interest in the two tested unit types, half the beds should be three-double-bedroom suites and half two-double-bedroom suites.

Fall 2012 Demand
ASL calculated demand using methodologies described in the methodology section. If the proposed housing had been available when off-campus full-time respondents were making their decision of where to live for the 2012–13 academic year, the potential demand for housing from full-time “definitely interested” students would be between 557 and 829 beds with a midpoint of 693. The range is based on the statistical confidence level of ±5.51% in student responses based on the number of full-time off-campus responses received and the full-time off-campus headcount of the population, making the midpoint a reasonable demand estimate. Table 5 is a breakdown of the mid-point of the demand range showing potential demand of 693 beds.

<table>
<thead>
<tr>
<th>Class</th>
<th>Full-Time Off-Campus Enrollment</th>
<th>Definitely Interested</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Capture Rate</td>
</tr>
<tr>
<td>Freshman</td>
<td>863</td>
<td>30%</td>
</tr>
<tr>
<td>Sophomore</td>
<td>810</td>
<td>29%</td>
</tr>
<tr>
<td>Junior</td>
<td>1,084</td>
<td>24%</td>
</tr>
<tr>
<td>Senior</td>
<td>1,836</td>
<td>33%</td>
</tr>
<tr>
<td>Degree seeking graduate</td>
<td>335</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>4,928</td>
<td>693</td>
</tr>
</tbody>
</table>

Table 5: Off-Campus Demand Summary, Fall 2012

Though the demand analysis indicates demand for approximately 700 beds, ASL believes the number of beds should be split into two equal phases of 350 beds for the following reasons:

- NJCU is known primarily as a commuter school. Even with a strong marketing effort, changing this image will take time.
- Though focus group participants and survey respondents did not have any significant issues with the West Campus location, full redevelopment is still years away, perhaps causing some hesitation by potential residents.
- Adding 700 beds to a 269-bed system is a major undertaking; absorption of 350 beds is more manageable.
- Creating two phases of 350 beds will ensure both phases have reasonable economies of scale.
Price Sensitivity

NJCU students expressed price sensitivity. Two survey questions asked respondents who indicated that the housing was too expensive if they would be interested at lower rates, dropping at approximately 5% increments. According to the results, should NJCU be able to reduce West Campus room rates, total demand would grow to approximately 400 beds with a 6% decrease in rents and approximately 500 beds with an 11% decrease in rents, as the demand curve in Figure 18 shows.

Figure 18: Demand Curve
FOCUS GROUP NOTES

Group Cohort: Residence Life Students
Participants: 15: 8 male, 7 female
7 freshmen, 4 sophomores, 1 junior, 3 seniors
Living Situation: 5 live in Vodra Hall, 7 live in Co-op Hall, 3 live in 2040 Apartments
Session Moderator: Linda Anderson
Session Date: December 4, 2012
Session Location: GSUB 211
Voice File: VN520105

What students like about living in 2040 Apartments:

- Private bedroom
- One bathroom per unit
- Mature residents; must be 21 or older to live there
- Common room; nice because students do not have to “hang out” in the apartment, but it is “just a space” with no sofas or any furnishings; some students bring their own furniture into the common space
- Visitation policy; a plus because anyone can visit over the weekend, and weeknight hours are later than the other two residence halls; on Sunday through Thursday guest(s) must leave by 2:00 a.m.; unlimited visitation on Friday and Saturday
- Keys; residents prefer keys over swipe card
- Carpeted hallways
- Cabinets in the bathrooms

What students do not like about living in 2040 Apartments:

- Rules; cannot bring outside furniture into unit or common room
- Problems with mice and bugs
- No elevator; those living on 4th floor have to a long walk up the stairs
- Washers and dryers
  - Only two washers and two dryers for the entire building
  - Washers and dryers are located on the lower level which is far for those on upper floors
- No kitchen
- No air conditioning
- Varying room sizes; bedrooms are not the same size which causes problems; becomes a competition – whoever gets there first gets the better/bigger room
- No interaction between residents; it’s “like a ghost town”
- Not enough parking; there are 50 residents and only 10 parking spaces
What students like about living in Vodra Hall:
- Semi-private bathrooms
- Carpeted hallways; feet do not get cold

What students do not like about living in Vodra Hall:
- Bathrooms
  - The bathrooms are shared with others that suitemates may not know or get along with.
  - Residents have to clean their own bathrooms, causing hygiene concerns.
  - The two bedrooms are connected by a bathroom. Two entrances to the bathroom means sometimes a suite-mate gets locked out of the bathroom.
  - The bathrooms are too small; only those “just right” fit in the shower. Those that are too short get water aimed at their face and those that are too tall get water aimed at their torso.
- No kitchen
- Only one refrigerator
- Only one lounge for 38 residents
- Hotel feel; feels like a hotel because of the hallway design; not enough interaction between residents. Co-op is more “homey.”
- No stairs (except for emergency exit; students prefer to take the stairs, not the elevators

Suggestions for Vodra:
- The bathroom should open onto a common room and each bedroom have its own access to both without locking other suitemates out of the bathroom.
- There should be more lounges; one is not enough. One or two per hallway would work.
- More study rooms and more computer rooms are needed (or a bigger computer room.)
- The bathrooms should be bigger.
- There should be two of everything, one on each side (two elevators, for example)

What students like about living in Co-op:
- “Everything”
- Spacious community bathrooms; showers are “cool” and roomier
- Cleaning; bathrooms are cleaned by housekeeping staff; third floor bathrooms stay clean
- Lounge, kitchen, refrigerator on every floor
- Marble floors
- Laundry room on each wing
What students do not like about living in Co-op:

- Wish there were TVs in every lounge

Dining services:

- Cafeteria is the biggest problem for some participants.
  - Food service closes to early (8:00 p.m.) and there is no kitchen in the residence halls to cook food.
  - It is difficult to eat healthy. Grilled chicken, turkey burgers, and gluten free choices are not always offered.
  - There is a poor variety of food choices; eating chicken fingers every day is unhealthy.
  - The soda machine never works and the tap water is not healthy to drink.
  - Grills are not cleaned frequently.
  - There was no focus group before the cafeteria was built; the university should have gotten more input. Before they re-did the cafeteria there were more choices.
  - Food service is not resident-friendly. The hours are inconvenient. “No one absolutely loves it.”
  - The new cafeteria is only for residents.
  - One student feels like she is stealing water when she brings her own bottle to refill.
  - One dining hall is more expensive than the other.

- Others do not have problems with the cafeteria
  - “They’re trying!”
  - They are trying to incorporate new features like “soul food Tuesday.”
  - The new dining is innovative; one participant has no complaints.

- Residents should have a choice in meal plans, not just an unlimited plan.

- 2040 is across the street from dining and it is difficult to get across the street to the cafeteria. Traffic lights are “stupid” and students have to dodge cars. It would be easier if all residence halls were on the same side of the street as the cafeteria.

- Students should be able to use the NJCU dining card at Subway, Starbucks, etc.

- Residential students and commuters should be able to use dining cards at both cafeterias. At the current time, students can only use cash if eating at the “other” cafeteria.

- Residents and commuters are divided; everyone should be able to eat together.

Development plan:

- The location of the housing expands the campus. Parking in front of housing is desirable.

- The garden/green space would be nice.

- Desired retail:
  - Recreation room with pool table, entertainment systems, vending, open late
  - Store that sells only NJCU merchandise
  - Panera, QDoba Mexican Grill, vegan restaurant
Floor plan review:

**B: Two-Double Bedroom Suite**
- Tub is appealing
- Toilet, bathtub are separate from sink, two can use the facilities at the same time
- Would prefer a full kitchen in the unit
- Common area for all four residents with furnishings is much better than units at 2040 Apartments

**C: Four-Single-Bedroom Suite**
- Better than previous plan
- A private bedroom would help students avoid roommate conflicts

**D: Two-Double-Bedroom Apartment**
- This is THE best one
- Washer-dryer in unit is a plus but not absolutely necessary (two sets on each floor would work fine; or dispersed in some logical fashion)
- This is what one student expected before moving into 2040 Apartments (which are not really apartments)
- There should be seniority in hall assignments; first-year students do not expect this type of housing
- This unit should be reserved for seniors, or student over 21 years old
- Add a balcony for smokers; a balcony would be nice even for non-smokers

**E: Four-Single-Bedroom Apartment**
- This is the best floor plan so far because it provides additional privacy
- Compartmentalized bathrooms are appealing
- Cost is a factor; this may be too expensive for some

**F: Two-Single-Bedroom Apartment**
- This level of privacy is not necessary; not realistic
- A few participants like this plan – maybe for seniors or graduate students
• Pricing:
  o Some participants believe that pricing should be different, depending on the hall; others believe 
    that everyone should pay the same price.
  o Housing assignment should go by seniority, not by price.
  o Some believe tuition will go up if new housing is built.
  o Students would be willing to pay:
    ▪ Floor Plan B: what they pay now ($3,255) or up to $500 more; most agree $200 more is 
      fair ($3,455)
    ▪ Floor Plan C: up to $4,000 ($745 more than they pay now)
    ▪ Floor Plan D: up to $4,200 ($945 more than they pay now)
    ▪ Floor Plan E: up to $4,500 ($1,245 more than they pay now)
    ▪ Floor Plan F: up to $5,000 ($1,745 more than they pay now)
  o If the floor plans were currently available at the prices stated by participants, two would choose C, 
    ten would choose D, one would choose E, and two would choose F. No one would choose to live in 
    existing housing.

Preferred amenities in new housing:
• Kitchen on every floor (if not provided in the unit)
• A 24-hour dining facility or longer hours at the existing cafeteria (if kitchens not provided in the residence 
  hall)
• Game room
• Recreation room, social gathering space
• Study spaces
• Computers (that work)
• Snack room, somewhere to get food

Additional comments:
• NJCU should buy properties adjacent to 2040, renovate 2040 and the purchased properties and make the 
  complex all university housing.
• NJCU gets a”bad rap” when it comes to dormitories. The university should try to improve the image of hous- 
  ing.
FOCUS GROUP NOTES

Group Cohort: Commuter Students

Participants:
14: 4 male, 9 female, one did not specify
3 sophomores, 4 juniors, 4 seniors, 2 graduate students, one did not specify

Living Situation:
1 lives in 2040 Apartments
1 rents a house, 4 rent an apartment, 8 live with family/parents
  3 live in 2BR apartments: 1 w/ 1 roommate pays $475 rent, $200 utilities; 1 w/ 1 roommate pays $650 rent, plus utilities, 1 w/2 roommates pays $225 rent, $50 utilities
  1 rents a room in a private home and pays $495 rent, $150 utilities
  1 lives with family and pays $1,200 rent, $200 utilities
  1 lives with parents and pays $570 rent
  1 owns their own home and pays $450 mortgage and $200 utilities
Renters: 1 has an academic-year lease, 3 have a 12-month lease, 1 has some other lease term

Session Moderator: Linda Anderson
Session Date: December 4, 2012
Session Location: GSUB 211
Voice File: VN520106

Why students chose to live off campus:
- The students did not find campus housing attractive.
- There is not much to do on campus. The participants assume they would have been bored. Other campuses have more of a residential feel. NJCU is mainly a commuter school.
- There are too many regulations in on-campus housing.
- Campus housing is not worth the money.
- One student from out of the area felt that graduate housing (2040 Apartments) was not feasible.
- The residence halls are not attractive. “There are no words for 2040 Apartments” – it looks like a project building. Housing need to be more attractive or new.
- One participant has the convenience of living with parents only 15 minutes away.

What students like(d) about living in 2040 Apartments:
- Living away from family; fewer distractions than home
- Convenience; can wake up at 10:00 and be in class by 11:00
- Private room; better than a shared bedroom
- Ability to personalize; the space is more enjoyable if one makes the unit nice
- Security; location provides a safe environment with public safety
- Type of housing; provides a different type of dorming experience at a low cost
- Semi-private bathroom; sharing a bathroom with one other student is desirable
What students do (did) not like about living in 2040 Apartments:

- Financial aid was not adequate for one participant.
- The rent is too expensive.
- There is no kitchen. It is inconvenient to go back and forth to the student center for meals and food services close early.
- One had a bad mouse problem last semester; another had a roach infestation.
- There are plumbing system problems.
- Work needs to be done on the building; there are hazardous floor boards.
- The building needs modernizing.
- Some participants believe the building should be knocked down after a new residence hall is built; others disagree.
- Once new housing is built, 2040 could be seen as an inferior choice.
- Rooms are different sizes. The smallest room is barely big enough to live in and was the room from which the kitchen equipment was removed.
- Huge spaces are not furnished. Students are not able to bring in furnishings from outside because it is a fire hazard.
- Residents must move all belongings out of the unit during break. This is difficult for out-of-state students.
- There is no elevator. The microwave and laundry machines are on the first floor; it is tough to go down/up four floors.

Off-campus rentals:

- Finding a rental is not difficult.
- Students drive around looking for places with “for rent” signs or check Craigslist.
- One participant called a realtor (from a for-rent sign) at Kennedy and Audubon, which is very close to the school.
- In Bayonne, one student noticed that there were several apartments for rent in November but most were undesirable, small, and unpleasant. It is difficult to find an apartment within a limited budget.
- There is no student neighborhood near NJCU.
- A student advisor finds places on College Street for baseball team players.
- Coaches help athletes find housing.

Factors used in making a decision of where to live off campus:

- Affordable rent
- Spacious rooms
- Close to campus
- Quiet location
- A newly-renovated house with washer-dryer on site and upgraded kitchen appliances
Housing seen at other universities:
- Other schools have more housing than NJCU.
- Other universities have apartments or houses owned by the university. A house with six tenants would be ideal.
- Montclair State:
  - Housing is better than NJCU’s housing.
  - Montclair has an unlimited overnight guest policy with no curfew. Friends/partners can sign in and stay with no ID required.
  - There is a security officer at the main desk.
  - The building was finished in 2009.
  - The units are bigger and more spacious than Co-op housing.
  - The units are similar to Co-op, except the apartments have living rooms and kitchens.
  - The living room is big enough for students to interact with one another.
- Princeton:
  - Cottages add to the value of the university.
  - Students can act like an adult by having to take care of a house.

Value vs cost:
- Campus housing is too expensive; students pay too much for too little.
- In terms of off-campus housing, a two-bedroom apartment is a better deal than campus housing because there is more space, a full kitchen (w/stove, oven), big living room, and each student has their own bedroom.

Development plan:
- The proposed site is a good location for housing.
- There should be shuttles, especially at night.
- One participant suggested that instead of placing housing on the west side of the site, it should be surrounded/sheltered by classroom buildings due to concerns over criminal activity. The south side of the site should be enclosed or locations of retail and housing adjusted. One participant disagreed because such changes would require a farther walk to the main campus.
- Stegman Boulevard is a main roadway and should be accessible by shuttle.
- Students use residence halls to read when library is not open and like quiet solitude. If there is a lot of activity it would be difficult to focus, so another participant prefers location as shown.
- The entire site should be gated, especially housing.

Suggested retail for new site:
- Family Dollar
- Starbucks
- Dunkin Donuts
- Deli
• Convenience store (like 7-11)
• McDonalds or some other fast-food restaurant; would benefit the community as well
• Hours of operation are very important; everything on campus closes too early. The new retail should be open past 9:00 p.m.
• Students should be able to use their dining bucks at new restaurants.

**Floor plan review:**

**A: Two-Double-Bedroom Semi-Suite (Similar to Vodra)**

![Floor plan A]

- A bathroom shared by four people is more desirable than a community bathroom (like at Rutgers or in Co-op).
- This design would be fine for freshmen, but not for older students or graduate students.
- Four per bathroom is pushing it because there may be conflicts over replacing toilet paper, etc.; two per bathroom is preferable.
- Some students are not going to keep the bathroom clean.

**B: Two-Double Bedroom Suite**

![Floor plan B]

- This is much better than Plan A; it looks more spacious.
- Two per bathroom is better than four.
- A living room helps for social situations.
- There are no drawbacks to this except, maybe, sharing a bedroom but there are more options to find privacy.

**C: Four-Single-Bedroom Suite**

![Floor plan C]

- This plan is more like an apartment but there is no kitchen.
- Bathrooms are accessible to all roommates, unlike B; C is a better design.
- Some people like having a roommate, so suggest providing a variety of floor plans in the new housing, perhaps a mix of B and C.

**D: Two-Double-Bedroom Apartment**

![Floor plan D]

- The kitchen is appealing.
- Having a washer-dryer in unit is very convenient but a set on each floor would also work well.
- This unit is so “cool” it would give one participant a reason to never leave their unit.

**E: Four-Single-Bedroom Apartment**

![Floor plan E]

- Pluses are single bedrooms and plenty of closet space.
- A small living room is OK since each student has a private bedroom.
- There is wasted space in Plans D and E. The living room and kitchen can be combined leaving more room for hallways to bedrooms, bigger individual rooms, and bigger bathrooms.
F: Two-Single-Bedroom Apartment

- This unit should be reserved for seniors.
- A personal bathroom is a plus
- D, E, and F are similar; it depends on personal preference. Some like E because they like to live with others; older students might prefer F to live with only one other.

- If units were offered on campus:
  - 3 participants would stay where they are
  - 3 would consider new campus housing
  - 6 would definitely live in new housing (depending on cost)

Preferred amenities:
- Family housing, housing for couples
- Elevator in the building
- Single gender rooms/units, freedom to choose roommates
- TV room
- Lounge space
- Computer lab
- Game room
- Reading room/quiet room
- Basketball, gym
- Planned activities
- Ratskeller on campus
- Late night food spot

Additional comments:
- NJCU housing choices seem to downgrade over time. Co-op is nice for first-year students with a kitchen and air conditioning, then Voldra is a little worse, and 2040 is even worse (e.g., no kitchen, poor HVAC). “It’s kind of a slap in the face.”
- Renovating 2040 may be more expensive than rebuilding.
- There should be differential pricing depending on which building you live in. Alternatively, the pricing should be the same but the housing should be equitable.
- Housing diversity would add to the appeal of NJCU.
- If freshman dorms were more expensive it could be a turnoff for a prospective student.
- Vodra and Co-Op have similar rules; the visitation policy is more lax in 2040.
- There should be no curfew for guests; students should be treated as adults.
• There should be more officers patrolling the area.

• There should be more housing choices for students, particularly non-traditional students with perhaps studios with kitchenettes and traditional apartments with roommates for those who want it. This would better serve the population which is not very traditional; most students are older.

• There are houses for sale on a nearby street and NJCU should look into buying them. This would allow NJCU to expand the housing system and invest in the neighborhood.

• NJCU should improve public safety like Montclair and Rutgers where officers are trained at the police academy; they are better trained than NJCU officers.

• There are no activities at NJCU even though students are dorming. The campus shuts down at 6:00 p.m. and it is a ghost town on the weekends. Resident students are “stranded” so some go into New York but would rather stay close to campus but there is no entertainment nearby.
FOCUS GROUP NOTES

Group Cohort: International and Out-of-State Students
Participants: 15; 11 female, 4 male
1 freshman, 3 sophomores, 6 juniors, 2 seniors, 3 graduate students
Living Situation: 9 live on campus: 5 in Vodra, 3 in 2040, 1 in Co-op
1 lives with family
3 rent a 3BR apt in a house with roommates and pay between $420 and $550 per month each in rent and between $30 and $40 for utilities
1 lives in a 2BR apartment in a house and pays $680 per month in rent and $50 for utilities
1 lives alone in a 1BR apartment and pays $825 per month rent and $100 for utilities
Renters: 5 have a 12-month lease

Session Moderator: Linda Anderson
Session Date: December 4, 2012
Session Location: GSUB 211
Voice File: VN520107

What students like about living in Vodra:
- On-campus location; not across the street like 2040
- Air conditioning provided
- Semi-private bathrooms; share with suitemates, not with the entire hall
- Cafeteria in the building (but hours are too short)
- Centrally located

What students do not like about living in Vodra:
- Elevators only; would prefer to use stairs (elevators are only for emergency)
- No kitchen; microwave only; oven/stove were removed
- Refrigerator was removed (but it was disgusting)

What students like about living in 2040:
- Private bedrooms

What students do not like about living in 2040:
- No elevator; makes move-in day difficult
- No kitchen; only one microwave for the entire building
- No air conditioning
- Too hot in the winter (and in the summer)
- No air circulation; sleeping is difficult
- Everyone pays the same price for different-sized rooms
• Sketchy wiring; when microwave is in use, lights dim
• Residents pay extra for cable (should be included in rent)

What students like about living in Co-op:
• Good experience; some students loved living in Co-op
• Convenience; can wake up just before class
• Social atmosphere; everyone knows each other
• Sharing; shared bedrooms, shared bathroom, shared everything
• Co-op is better than Vodra because a group can prepare and eat a group meal. The lounge is bigger and more open. The double bedroom is bigger even though it is shared with a roommate. Guys and girls are separated and each side has a laundry facility.

What students do not like about living in Co-op:
• “There is nothing to like about Co-op”.
• Community bathroom

Value vs cost:
• Campus housing
  o Campus housing is too expensive for what the students get.
  o Vodra is not a good value because of mice problems. Residence Life was very dismissive/hostile when the students complained. The problem was addressed once parents and threat of lawyers became involved.
• Off-campus
  o “Yes, a good deal.”
  o One had a problem with a landlord who did not provide a refrigerator.
  o One participant’s rent includes utilities.

Common spaces:
• 2040 has no lounge; the area called a lounge is very small and no one uses it.

Why students choose to rent off campus housing:
• Affordable cost; less expensive than on-campus housing
• Space; private room, private bathroom, huge kitchen
• No visitation rules; residents can have as many visitors as they want
• Two parking spaces

Dining services:
• The dorm cafeteria has good variety but it is too expensive; friends who are commuters pay over $10.25 for dinner.
• Hours are absurd.
• Students must give 24-hour advance notice if they want to carry out.
• One participant loves the meal plan because she eats a lot.
• Vodra meal plan gets boring.
• Everyone lives off of noodles because there are no late-night food options and students get hungry.

Housing seen at other universities:
• Shippensburg University
  o Shippensburg has a better overnight guest policy. Students just sign in; there is no paperwork.
  o Students can bring in furniture such as a bookcase. One student had to try five times before getting a lamp approved by housing at NJCU.
  o Students have more freedom and are treated like adults, not four-year olds.
• Arizona State University
  o There are several dining locations throughout campus; the meal card works at all locations.
  o Students are treated like adults, like students who live on their own.
  o Friends are permitted anytime.
  o Rooms are not checked frequently.
• At another school the housing is designed like a hotel, which is more appealing than NJCU housing.

Development plan:
• The location is not too far from campus - a good site.
• A shuttle will help.
• The site is close to public transportation. Commuters should be able to get to the West Campus easily.
• This is typical of an urban campus with campus buildings intermixed with city buildings.

Floor plan review:

A: Two-Double-Bedroom Semi-Suite (Similar to Vodra)

• The plan looks bigger than Vodra.
• One bathroom is fine, two sinks help.
• It would be easy to lock out suitemates, just like Vodra's bathrooms.
• Sharing with four residents is better than a community bathroom.
• Having community spaces on the hall to encourage resident interaction would help.
B: Two-Double Bedroom Suite

- Students like the bathtub/shower.
- This plan is more “homey” than the previous plan.
- With a living room, students would not have to use their bed as a couch.
- This should be offered to students who have already lived on campus for one year.
- Some would like to know or be familiar with suitemates.
- Participants would be willing to pay the same as they pay now ($3,255) for this unit.

C: Four-Single-Bedroom Suite

- Participants like this Plan. “It’s like 2040 on steroids.”
- Private bedrooms are a plus.
- The living room is spacious.
- Two sinks are appealing.
- Having suite-mates is appealing.
- Reserve this plan for juniors and seniors.
- Some would pay more for a private bedroom, up to $4,000 per semester; others believe it should be the same price as Plan B.

D: Two-Double-Bedroom Apartment

- One student does not desire a kitchen and living room within the unit. The university should provide these amenities on the hall for more students to share (like Co-op – but nicer).
- The bathroom ratio is appealing; some would not want to share a bathroom with more than one other.
- The kitchen option is appealing but one would prefer a single bedroom over a kitchen.
- Some would not want the responsibility of cleaning the unit.
- Most would pay more for Plan D than for Plan C; some would still prefer Plan C if a community kitchen were provided.
- One would be willing to pay as much (more) as it would cost NJCU to provide kitchen appliances and utilities.

E: Four-Single-Bedroom Apartment

- Washer-dryer in unit is “nice!”
- The living room would not be used unless a guest is visiting; most students gather in the floor lounge.
- Some prefer a private bedroom.
- This Plan should be priced the same as Plan D.
Preferred amenities:
- Furnished units
- Kitchen, at least one on each floor (if not provided within the unit)
- Shared lounge or living room (if living room is not provided within the unit)

If the university provided __________ in new housing I would definitely live there:
- Cable
- Free food
- Kitchen in apartment
- Washer-dryer in unit
- Reliable WiFi
- More freedom, responsibility, treated like an adult
- Variety of food options (better meal plan)
- Privacy
- Better cafeteria hours (if stove not provided in apartment)
- More lenient guest policy
- 24/7 dining options
- Temperature control

If university provided __________ in new housing I would definitely not live there:
- Restriction on visitors
- Uncomfortable, institutional furniture
- Only one floor plan option (would like choices)

Additional comments:
- It is easy to find off-campus housing using Craigslist or Trulia, or by looking for “for rent” signs in front of properties.
- 2040 is the worst housing on campus; it needs to get knocked down or redone.
- Students wonder why they can’t sign in as many friends as they want rather than a limited number of guests.
- NJCU should provide comfortable housing beginning in a student’s first year. Otherwise, students will leave after one year and find off-campus housing.
- One of the advantages to living on campus in a populated hall is that those that come to NJCU without knowing anyone have the ability to meet many other students on the hall and in the cafeteria. This is a good selling point.
- International student needs are different because they prefer privacy and do not know what to expect. Therefore, they would like a single room at first. In the second semester or second year, it is different because they will have met others and could then share a bedroom.
FOCUS GROUP NOTES

Group Cohort: Transfer Students
Participants: 13; 8 female, 5 male
6 juniors, 6 seniors, 1 did not provide
Living Situation: 1 lives on campus in Co-op
5 live with family; 2 pay rent of $400 and $800 per month and $135 and $300 per month for utilities
1 lives alone in a rented room for $400 per month
1 lives alone in a 2BR apartment in a house and pays $900 per month in rent and $200 for utilities
2 live alone in a 1BR apartment and pay $821 and $650 per month in rent and $25 / $200 for utilities
Renters: 4 have 12-month leases, 1 has some other lease arrangement

Session Moderator: Linda Anderson
Session Date: December 4, 2012
Session Location: GSUB 211
Voice File: VN520108

Experiences living on campus (at previous schools):

- Seton Hall:
  - The freshmen dorms have a 50-60” TV screen in a “hang-out” lounge with comfortable furniture, planned activities, movie nights, game room with pool table, and a laundry room where students use their ID card to pay for laundry (though the machines were small.)
  - Gourmet Dining just started a contract at Seton Hall (same as NJCU). Before that the university offered Subway, Pizza Hut, a wings place, and others which were very popular but cost the university too much.
  - For the first month or six weeks, Seton Hall hosts many events but after that there are very few. As a result most students stay in their room to study, play video games, or go outside to find something to do – “it is pretty boring.”
  - There are very strict rules because of the Seton Hall fire. There are restrictions on what is allowed in the room (no lava lamps, grill, electronics, etc.).
  - Students sometimes set off the fire alarm with hair spray as the smoke detectors are sensitive.
  - A college in New Jersey:
    - The units have one bathroom shared by suitemates. There are no community bathrooms.
    - Events in the residence hall keep students connected to what is going on.
    - Residents have the support of RAs.
    - Seniors are assigned to apartments and can opt out of the meal plan because they have a full kitchen.
    - Dorms for younger students had a kitchen per floor.
    - Cable, WiFi, and laundry are included in housing rate.
• When the cafeteria closes between lunch and dinner, the seating area is still open for students to gather.
• Meal plans are one price and are buffet-style; each item is not priced separately (like NJCU).
• Living on campus is fun.
• A college in Philadelphia:
  • Freshmen housing has gas appliances, TV lounge, and RAs on duty for support.
  • Recently built housing has a TV lounge, garbage room, and laundry on every floor.
  • The meal plan is similar to NJCU with 19-meals-per-week but they also offer 15-, 10-, 5 meal-per-week plans with various amounts of flex dollars.
  • One apartment building had mushrooms growing through the floor on the ground level. This is a violation of Philadelphia housing codes.
• Montclair State has a grouping of residence halls with a green space in the center.
• Oberlin is a small campus. Residence hall rooms include a desk, chair, closet, shelving, and bunkable beds. There is a community bathrooms down the hall which is not too bad because each room has a sink.
• At other schools:
  • There was a shared kitchen for the entire floor. Residents can cook their own food.
  • Food on campus is not as expensive as NJCU; the students use a declining balance card with flex dollars.
  • A lottery is used for room selection.

**Why students choose to rent off campus housing:**
• Students want to be on their own with no rules.
• Coming from the military, one participant did not even consider on-campus housing.

**Dining services:**
• The cafeteria is for dorm students only. It should be open to commuters as well.
• The cafeteria closes early during the week and even earlier on weekends.
• Dishes in Vodra’s cafeteria are not cleaned well. Students have to clean plates and utensils before using them.
• Garbage cans should be provided so students can throw out leftovers.
• Students are not permitted to take food from Vodra Hall. This is not fair since students pay for their meals—they are not stealing food.
• The cafeteria is closed in-between meals. The university should keep seating areas open while workers are preparing for the next meal.
• Students spend money on dining out because the commuter cafeteria closes early.
• Students cannot bring a friend to eat in the cafeteria.
• Family and friends visit but once meals are used up, they cannot eat on campus due to the limited number of meals/amount of dining points.
Development plan:

- Students expressed concern with parking but were assured that whatever parking is eliminated on the West side will be replaced on the 440 side (1,000 spaces in use now will be replaced). Parking structures will be provided when the site is completely built-out.
- Some are concerned with site cleanup, but assume it has been done.
- Students will “believe it when they see it,” citing the current construction on campus that is taking longer than expected.
- Students like the location.
- If Building 7 - with academic classes, offices, and retail - is located on 440, it will be loud.
- Students are not worried about noise with the proposed location for housing.
- The new campus plan does not take into account needs of commuters.

Desired retail/amenities:

- Healthy food options
- Panera
- Subway
- Cheaper food (food/coffee on campus is too expensive)
- Ability to use student ID at new retail places
- If contracted through the university, prices for food will be too high. The new places should be independent.

Floor plan review:

- A: Two-Double-Bedroom Semi-Suite (Similar to Vodra)
  - The furniture arrangement on the right side is more appealing than the one on the left.
  - A shelf should be added for each student.
  - A piece of furniture should be added for each student with drawers that can lock.
  - Having one shower might cause problems with this design; consider a shower/sink on one side and toilet/sink on the other side.
  - This design makes it possible for one side to lock the other side out of the bathroom.
  - If all four roommates get along, there would not be a problem with bathroom sharing.
  - Seton Hall had similar housing but beds could be bunked and each bedroom had two shelves for personal items or TV.
B: Two-Double Bedroom Suite

- Participants like this plan. It is similar to housing at NYU.
- Foyer/social space is an improvement over Plan A.
- The tub/shower is desirable.
- Two bathrooms help with the previous sharing issues.
- Two sinks for one room is not necessary; add counter space and drawers instead.
- Many students are on financial aid and come from low/middle-income families so may not be able to afford to pay more for housing. “This is not a private school!”
- Some participants would agree to adding $1,000 for housing since tuition is low/affordable.
- This plan is nicer than housing at Seton Hall where students paid $4,000 per semester (and Seton Hall only had one bathroom with one sink).

C: Four-Single-Bedroom Suite

- This plan has too much wasted space. Fewer students could live on campus.
- Mix double and single bedrooms within the unit or building- a combination of Plans B and C.
- A personal bedroom is good for privacy and study.
- Single rooms tend to be small which is OK for one student.
- One participant would live on campus if this unit was offered.
• D: Two-Double-Bedroom Apartment

- “I dig this”
- Some wish they had this unit type at 2040.
- Two separate rooms with a bathroom for each is a nice design.
- Social space is an asset because of shared bedrooms. It is not necessary for a unit with single bedrooms.
- An in-unit washer-dryer may not be necessary if offered in the building. Some say in-unit machines are a waste of energy.
- Juniors and seniors should live in this apartment; not underclassmen.

• E: Four-Single-Bedroom Apartment

- All single bedrooms = more personal space. Everything one needs will be in the room
- If single bedrooms are offered, social space is not necessary. Students can sleep and study in the bedroom and watch TV in the floor’s lounge.
- There is too much space in this unit; it will not be used.
- For one participant, this is the worst option because residents would not get to know other students.

If units were offered on campus when these students transferred to NJCU:

- 5 would continue to live with family (one does not like to share, others live close enough to commute)
- 5 would live in Plan D
- 2 would live in Plan E
- If the school changed their image from a commuter campus to a residential campus, one student who currently lives at home would consider living on campus.

Preferred amenities for new housing:

- Green space/big lawn for gathering, playing games
- TV lounge and game room
- Study lounge
- Place to eat
- Laundry facilities
- Garbage room on each floor (or garbage chute)
- Mini fitness center
• Mail delivered to the dorm, mailroom, mailboxes with a key
• Projector/theater room for movies
• RA programming space; RA room/office
• Spiritual space/prayer room/chapel for all religions
• Small or medium size computer lab with printer(s)
• Library
• Air conditioning; temperature control

Theme housing:
• Theme housing might be appealing to some students.
• Religious organizations might be good candidates for theme housing, but not for each club.
• Rutgers has an entire block is dedicated to Greek housing.
• A few theme buildings/floors would work. There should not be too many.

Additional comments:
• Those that live on campus do not believe they are getting a good value for what they pay.
• Some would like a more inviting commuter lounge with comfortable furniture, mailboxes, and social space.
• 2040 Apartments are not really apartments because there is no kitchen. Students living at 2040 Apartments are not permitted to have a microwave or rice cooker. When the cafeteria closes, there is nowhere to cook.
### Tell Us About Yourself

1. **What is your academic class level for the current fall 2012 term?**

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2. **What is your current status?**

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3. **Where did you live at the time you enrolled in NJCU?**

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<td>18 Somerset County</td>
<td>0%</td>
<td>1 (2%)</td>
<td>1 (0%)</td>
</tr>
<tr>
<td>19 Sussex County</td>
<td>2 (1%)</td>
<td>0%</td>
<td>2 (1%)</td>
</tr>
<tr>
<td>20 Union County</td>
<td>11 (3%)</td>
<td>2 (4%)</td>
<td>13 (3%)</td>
</tr>
<tr>
<td>21 Warren County</td>
<td>0%</td>
<td>1 (2%)</td>
<td>1 (0%)</td>
</tr>
<tr>
<td>22 Elsewhere in the United States</td>
<td>3 (1%)</td>
<td>2 (4%)</td>
<td>5 (1%)</td>
</tr>
<tr>
<td>23 In another country</td>
<td>0%</td>
<td>1 (2%)</td>
<td>1 (0%)</td>
</tr>
<tr>
<td>(blank)</td>
<td>3 (1%)</td>
<td>0%</td>
<td>3 (1%)</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337 (100%)</td>
<td>56 (100%)</td>
<td>393 (100%)</td>
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</tbody>
</table>

4. **What is your date of birth (please use the MM/DD/YYYY format)? ASL calculated respondents’ age as of 09/01/2012.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
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<tr>
<td>17</td>
<td>15 (4%)</td>
<td>4 (7%)</td>
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</tr>
<tr>
<td>18</td>
<td>30 (9%)</td>
<td>18 (32%)</td>
<td>48 (12%)</td>
</tr>
<tr>
<td>19</td>
<td>40 (12%)</td>
<td>11 (20%)</td>
<td>51 (13%)</td>
</tr>
<tr>
<td>20</td>
<td>43 (13%)</td>
<td>8 (14%)</td>
<td>51 (13%)</td>
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<tr>
<td>21</td>
<td>39 (12%)</td>
<td>7 (13%)</td>
<td>46 (12%)</td>
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<tr>
<td>22</td>
<td>33 (10%)</td>
<td>2 (4%)</td>
<td>35 (9%)</td>
</tr>
<tr>
<td>23</td>
<td>31 (9%)</td>
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<td>34 (9%)</td>
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### Survey Tabulations

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<th>On-Campus #</th>
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<th>Grand Total #</th>
<th>Grand Total %</th>
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<tr>
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<td>2%</td>
<td></td>
</tr>
<tr>
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<td>8</td>
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<td>1%</td>
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<td>1%</td>
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<td>6</td>
<td>2%</td>
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</tr>
<tr>
<td>31</td>
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<td>3</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>32</td>
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<td>1%</td>
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<td>2</td>
<td>1%</td>
<td></td>
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<tr>
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<td>0%</td>
<td>2</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>35</td>
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<td>0%</td>
<td>2</td>
<td>1%</td>
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<tr>
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<td>1</td>
<td>0%</td>
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<td>1</td>
<td>0%</td>
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</tr>
<tr>
<td>44</td>
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<td>0%</td>
<td>2</td>
<td>1%</td>
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<td>1%</td>
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<td>2</td>
<td>1%</td>
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</tr>
<tr>
<td>47</td>
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</tr>
<tr>
<td>48</td>
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<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>50</td>
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<td>1%</td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>2</td>
<td>1%</td>
<td>0%</td>
<td>2</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>57</td>
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<td>0%</td>
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<td>0%</td>
<td></td>
</tr>
<tr>
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<td>1</td>
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<td>0%</td>
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</tr>
<tr>
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<td>10</td>
<td>3%</td>
<td>1%</td>
<td>11</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>337</strong></td>
<td><strong>100%</strong></td>
<td><strong>56</strong></td>
<td><strong>100%</strong></td>
<td><strong>393</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

5. What is your gender?

1. Female
   - 215 | 64%
   - 34 | 61%
   - 249 | 63%

2. Male
   - 119 | 35%
   - 22 | 39%
   - 141 | 36%

3. Transgendered/Other
   - 2 | 1%
   - 0 | 0%
   - 2 | 1%

   (blank) | 1 | 0%

**Grand Total**

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus #</th>
<th>Off-Campus %</th>
<th>On-Campus #</th>
<th>On-Campus %</th>
<th>Grand Total #</th>
<th>Grand Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>76</td>
<td>23%</td>
<td>9</td>
<td>16%</td>
<td>85</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>114</td>
<td>34%</td>
<td>33</td>
<td>59%</td>
<td>147</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>120</td>
<td>36%</td>
<td>10</td>
<td>18%</td>
<td>130</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>7%</td>
<td>3</td>
<td>5%</td>
<td>28</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>(blank)</td>
<td>2</td>
<td>1%</td>
<td>1%</td>
<td>3</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

**Grand Total**

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus #</th>
<th>Off-Campus %</th>
<th>On-Campus #</th>
<th>On-Campus %</th>
<th>Grand Total #</th>
<th>Grand Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>337</td>
<td>100%</td>
<td>56</td>
<td>100%</td>
<td>393</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
7. If employed, how many hours per week do you typically expect to work during the academic year?

<table>
<thead>
<tr>
<th>Median # of hours</th>
<th>25 hours</th>
<th>20 hours</th>
<th>25 hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 or fewer hours</td>
<td>6 2%</td>
<td>1 2%</td>
<td>7 2%</td>
</tr>
<tr>
<td>9 to 16 hours</td>
<td>53 16%</td>
<td>7 13%</td>
<td>60 15%</td>
</tr>
<tr>
<td>17 to 24 hours</td>
<td>44 13%</td>
<td>6 11%</td>
<td>50 13%</td>
</tr>
<tr>
<td>25 to 32 hours</td>
<td>56 17%</td>
<td>6 11%</td>
<td>62 16%</td>
</tr>
<tr>
<td>33 to 40 hours</td>
<td>40 12%</td>
<td>0%</td>
<td>40 10%</td>
</tr>
<tr>
<td>41 to 48 hours</td>
<td>5 1%</td>
<td>0%</td>
<td>5 1%</td>
</tr>
<tr>
<td>49 hours or more</td>
<td>9 3%</td>
<td>1 2%</td>
<td>10 3%</td>
</tr>
<tr>
<td>(blank)</td>
<td>124 37%</td>
<td>35 63%</td>
<td>159 40%</td>
</tr>
</tbody>
</table>

Grand Total 337 100% 56 100% 393 100%

8. With whom do you live during the current academic year?

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. No one, I live alone</td>
<td>30 9%</td>
<td>2 4%</td>
<td>32 8%</td>
</tr>
<tr>
<td>b. Roommates and/or apartment-mates</td>
<td>24 7%</td>
<td>36 64%</td>
<td>60 15%</td>
</tr>
<tr>
<td>c. My children</td>
<td>30 9%</td>
<td>0%</td>
<td>30 8%</td>
</tr>
<tr>
<td>d. Parents, guardians, or other family members</td>
<td>247 73%</td>
<td>17 30%</td>
<td>264 67%</td>
</tr>
<tr>
<td>e. Spouse or partner</td>
<td>30 9%</td>
<td>1 2%</td>
<td>31 8%</td>
</tr>
<tr>
<td>(blank)</td>
<td>307 91%</td>
<td>55 98%</td>
<td>362 92%</td>
</tr>
</tbody>
</table>

Grand Total 337 100% 56 100% 393 100%

9. Which best describes your living situation during the current academic year?

**University Housing**

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Co-op Hall (Skip to Question 25.)</td>
<td>0%</td>
<td>24 43%</td>
<td>24 6%</td>
</tr>
<tr>
<td>2 Vodra Hall (Skip to Question 25.)</td>
<td>0%</td>
<td>20 36%</td>
<td>20 5%</td>
</tr>
<tr>
<td>3 2040 Apartments (Skip to Question 25.)</td>
<td>0%</td>
<td>12 21%</td>
<td>12 3%</td>
</tr>
</tbody>
</table>

**Off-Campus Housing**

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 I live in non-university rental housing off campus</td>
<td>70 21%</td>
<td>0%</td>
<td>70 18%</td>
</tr>
<tr>
<td>5 I live with my parents/relatives, but would consider living on campus (Skip to Question 23.)</td>
<td>186 55%</td>
<td>0%</td>
<td>186 47%</td>
</tr>
<tr>
<td>6 I live with my parents/relatives and would never consider living on campus (Skip to Question 31.)</td>
<td>60 18%</td>
<td>0%</td>
<td>60 15%</td>
</tr>
<tr>
<td>7 I own my home, but would consider living on campus (Skip to Question 23.)</td>
<td>4 1%</td>
<td>0%</td>
<td>4 1%</td>
</tr>
<tr>
<td>8 I own my home and would never consider living on campus (Skip to Question 31.)</td>
<td>17 5%</td>
<td>0%</td>
<td>17 4%</td>
</tr>
</tbody>
</table>

Grand Total 337 100% 56 100% 393 100%

**Tell Us About the Off-Campus Housing You Rent**

10. What is your ZIP Code?

<table>
<thead>
<tr>
<th>ZIP Code</th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
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<tr>
<td>07002</td>
<td>7 2%</td>
<td>0%</td>
<td>7 2%</td>
</tr>
<tr>
<td>07018</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
</tr>
<tr>
<td>07022</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
</tr>
<tr>
<td>07029</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
</tr>
<tr>
<td>07030</td>
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<td>2 1%</td>
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<tr>
<td>Survey Tabulations</td>
<td>Off-Campus</td>
<td>On-Campus</td>
<td>Grand Total</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>------------</td>
<td>-----------</td>
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</tr>
<tr>
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<td>0%</td>
</tr>
<tr>
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<td>0%</td>
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<td>0%</td>
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<tr>
<td>(blank)</td>
<td>267</td>
<td>79%</td>
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</tr>
<tr>
<td>Grand Total</td>
<td>337</td>
<td>100%</td>
<td>56</td>
</tr>
</tbody>
</table>

11. What type of housing unit do you live in?
   - 1 Apartment (in an apartment complex/building) 29 9% 0% 29 7%
   - 2 Apartment (in a house or converted house) 30 9% 0% 30 8%
   - 3 House, townhome, or duplex (where the whole building was rented by 8 2% 0% 8 2%
   - 4 Room in a private home 1 0% 0% 1 0%
   - 5 Other (please specify) 2 1% 0% 2 1%
   - (blank) 267 79% 56 100% 323 82%
| Grand Total                                 | 337 100% | 56 100% | 393 100% |

12. What is the name of the apartment complex or building, if applicable?
   - Fairview Gardens 1 0% 0% 1 0%
   - Jasco Mgt 1 0% 0% 1 0%
   - Meadowlands Village 1 0% 0% 1 0%
   - Middle Lane Village 1 0% 0% 1 0%
   - Park View 1 0% 0% 1 0%
   - Society Hill 1 0% 0% 1 0%
   - St. Mary's residence 1 0% 0% 1 0%
   - Villa Boriquen Housing 1 0% 0% 1 0%
   - (blank) 329 98% 56 100% 385 98%
| Grand Total                                 | 337 100% | 56 100% | 393 100% |

13. Including yourself, how many people live in the apartment/unit?
   - 1 One 19 6% 0% 19 5%
   - 2 Two 19 6% 0% 19 5%
   - 3 Three 11 3% 0% 11 3%
   - 4 Four 9 3% 0% 9 2%
   - 5 More than four 12 4% 0% 12 3%
   - (blank) 267 79% 56 100% 323 82%
| Grand Total                                 | 337 100% | 56 100% | 393 100% |
### Survey Tabulations

<table>
<thead>
<tr>
<th>Survey Tabulations</th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. How many bedrooms are in your apartment/unit?</td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>1 One</td>
<td>16</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>2 Two</td>
<td>25</td>
<td>7%</td>
<td>0%</td>
</tr>
<tr>
<td>3 Three</td>
<td>20</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>4 Four</td>
<td>3</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>5 More than four</td>
<td>3</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>6 None—a studio apartment</td>
<td>2</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>(blank)</td>
<td>268</td>
<td>80%</td>
<td>56</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337</td>
<td>100%</td>
<td>56</td>
</tr>
<tr>
<td>15. Do you share a bedroom?</td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>1 No, I have a bedroom to myself (Skip to Question 17.)</td>
<td>43</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>2 Yes, I share a bedroom with my spouse and/or children (Skip to Question 17.)</td>
<td>15</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>3 Yes, I share a bedroom with my partner or significant other (Skip to Question 17.)</td>
<td>9</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>4 Yes, I share a bedroom with a roommate</td>
<td>3</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>(blank)</td>
<td>267</td>
<td>79%</td>
<td>56</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337</td>
<td>100%</td>
<td>56</td>
</tr>
<tr>
<td>16. Why did you choose to share a bedroom?</td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>a. Lower rent</td>
<td>3</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>b. Wanted to live with friends</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>c. Could not find housing with a private bedroom</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>d. Some other reason (please specify)</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Because I live with my family</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>(blank)</td>
<td>336</td>
<td>100%</td>
<td>56</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337</td>
<td>100%</td>
<td>56</td>
</tr>
<tr>
<td>17. How many bathrooms are in your apartment/unit?</td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>1 One</td>
<td>52</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>2 One and a half</td>
<td>2</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>3 Two</td>
<td>5</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>4 Two and a half</td>
<td>5</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>5 Three</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>6 More than three</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>(blank)</td>
<td>271</td>
<td>80%</td>
<td>56</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337</td>
<td>100%</td>
<td>56</td>
</tr>
<tr>
<td>18. What is your lease term?</td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>1 Twelve months</td>
<td>36</td>
<td>11%</td>
<td>0%</td>
</tr>
<tr>
<td>2 Academic year (9 or 10 months)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>3 Six months</td>
<td>2</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>4 Semester</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>5 Month-to-month since the beginning of my lease</td>
<td>21</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>6 Month-to-month starting at the end of my original lease term</td>
<td>5</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>7 Other</td>
<td>6</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>(blank)</td>
<td>267</td>
<td>79%</td>
<td>56</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337</td>
<td>100%</td>
<td>56</td>
</tr>
</tbody>
</table>
### Survey Tabulations

<table>
<thead>
<tr>
<th>19. How do you rent your unit?</th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Unfurnished</td>
<td>50 15%</td>
<td>0%</td>
<td>50 13%</td>
</tr>
<tr>
<td>2 Partially furnished</td>
<td>15 4%</td>
<td>0%</td>
<td>15 4%</td>
</tr>
<tr>
<td>3 Furnished</td>
<td>4 1%</td>
<td>0%</td>
<td>4 1%</td>
</tr>
<tr>
<td>(blank)</td>
<td>268 80%</td>
<td>56 100%</td>
<td>324 82%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>337 100%</strong></td>
<td><strong>56 100%</strong></td>
<td><strong>393 100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>20. What is your living situation during this academic year?</th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 I live on my own or with roommates in a rented unit.</td>
<td>33 10%</td>
<td>0%</td>
<td>33 8%</td>
</tr>
<tr>
<td>2 I live with my parent(s)/guardian in their home and contribute toward my living expenses.</td>
<td>6 2%</td>
<td>0%</td>
<td>6 2%</td>
</tr>
<tr>
<td>3 I live with my spouse/partner and/or child(ren) in a rented unit.</td>
<td>31 9%</td>
<td>0%</td>
<td>31 8%</td>
</tr>
<tr>
<td>(blank)</td>
<td>267 79%</td>
<td>56 100%</td>
<td>323 82%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>337 100%</strong></td>
<td><strong>56 100%</strong></td>
<td><strong>393 100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>21. What are your housing costs?</th>
<th>Share of Rent</th>
<th>Share of Total Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n= Median</td>
<td>n= Median</td>
</tr>
<tr>
<td>On own or with roommate(s)/apartment-mate(s)</td>
<td>33 $700</td>
<td>29 $183</td>
</tr>
<tr>
<td>With parent(s)/guardian(s) and contribute</td>
<td>4 $60</td>
<td>4 $129</td>
</tr>
<tr>
<td>With spouse/partner/child(ren)</td>
<td>31 $1,100</td>
<td>29 $280</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>337 100%</strong></td>
<td><strong>56 100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>22. What is included in your rent?</th>
<th>Share of Rent</th>
<th>Share of Total Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Electricity</td>
<td>17 5%</td>
<td>0%</td>
</tr>
<tr>
<td>b. Gas</td>
<td>23 7%</td>
<td>0%</td>
</tr>
<tr>
<td>c. Water/sewer</td>
<td>49 15%</td>
<td>0%</td>
</tr>
<tr>
<td>d. Trash</td>
<td>36 11%</td>
<td>0%</td>
</tr>
<tr>
<td>e. Internet</td>
<td>9 3%</td>
<td>0%</td>
</tr>
<tr>
<td>f. Cable</td>
<td>8 2%</td>
<td>0%</td>
</tr>
<tr>
<td>g. Local telephone</td>
<td>1 0%</td>
<td>0%</td>
</tr>
<tr>
<td>h. Parking</td>
<td>19 6%</td>
<td>0%</td>
</tr>
<tr>
<td>i. No utilities are included in the rent</td>
<td>19 6%</td>
<td>0%</td>
</tr>
<tr>
<td>(blank)</td>
<td>265 79%</td>
<td>56 100%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>337 100%</strong></td>
<td><strong>56 100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>23. Have you ever lived on campus at NJCU?</th>
<th>Share of Rent</th>
<th>Share of Total Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Yes, I have lived on campus</td>
<td>23 7%</td>
<td>0%</td>
</tr>
<tr>
<td>2 No, I have never lived on campus (Skip to Question 25.)</td>
<td>228 68%</td>
<td>0%</td>
</tr>
<tr>
<td>(blank)</td>
<td>86 26%</td>
<td>56 100%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>337 100%</strong></td>
<td><strong>56 100%</strong></td>
</tr>
</tbody>
</table>
24. If you have ever lived on campus at NJCU but then decided to move off campus, why did you decide to move out of campus housing?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Age/general condition of facilities</td>
<td>6</td>
<td>0%</td>
<td>6</td>
</tr>
<tr>
<td>b. Dry campus</td>
<td>4</td>
<td>0%</td>
<td>4</td>
</tr>
<tr>
<td>c. Cleanliness of community bathrooms</td>
<td>5</td>
<td>0%</td>
<td>5</td>
</tr>
<tr>
<td>d. Small rooms</td>
<td>9</td>
<td>0%</td>
<td>9</td>
</tr>
<tr>
<td>e. Did not like food</td>
<td>7</td>
<td>0%</td>
<td>7</td>
</tr>
<tr>
<td>f. Did not like meal plan rules and regulations</td>
<td>5</td>
<td>0%</td>
<td>5</td>
</tr>
<tr>
<td>g. Poor Internet service</td>
<td>7</td>
<td>0%</td>
<td>7</td>
</tr>
<tr>
<td>h. Lack of activities during the week</td>
<td>10</td>
<td>0%</td>
<td>10</td>
</tr>
<tr>
<td>i. Lack of activities on the weekend</td>
<td>11</td>
<td>0%</td>
<td>11</td>
</tr>
<tr>
<td>j. Lack of enough common area spaces (e.g., social lounges, study rooms,</td>
<td>10</td>
<td>0%</td>
<td>10</td>
</tr>
<tr>
<td>k. Needed housing over breaks</td>
<td>7</td>
<td>0%</td>
<td>7</td>
</tr>
<tr>
<td>l. Lack of elevators in 2040 Apartments</td>
<td>6</td>
<td>0%</td>
<td>6</td>
</tr>
<tr>
<td>m. Inconvenient and/or insufficient amount of parking</td>
<td>5</td>
<td>0%</td>
<td>5</td>
</tr>
<tr>
<td>n. Lack of air-conditioning in 2040 Apartments</td>
<td>7</td>
<td>0%</td>
<td>7</td>
</tr>
<tr>
<td>o. Lack of community kitchens in Vodra and 2040 Apartments</td>
<td>8</td>
<td>0%</td>
<td>8</td>
</tr>
<tr>
<td>p. Lack of temperature control</td>
<td>4</td>
<td>0%</td>
<td>4</td>
</tr>
<tr>
<td>q. Wanted to live with parents/relatives</td>
<td>1</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>r. Preference for own kitchen</td>
<td>6</td>
<td>0%</td>
<td>6</td>
</tr>
<tr>
<td>s. Preference for private bedroom</td>
<td>5</td>
<td>0%</td>
<td>5</td>
</tr>
<tr>
<td>t. Preference for private or semi-private bathroom</td>
<td>7</td>
<td>0%</td>
<td>7</td>
</tr>
<tr>
<td>u. Ran out of financial aid</td>
<td>6</td>
<td>0%</td>
<td>6</td>
</tr>
<tr>
<td>v. Wanted a more secure environment</td>
<td>3</td>
<td>0%</td>
<td>3</td>
</tr>
<tr>
<td>w. Problems with mice</td>
<td>4</td>
<td>0%</td>
<td>4</td>
</tr>
<tr>
<td>x. Insufficient number of washers and dryers</td>
<td>7</td>
<td>0%</td>
<td>7</td>
</tr>
<tr>
<td>y. Rules, regulations, and policies in general</td>
<td>5</td>
<td>0%</td>
<td>5</td>
</tr>
<tr>
<td>z. Visitation restrictions</td>
<td>7</td>
<td>0%</td>
<td>7</td>
</tr>
<tr>
<td>aa. Too expensive</td>
<td>10</td>
<td>0%</td>
<td>10</td>
</tr>
<tr>
<td>ab. Wanted a more independent lifestyle</td>
<td>4</td>
<td>0%</td>
<td>4</td>
</tr>
<tr>
<td>ac. Wanted to live with my spouse/partner and/or children</td>
<td>1</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>ad. Some other reason (please specify)</td>
<td>4</td>
<td>0%</td>
<td>4</td>
</tr>
<tr>
<td>Left NJCU then came back as a senior</td>
<td>1</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>OSP summer program</td>
<td>2</td>
<td>0%</td>
<td>2</td>
</tr>
<tr>
<td>RA for the OSP summer program only</td>
<td>1</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>Trouble with financial aid papers</td>
<td>1</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>(blank)</td>
<td>332</td>
<td>99%</td>
<td>56</td>
</tr>
</tbody>
</table>

Grand Total                                                              | 337        | 100%      | 56          | 100%        | 393 | 100%        |

25. How satisfied or dissatisfied are you with your current housing situation?

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Very satisfied</td>
<td>37</td>
<td>11%</td>
<td>4</td>
</tr>
<tr>
<td>2 Satisfied</td>
<td>138</td>
<td>41%</td>
<td>31</td>
</tr>
<tr>
<td>3 Dissatisfied</td>
<td>60</td>
<td>18%</td>
<td>14</td>
</tr>
<tr>
<td>4 Very dissatisfied</td>
<td>19</td>
<td>6%</td>
<td>5</td>
</tr>
<tr>
<td>(blank)</td>
<td>83</td>
<td>25%</td>
<td>2</td>
</tr>
</tbody>
</table>

Grand Total                                                              | 337        | 100%      | 56          | 100%       | 393 | 100%        |
26. The university is considering building student housing on the West Campus. Plans for the West Campus include
   o Select only one as “preferred.”
   o Select as “acceptable” any unit type you would live in if your preferred choice was not available.
   o Select “would not live there” if applicable.
   Assume that all units are furnished, that all prices include utilities, cable, and high-speed Internet, and that all
     lease terms are for the 10-month academic year. Floor plans are not to scale.

3-Double-Bedroom Suite
   Designed for six students, two students in each bedroom, share two bathrooms, living area, and kitchenette
     (microwave, under-counter fridge and counter space) with suite-mates.
   Rent: $835-$855 per month, per student
<table>
<thead>
<tr>
<th></th>
<th>Off-Campus #</th>
<th>%</th>
<th>On-Campus #</th>
<th>%</th>
<th>Grand Total #</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Preferred</td>
<td>54</td>
<td>16%</td>
<td>14</td>
<td>25%</td>
<td>68</td>
<td>17%</td>
</tr>
<tr>
<td>2 Acceptable</td>
<td>122</td>
<td>36%</td>
<td>32</td>
<td>57%</td>
<td>154</td>
<td>39%</td>
</tr>
<tr>
<td>3 Would not live there</td>
<td>84</td>
<td>25%</td>
<td>10</td>
<td>18%</td>
<td>94</td>
<td>24%</td>
</tr>
<tr>
<td>(blank)</td>
<td>77</td>
<td>23%</td>
<td>0%</td>
<td>0%</td>
<td>77</td>
<td>20%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>337</td>
<td>100%</td>
<td>56</td>
<td>100%</td>
<td>393</td>
<td>100%</td>
</tr>
</tbody>
</table>

2-Double-Bedroom Suite
   Designed for four students, two students in each bedroom, share one bathroom, living area, and kitchenette
     (microwave, under-counter fridge and counter space) with suite-mates.
   Rent: $870-$890 per month, per student
<table>
<thead>
<tr>
<th></th>
<th>Off-Campus #</th>
<th>%</th>
<th>On-Campus #</th>
<th>%</th>
<th>Grand Total #</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Preferred</td>
<td>58</td>
<td>17%</td>
<td>10</td>
<td>18%</td>
<td>68</td>
<td>17%</td>
</tr>
<tr>
<td>2 Acceptable</td>
<td>130</td>
<td>39%</td>
<td>35</td>
<td>63%</td>
<td>165</td>
<td>42%</td>
</tr>
<tr>
<td>3 Would not live there</td>
<td>72</td>
<td>21%</td>
<td>11</td>
<td>20%</td>
<td>83</td>
<td>21%</td>
</tr>
<tr>
<td>(blank)</td>
<td>77</td>
<td>23%</td>
<td>0%</td>
<td>0%</td>
<td>77</td>
<td>20%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>337</td>
<td>100%</td>
<td>56</td>
<td>100%</td>
<td>393</td>
<td>100%</td>
</tr>
</tbody>
</table>

27. How influential would each of the following be on your interest in living in the proposed housing?
   Availability of a meal plan
<table>
<thead>
<tr>
<th></th>
<th>Off-Campus #</th>
<th>%</th>
<th>On-Campus #</th>
<th>%</th>
<th>Grand Total #</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Would not live in new housing without it</td>
<td>86</td>
<td>26%</td>
<td>32</td>
<td>57%</td>
<td>118</td>
<td>30%</td>
</tr>
<tr>
<td>2 Would have a positive influence on my decision</td>
<td>111</td>
<td>33%</td>
<td>18</td>
<td>32%</td>
<td>129</td>
<td>33%</td>
</tr>
<tr>
<td>3 Would have no influence on my decision</td>
<td>42</td>
<td>12%</td>
<td>5</td>
<td>9%</td>
<td>47</td>
<td>12%</td>
</tr>
<tr>
<td>4 Would have a negative influence on my decision</td>
<td>4</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>4</td>
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Cable included
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<td>100%</td>
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</table>
## Survey Tabulations

| Fitness center or weight room | Off-Campus | | On-Campus | | Grand Total | |
|-------------------------------|------------|----------|------------|----------|-------------|
| 1 Would not live in new housing without it | 43 13% | 9 16% | 52 13% | |
| 2 Would have a positive influence on my decision | 148 44% | 34 61% | 182 46% | |
| 3 Would have no influence on my decision | 48 14% | 12 21% | 60 15% | |
| 4 Would have a negative influence on my decision | 1 0% | 0% | 1 0% | |
| 5 Would not live in new housing if it was there | 7 2% | 0% | 7 2% | |
| (blank) | 90 27% | 1 2% | 91 23% | |
| Grand Total | 337 100% | 56 100% | 393 100% | |

| Game room (e.g., pool tables) | Off-Campus | | On-Campus | | Grand Total | |
|-------------------------------|------------|----------|------------|----------|-------------|
| 1 Would not live in new housing without it | 31 9% | 5 9% | 36 9% | |
| 2 Would have a positive influence on my decision | 123 36% | 31 55% | 154 39% | |
| 3 Would have no influence on my decision | 83 25% | 18 32% | 101 26% | |
| 4 Would have a negative influence on my decision | 2 1% | 1 2% | 3 1% | |
| 5 Would not live in new housing if it was there | 5 1% | 0% | 5 1% | |
| (blank) | 93 28% | 1 2% | 94 24% | |
| Grand Total | 337 100% | 56 100% | 393 100% | |

| Gaming stations | Off-Campus | | On-Campus | | Grand Total | |
|------------------|------------|----------|------------|----------|-------------|
| 1 Would not live in new housing without it | 23 7% | 5 9% | 28 7% | |
| 2 Would have a positive influence on my decision | 102 30% | 22 39% | 124 32% | |
| 3 Would have no influence on my decision | 106 31% | 28 50% | 134 34% | |
| 4 Would have a negative influence on my decision | 5 1% | 0% | 5 1% | |
| 5 Would not live in new housing if it was there | 7 2% | 0% | 7 2% | |
| (blank) | 94 28% | 1 2% | 95 24% | |
| Grand Total | 337 100% | 56 100% | 393 100% | |

| High-speed wireless Internet | Off-Campus | | On-Campus | | Grand Total | |
|-------------------------------|------------|----------|------------|----------|-------------|
| 1 Would not live in new housing without it | 146 43% | 33 59% | 179 46% | |
| 2 Would have a positive influence on my decision | 85 25% | 20 36% | 105 27% | |
| 3 Would have no influence on my decision | 6 2% | 2 4% | 8 2% | |
| 4 Would have a negative influence on my decision | 2 1% | 0% | 2 1% | |
| 5 Would not live in new housing if it was there | 5 1% | 0% | 5 1% | |
| (blank) | 93 28% | 1 2% | 94 24% | |
| Grand Total | 337 100% | 56 100% | 393 100% | |

| In-unit kitchen | Off-Campus | | On-Campus | | Grand Total | |
|------------------|------------|----------|------------|----------|-------------|
| 1 Would not live in new housing without it | 81 24% | 15 27% | 96 24% | |
| 2 Would have a positive influence on my decision | 121 36% | 35 63% | 156 40% | |
| 3 Would have no influence on my decision | 34 10% | 5 9% | 39 10% | |
| 4 Would have a negative influence on my decision | 3 1% | 0% | 3 1% | |
| 5 Would not live in new housing if it was there | 4 1% | 0% | 4 1% | |
| (blank) | 94 28% | 1 2% | 95 24% | |
| Grand Total | 337 100% | 56 100% | 393 100% | |
## Survey Tabulations

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<td>17</td>
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<td>16%</td>
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### Survey Tabulations

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<td>56</td>
<td>100%</td>
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28. How interested would you be in the following retail options for the West Campus?

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<th>On-Campus</th>
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<td></td>
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<td>%</td>
<td>#</td>
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<tr>
<td>Convenience store (e.g., 7-11)</td>
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<td>46</td>
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<td>162</td>
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<tr>
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<td>57</td>
<td>17%</td>
<td>7</td>
</tr>
<tr>
<td>3 It does not matter to me</td>
<td>18</td>
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<td>1</td>
</tr>
<tr>
<td>4 Somewhat disinterested</td>
<td>3</td>
<td>1%</td>
<td>0</td>
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<tr>
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<td>2</td>
<td>1%</td>
<td>1</td>
</tr>
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<td>(blank)</td>
<td>95</td>
<td>28%</td>
<td>1</td>
</tr>
<tr>
<td>Grand Total</td>
<td>337</td>
<td>100%</td>
<td>56</td>
</tr>
</tbody>
</table>

| Deli (e.g., Subway)                                     | 133 | 39% | 32 | 57% | 165 | 42% |
|                                                        | 133 | 39% | 32 | 57% | 165 | 42% |
| 1 Very interested                                       | 133 | 39% | 32 | 57% | 165 | 42% |
| 2 Somewhat interested                                   | 68  | 20% | 13 | 23% | 81  | 21% |
| 3 It does not matter to me                              | 32  | 9%  | 8  | 14% | 40  | 10% |
| 4 Somewhat disinterested                                | 5   | 1%  | 1  | 2%  | 6   | 2%  |
| 5 Very disinterested                                    | 6   | 2%  | 1  | 2%  | 7   | 2%  |
| (blank)                                                 | 93  | 28% | 1  | 2%  | 94  | 24% |
| Grand Total                                             | 337 | 100%| 56 | 100%| 393 | 100%|

| Dunkin Donuts                                           | 144 | 43% | 35 | 63% | 179 | 46% |
|                                                        | 144 | 43% | 35 | 63% | 179 | 46% |
| 1 Very interested                                       | 144 | 43% | 35 | 63% | 179 | 46% |
| 2 Somewhat interested                                   | 44  | 13% | 15 | 27% | 59  | 15% |
| 3 It does not matter to me                              | 43  | 13% | 4  | 7%  | 47  | 12% |
| 4 Somewhat disinterested                                | 5   | 1%  | 1  | 2%  | 6   | 2%  |
| 5 Very disinterested                                    | 6   | 2%  | 0  | 0%  | 6   | 2%  |
| (blank)                                                 | 95  | 28% | 1  | 2%  | 94  | 24% |
| Grand Total                                             | 337 | 100%| 56 | 100%| 393 | 100%|

| Fast food (e.g., McDonald’s)                            | 97  | 29% | 25 | 45% | 122 | 31% |
|                                                        | 97  | 29% | 25 | 45% | 122 | 31% |
| 1 Very interested                                       | 97  | 29% | 25 | 45% | 122 | 31% |
| 2 Somewhat interested                                   | 44  | 13% | 7  | 13% | 51  | 13% |
| 3 It does not matter to me                              | 55  | 16% | 13 | 23% | 68  | 17% |
| 4 Somewhat disinterested                                | 16  | 5%  | 3  | 5%  | 19  | 5%  |
| 5 Very disinterested                                    | 28  | 8%  | 7  | 13% | 35  | 9%  |
| (blank)                                                 | 97  | 29% | 1  | 2%  | 98  | 25% |
| Grand Total                                             | 337 | 100%| 56 | 100%| 393 | 100%|

| General store (e.g., Family Dollar)                     | 140 | 42% | 31 | 55% | 171 | 44% |
|                                                        | 140 | 42% | 31 | 55% | 171 | 44% |
| 1 Very interested                                       | 140 | 42% | 31 | 55% | 171 | 44% |
| 2 Somewhat interested                                   | 60  | 18% | 16 | 29% | 76  | 19% |
| 3 It does not matter to me                              | 30  | 9%  | 7  | 13% | 37  | 9%  |
| 4 Somewhat disinterested                                | 8   | 2%  | 0  | 0%  | 8   | 2%  |
| 5 Very disinterested                                    | 4   | 1%  | 1  | 2%  | 5   | 1%  |
| (blank)                                                 | 95  | 28% | 1  | 2%  | 96  | 24% |
| Grand Total                                             | 337 | 100%| 56 | 100%| 393 | 100%|
# Survey Tabulations

<table>
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<tr>
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<td>56</td>
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### Survey Tabulations

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<td><strong>100%</strong></td>
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<td><strong>100%</strong></td>
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</tr>
<tr>
<td>4 Somewhat disinterested</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>5 Very disinterested</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>(blank)</td>
<td>318</td>
<td>94%</td>
<td>47</td>
<td>84%</td>
<td>365</td>
<td>93%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337</td>
<td>100%</td>
<td>56</td>
<td>100%</td>
<td>393</td>
<td>100%</td>
</tr>
</tbody>
</table>
### Survey Tabulations

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus</th>
<th></th>
<th>On-Campus</th>
<th></th>
<th>Grand Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24/7 Store</td>
<td>0%</td>
<td></td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>A bar</td>
<td>0%</td>
<td></td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Arcade, billiards, etc.</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Bank/ATM</td>
<td>0%</td>
<td></td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Coffee shop which is not a chain</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Lounge</td>
<td>1%</td>
<td></td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>PANDA EXPRESS</td>
<td>1%</td>
<td></td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Puerto Rican/Cuban Cuisine</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Snacks</td>
<td>0%</td>
<td></td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Spanish Food</td>
<td>0%</td>
<td></td>
<td>1</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Wendy's</td>
<td>0%</td>
<td></td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>(blank)</td>
<td>331</td>
<td>98%</td>
<td>51</td>
<td>91%</td>
<td>382</td>
<td>97%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337</td>
<td>100%</td>
<td>56</td>
<td>100%</td>
<td>393</td>
<td>100%</td>
</tr>
</tbody>
</table>

29. The above rents assume an academic year lease. Would you prefer a 12-month lease if you got a 33% discount during the summer months?

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus</th>
<th></th>
<th>On-Campus</th>
<th></th>
<th>Grand Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>1 I would prefer the 12-month lease option</td>
<td>166</td>
<td>49%</td>
<td>32</td>
<td>57%</td>
<td>198</td>
<td>50%</td>
</tr>
<tr>
<td>2 I would prefer the academic year lease option</td>
<td>83</td>
<td>25%</td>
<td>24</td>
<td>43%</td>
<td>107</td>
<td>27%</td>
</tr>
<tr>
<td>(blank)</td>
<td>88</td>
<td>26%</td>
<td>0%</td>
<td>88</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337</td>
<td>100%</td>
<td>56</td>
<td>100%</td>
<td>393</td>
<td>100%</td>
</tr>
</tbody>
</table>

30. Think back to when you were selecting your fall 2012 housing. If housing on the West Campus had been available with your preferred configuration (from Question 26) and features (from Question 27), which answer best reflects your level of interest? Assume that an academic building and possibly retail and a dining facility were also in place on the site.

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus</th>
<th></th>
<th>On-Campus</th>
<th></th>
<th>Grand Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>1 I definitely would have lived there. (Skip to Comments.)</td>
<td>90</td>
<td>27%</td>
<td>43</td>
<td>77%</td>
<td>133</td>
<td>34%</td>
</tr>
<tr>
<td>2 I might have lived there (50/50 chance).</td>
<td>122</td>
<td>36%</td>
<td>11</td>
<td>20%</td>
<td>133</td>
<td>34%</td>
</tr>
<tr>
<td>3 I probably would not have lived there (less than 50/50 chance).</td>
<td>21</td>
<td>6%</td>
<td>0%</td>
<td>21</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>4 I would not have lived there.</td>
<td>27</td>
<td>8%</td>
<td>2</td>
<td>4%</td>
<td>29</td>
<td>7%</td>
</tr>
<tr>
<td>(blank)</td>
<td>77</td>
<td>23%</td>
<td>0%</td>
<td>77</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>337</td>
<td>100%</td>
<td>56</td>
<td>100%</td>
<td>393</td>
<td>100%</td>
</tr>
</tbody>
</table>

31. Why would you not have been interested in living in West Campus housing?

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus</th>
<th></th>
<th>On-Campus</th>
<th></th>
<th>Grand Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>a. Already own home</td>
<td>20</td>
<td>6%</td>
<td>1</td>
<td>2%</td>
<td>21</td>
<td>5%</td>
</tr>
<tr>
<td>b. Concern about level of rules and regulations</td>
<td>48</td>
<td>14%</td>
<td>4</td>
<td>7%</td>
<td>52</td>
<td>13%</td>
</tr>
<tr>
<td>c. Do not want to move</td>
<td>37</td>
<td>11%</td>
<td>1</td>
<td>2%</td>
<td>38</td>
<td>10%</td>
</tr>
<tr>
<td>d. Do not like West Campus location</td>
<td>16</td>
<td>5%</td>
<td>1</td>
<td>2%</td>
<td>17</td>
<td>4%</td>
</tr>
<tr>
<td>e. Housing is too expensive</td>
<td>113</td>
<td>34%</td>
<td>8</td>
<td>14%</td>
<td>121</td>
<td>31%</td>
</tr>
<tr>
<td>f. Live at home with family</td>
<td>111</td>
<td>33%</td>
<td>3</td>
<td>5%</td>
<td>114</td>
<td>29%</td>
</tr>
<tr>
<td>g. Location of my job is inconvenient to the university</td>
<td>18</td>
<td>5%</td>
<td>1</td>
<td>2%</td>
<td>19</td>
<td>5%</td>
</tr>
<tr>
<td>h. Not suitable for students with a spouse</td>
<td>23</td>
<td>7%</td>
<td>0%</td>
<td>23</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>i. Not suitable for students with children</td>
<td>23</td>
<td>7%</td>
<td>0%</td>
<td>23</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>j. Some other reason (Please specify:)</td>
<td>27</td>
<td>8%</td>
<td>2</td>
<td>4%</td>
<td>29</td>
<td>7%</td>
</tr>
<tr>
<td>Dangerous</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Do not know enough</td>
<td>0%</td>
<td></td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Do not make enough money to pay rent</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Do not want to pay monthly, I want more like the dorm fees.</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Getting along with others</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>I am an adult learner, but great for younger students</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>I am an adult student</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>I would have to find a way to pay for it</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>1</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Survey Tabulations</td>
<td>Off-Campus</td>
<td>On-Campus</td>
<td>Grand Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>------------</td>
<td>-----------</td>
<td>-------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>I'm an older student in my 40s</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I'm never offered housing on campus</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Like right around the corner from the school</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Might be boring</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Might be too far to get to campus</td>
<td>0%</td>
<td>2%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money problems</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOVING AROUND TO MUCH</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Need a home with pets allowed</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No reason not to live there.</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not full-time and do not like sharing bedroom</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Older adult</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proximity to the ghetto of Jersey City</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety area of location</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse/pets</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Too crowded/few bathrooms. Art majors need space to put materials.</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Too expensive</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Too much money</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unclean dorm (sharing)</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unpleasant experience previously dorming</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would like to have Greek Housing</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would want a private bedroom, shared apartment would be fine</td>
<td>1 0%</td>
<td>0%</td>
<td>1 0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(blank)</td>
<td>310 92%</td>
<td>54 96%</td>
<td>364 93%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>337 100%</td>
<td>56 100%</td>
<td>393 100%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

32. If you would not have considered living in the proposed housing because the rent is too high for your housing budget, what would be your level of interest in the same units at lower rates, as follows?

2-Doubling-Bedroom Suite: $780-$800 per person per month

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>1 I definitely would have lived there.</td>
<td>14 4%</td>
<td>2 4%</td>
<td>16 4%</td>
</tr>
<tr>
<td>2 I might have lived there (50/50 chance).</td>
<td>69 20%</td>
<td>6 11%</td>
<td>75 19%</td>
</tr>
<tr>
<td>3 I probably would not have lived there (less than 50/50 chance).</td>
<td>19 6%</td>
<td>0%</td>
<td>19 5%</td>
</tr>
<tr>
<td>4 I would not have lived there</td>
<td>11 3%</td>
<td>0%</td>
<td>11 3%</td>
</tr>
<tr>
<td>(blank)</td>
<td>224 66%</td>
<td>48 86%</td>
<td>272 69%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>337 100%</td>
<td>56 100%</td>
<td>393 100%</td>
</tr>
</tbody>
</table>

33. Still too expensive? What would be your level of interest at the following rates?

2-Doubling-Bedroom Suite: $740-$760 per person per month

<table>
<thead>
<tr>
<th></th>
<th>Off-Campus</th>
<th>On-Campus</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>1 I definitely would have lived there.</td>
<td>27 8%</td>
<td>1 2%</td>
<td>28 7%</td>
</tr>
<tr>
<td>2 I might have lived there (50/50 chance).</td>
<td>42 12%</td>
<td>5 9%</td>
<td>47 12%</td>
</tr>
<tr>
<td>3 I probably would not have lived there (less than 50/50 chance).</td>
<td>16 5%</td>
<td>0%</td>
<td>16 4%</td>
</tr>
<tr>
<td>4 I would not have lived there</td>
<td>13 4%</td>
<td>0%</td>
<td>13 3%</td>
</tr>
<tr>
<td>(blank)</td>
<td>239 71%</td>
<td>50 89%</td>
<td>289 74%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>337 100%</td>
<td>56 100%</td>
<td>393 100%</td>
</tr>
</tbody>
</table>
ATTACHMENT 3: STUDENT SURVEY RESPONSE DEMOGRAPHICS

Survey respondents’ breakdown by class level is shown in Table 6. Undergraduates responded in larger percentages than their proportion of headcount enrollment, but ASL’s demand methodology takes this into account.

<table>
<thead>
<tr>
<th>Class Level</th>
<th>Survey: Off-Campus Respondents</th>
<th>Survey: On-Campus Respondents</th>
<th>Survey: All Respondents</th>
<th>Fall 2012 Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>19%</td>
<td>39%</td>
<td>22%</td>
<td>14%</td>
</tr>
<tr>
<td>Sophomore</td>
<td>19%</td>
<td>27%</td>
<td>20%</td>
<td>12%</td>
</tr>
<tr>
<td>Junior</td>
<td>26%</td>
<td>20%</td>
<td>25%</td>
<td>19%</td>
</tr>
<tr>
<td>Senior</td>
<td>31%</td>
<td>11%</td>
<td>28%</td>
<td>33%</td>
</tr>
<tr>
<td>Non-degree seeking undergraduate</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Degree seeking graduate</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>16%</td>
</tr>
<tr>
<td>Non-degree seeking graduate</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>6%</td>
</tr>
</tbody>
</table>

|                | 100%                           | 100%                           | 100%                    | 100%                 |

Table 6: Survey Respondents by Class Level vs. Enrollment

The majority of survey respondents attend NJCU full-time, which is a desired result as full-time students are the target market for housing. Table 7 below shows the breakdown.

<table>
<thead>
<tr>
<th>Status</th>
<th>Survey: Off-Campus Respondents</th>
<th>Survey: On-Campus Respondents</th>
<th>Survey: All Respondents</th>
<th>Fall 2012 Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>88%</td>
<td>98%</td>
<td>90%</td>
<td>62%</td>
</tr>
<tr>
<td>Part-time</td>
<td>12%</td>
<td>2%</td>
<td>10%</td>
<td>38%</td>
</tr>
</tbody>
</table>

|                | 100%                           | 100%                           | 100%                    | 100%                 |

Table 7: Survey Respondents by Status vs. Enrollment

Figure 19 shows the age breakdown by on- and off-campus respondents. Survey respondents are younger than the overall headcount enrollment. As expected, off-campus respondents are older than on-campus respondents.

Figure 19: Age of Survey Respondents vs. Enrollment
While residents of Hudson County make up 53% of NJCU’s enrollment, those who lived there at the time of enrollment comprised 63% of the survey response, as Figure 20 shows. To the extent that their interest is overrepresented but lower than average, this may suggest the demand results may be somewhat conservative.

**Figure 20: Residence at Time of Enrollment**

The gender breakdown of survey respondents mirrored that of the overall headcount, as shown in Figure 21.

**Figure 21: Gender of Survey Respondents vs. Enrollment**

Off-campus respondents are more likely to work than on-campus respondents (as Figure 22 shows) and likely to work more hours (as Figure 23 shows). The median of hours worked by off-campus respondents is 25; for on-campus respondents it is 20.
Figure 22: Survey Respondents' Employment

Figure 23: Hours Worked by Survey Respondents
APPENDIX B

SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF
THE GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT
AND THE MANAGEMENT AGREEMENT
APPENDIX B

SUMMARY OF CERTAIN DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE GROUND LEASE AGREEMENT, THE DEVELOPMENT AGREEMENT AND THE MANAGEMENT AGREEMENT

The following are summaries of (i) certain definitions used in the Ground Lease Agreement, the Development Agreement and/or the Management Agreement, (ii) certain provisions of the Ground Lease Agreement, (iii) certain provisions of the Development Agreement, and (iv) certain provisions of the Management Agreement.

SUMMARY OF CERTAIN DEFINITIONS

The following are summaries of certain definitions used in the Ground Lease Agreement, the Development Agreement and/or the Management Agreement. These summaries do not purport to be complete and reference is made to the Ground Lease Agreement, the Development Agreement and the Management Agreement, respectively, for the detailed provisions thereof. These summaries are qualified in their entirety by such reference.

“Act” means the “New Jersey Economic Stimulus Act of 2009” (Laws of New Jersey, Chapter 90, approved July 28, 2009), as amended.

“Addendum” means a clarification of the Construction Documents expressly permitted under the terms of the Project Development Agreement or approved in writing by the University.

“Additional Rent” means any and all amounts payable by Tenant under the Lease, other than Basic Rent.

“Additional Student Housing” means additional housing facilities for Landlord’s students on or off campus beyond the replacement of substantially the same number of units of Landlord’s existing housing facilities.

“Adjacent Properties” means all real property and improvements that abut or are in proximity to the Project Site.

“Affiliate” means, with reference to any Person, a natural person, partnership, joint venture, corporation, limited liability company, public agency or other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person, including but not limited to any employee, relative or partner of such Person or any natural person, firm, corporation, limited liability company, or other Person in which such Person, or any of its partners, officers, directors, members or relatives have an interest, directly or indirectly. For purposes of this definition “control” shall mean the power to direct or cause the direction of the business decisions of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Alteration(s)” means any demolition, alterations, installations, or structural changes, to the Premises, or any part thereof, or any additions and/or improvements thereto or any additional buildings or other improvements on the Premises.
“Ambling” means Ambling University Development Group, LLC.

“Annual Capital Plan” means a plan that has been approved in accordance with the requirements of the Project Management Agreement setting forth in reasonable detail the proposed capital improvements for the Student Housing Facilities for the next Annual Period, which shall include the timing, cost and funding source for all such work and shall show any variances from the nature, extent, projected cost or timing of capital improvements as provided for in the Long Term Maintenance Plan.

“Annual Maintenance Plan” means a maintenance plan for the upcoming Annual Period.

“Annual Operating Budget” means the Proposed Annual, Operating Budget as approved in accordance with the Project Management Agreement.

“Annual Period” means the period from July 1 of a calendar year through June 30 of the following calendar year.

“Applicable CPI Adjustment” shall mean (a) on the first anniversary of the date of Substantial Completion of the West Campus Student Housing Facility, the amount, expressed as a percentage, by which the most recently available CPI exceeds the most recent CPI that was available on the date of Substantial Completion of the West Campus Student Housing Facility, and (b) on each subsequent anniversary of the date of Substantial Completion of the West Campus Student Housing Facility the amount, expressed as a percentage, by which the most recently available CPI exceeds the most recent CPI that was available on the immediately preceding anniversary of the date of Substantial Completion of the West Campus Student Housing Facility.

“Applicable Insurance Requirements” shall mean the requirements or conditions of any insurance policies providing coverage in connection with the Project that relate to the Student Housing Facilities, their use, operation, maintenance, repair, management, or occupancy, or the activities of any Person engaged in any of the foregoing.

“Approval(s)” means licenses, certificates, authorizations, permits, consents and approvals called for by any Legal Requirement in connection with the Project, including demolition, excavation and building permits, approval of any required Remedial Plan, any environmental impact statements, any land use approvals, variances, zoning changes, special permits or any other discretionary consents or approvals necessary or desirable for carrying out the Project in accordance with the terms of the Lease.

“Approved Vendor List” means the list of vendors approved for the performance of maintenance and repair work at the Student Housing Facilities.


“Available Capacity Units” means available capacity at suitable existing student housing facilities on the University campus to house Displaced Students, as reasonably determined by the University.
“Basic Rent” means an amount equal to the portion of Surplus Cash Flow payable as rent in accordance with the Indenture.

“Bonds” means tax-exempt revenue bonds issued by NJEDA as part of the Project Financing.

“Bond Documents” is defined in the Indenture.

“Building” means all structures, improvements, fixtures, equipment and other appurtenances now located or hereafter situated on or under the surface of the Land, including alterations and replacements thereof, additions thereto and substitutions therefor.

“Change Order” means a written change to the Construction Documents.

“Claim” means a demand or assertion by one of the Parties seeking, as a matter of right, adjustment or interpretation of the terms of the Project Development Agreement, payment of money, extension of time or other relief with respect to the terms of the Project Development Agreement. The term “Claim” also includes other disputes and matters in question between Owner or the University and Developer arising out of or relating to the Project Development Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, including the regulations thereunder. All references to Sections of the Code or regulations thereunder shall be deemed to include any such Sections or regulations as they may hereafter be renumbered in any subsequent amendments to the Code or such regulations.

“Completion Cost Estimate” means an estimate setting forth on a line item basis the remaining costs necessary to Finally Complete the Student Housing Facilities in accordance with the Project Development Agreement, along with a statement of all remaining funds available to pay such costs, which may include demonstrated cost savings and remaining available contingency line items but shall take into consideration such limitations, if any, applicable to the use of any such funds.

“Consent Decree” means that certain Consent Decree Regarding Remediation of the New Jersey City University Redevelopment Area entered by the United States District Court for the District of New Jersey on January 21, 2010 in Riverkeeper v. Honeywell International Inc., D.N.J., Civ. No. 06-22 (consolidated with Civ. No. 05-5955).

“Construction Budget” is the portion of the Project Budget designated as such under the Project Development Agreement.

“Construction Consultant” means such consultants or advisors as Landlord may from time to time designate.

“Construction Contract” means the construction contract dated as of March 10, 2015, between the Developer and General Contractor for construction of the Student Housing Facilities.

“Construction Drawings” are the drawings, including schematic drawings, design development drawings, and construction drawings, prepared by Developer or any Design Consultant and
approved by the University for the construction of the Student Housing Facilities and any changes, modifications, or supplements to them made in accordance with the Project Development Agreement.

“Construction Documents” means the Final Construction Documents, the Construction Drawings, and any fully executed Change Orders.

“Construction Work” means all means, methods, techniques, sequences, procedures, equipment, material and labor necessary or appropriate to carry out and fully and Finally Complete the Student Housing Facilities in accordance with the Project Development Agreement and each and every one of the Project Documents. This obligation includes: (A) the preparation and excavation of the Project Site for construction, except for completion of the Surcharge; (B) the demolition and removal of any improvements existing on the date hereof, and the environmental remediation, if any, (except for any such remediation expressly required of the University); (C) the construction of all improvements and infrastructure comprising the Student Housing Facilities, (D) the purchase and installation of all fixtures and equipment necessary to operate the Student Housing Facilities; (E) the purchase and installation of all FF&E; (F) the purchase, installation and coordination with the Manager of all operating systems and equipment; and (G) removal of construction debris.

“Consultant” means any company, entity, firm, attorney, person, individual, or advisor (other than the University, the Owner, the Developer, and their employees) that contracts with and is paid by or charges a fee to Developer, the General Contractors, or any number of them, to perform any duties or services (including any Services) relating to Project design, development, demolition, or construction. The Project Engineers, the Architects, and the General Contractor are Principal Consultants (and Consultants). Contractors and Suppliers are Consultants.

“Contract Documents” means the Project Development Agreement, the Construction Documents and any fully executed Change Orders.

“Contract Standards” means the standards, terms, conditions, methods, techniques and practices imposed or required by:

(i) Legal Requirements;

(ii) The Design Requirements;

(iii) Good Design-Build Practice;

(iv) Applicable equipment manufacturers’ specifications;

(v) Applicable insurance requirements; and

(vi) Any other standard, term, condition or requirement specifically provided in this Project Agreement or the other Project Documents to be observed by Developer or any Consultant.
“Contractor” is any of the General Contractor, subcontractors, and sub-subcontractors providing work, labor, equipment, or materials under the Construction Budget or the Soft-Cost Budget, each of whom shall be licensed.

“County” is Hudson County, State of New Jersey.

“CPI” shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, N.Y. - Northeastern N.J. Area, All Items (1982-84=100), or any successor index thereto, appropriately adjusted. In the event that the Consumer Price Index is converted to a different standard reference base or otherwise revised, the determination of adjustments provided for herein shall be made with the use of such conversion factor, formula or table for converting the Consumer Price Index as may be published by the Bureau of Labor Statistics or, if said Bureau shall not publish the same, then with the use of such conversion factor, formula or table as may be published by Prentice-Hall, Inc., or any other nationally recognized publisher of similar statistical information. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other index as the University shall reasonably designate for such purpose agree upon in writing shall be substituted for the Consumer Price Index.

“CPM Schedule” means a schedule for each phase of the Project prepared using the critical path method, as it shall be amended from time to time in accordance with the Contract Documents.

“Daily Amount” means Thirty-Five Dollars ($35.00) per day for each Displaced Student housed in the Available Capacity Units.

“Debt Service Coverage Ratio” is defined in the Indenture.

“Default Rate” means a rate of interest per annum equal to the lower of (A) the Prime Rate plus four (4) percentage points, and (B) the highest rate of interest that may legally be charged by Landlord and/or enforced against Tenant.

“Deliverable Documents” means the various design development documents, schematic design documents, construction documents, and other design plans and specifications, necessary or appropriate for the Final Completion of the Student Housing Facilities, including the Final Construction Documents.

“Depositary” means the Trustee under the Indenture for so long as the Bonds are Outstanding and, at any other time, the Senior Leasehold Mortgagee or another Institution designated by Tenant and approved by Landlord.

“Deposited Sums” means proceeds of property insurance or Awards (including interest thereon), deposited with the Depositary.

“Design Agreements” means the Service Agreements with the Design Consultants.

“Design Consultant” is any or all of the Architect, the Project Engineer and any other Consultant that provides design, engineering or other services relating to the design of the Student Housing Facilities or the preparation of Construction Documents.
“Design Requirements” means the Project design requirements and guidelines and the engineering, design and performance concepts and standards contained in the Project Development Agreement. The Design Requirements are intended to include the basic design principles, concepts and requirements for the Student Housing Facilities but do not indicate or describe each and every item required for full performance of the Work or for achieving Final Completion.

“Design Work” means the portion of the Work consisting of the architectural, engineering and other design services required to be provided in connection with the design of the Student Housing Facilities and contract administration services to be provided in connection with the Construction Work, as required by the Design Agreements, the Project Development Agreement and the other Contract Documents.

“Development Costs” means the total costs of the design, development, construction and renovation of the Project, in an amount not to exceed the Guaranteed Maximum Price.

“Development Fee” means paid a fee of Two Million Three Hundred Seventy-Five Thousand Two Hundred and Four Dollars ($2,375,204) as compensation to the Developer under the Project Development Agreement.

“Developer” means AUDG Jersey City, LLC.

“Developer Default” means the occurrence of any circumstance described as such under the Project Development Agreement.

“Developer Insurance” means:

1. Developer shall, at no cost to the Owner or the University, provide and maintain, or cause to be provided and maintained in force, with responsible companies with a Best Policyholders Rating of “A-” or better and with a financial size rating of Class IX or larger and permitted to conduct the business of insurance in the State of New Jersey, the following minimum insurance coverage.

   (a) Worker’s Compensation (statutory amount);

   (b) Employer’s Liability ($1,000,000 per accident or disease);

   (c) Commercial General Liability (on a current ISO Occurrence Form or equivalent) (occurrence basis);

Bodily injury (including death) and property damage arising from premises and operations liability, products and completed operations liability (three years), personal injury and advertising liability, contractual liability, fire legal liability, blasting and explosion, collapse of structures, and underground damage liability:

   per occurrence $1,000,000;

   general aggregate $2,000,000;
with deductible provisions not to exceed $25,000 per occurrence;

A "per location or project endorsement" shall be included so that the general aggregate limit applies separately to the location or Project;

Coverage shall apply on a primary and non-contributory basis and include a waiver of subrogation in favor of the Owner, the University, the Authority, the Trustee and the State of New Jersey.

(d) Commercial Business Automobile Liability

(owned, non-owned, and hired vehicles) (occurrence basis):

combined single limit $1,000,000;

with deductible provisions not to exceed $5,000 per occurrence;

and

(e) Commercial Umbrella Excess Liability (occurrence basis – follow form) which shall include all insured coverages required by subsections (b), (c) and (d):

per occurrence $20,000,000;

aggregate $20,000,000;

(f) All Risk and Builder’s Risk

Completed Value Non-Reporting Form Property Insurance covering all physical loss or damage to the Project covered by the extended coverage endorsement then in use in the State of New Jersey (including vandalism and malicious mischief) in an amount not less than full replacement value (or the Guaranteed Maximum Price, whichever is greater).

2. The Commercial General Liability policy shall include contractual liability coverage to cover the insurable liabilities assumed by Developer under the Project Development Agreement, subject to standard policy stipulations. The cost of all insurance required under the Project Development Agreement is agreed to be included in the Guaranteed Maximum Price. The Commercial General Liability, Automobile Liability and Umbrella Excess Liability policies shall include endorsements naming the Owner, the University, the Trustee, the New Jersey Economic Development Authority, and the State of New Jersey as additional insureds for ongoing and completed operations.

3. Developer shall bear all costs of all deductibles and shall be held responsible for any and all damages as may result from the failure of Developer to exercise its responsibilities as defined under the Project Development Agreement.
4. The Commercial General Liability Insurance, Commercial Automobile Liability Insurance and Commercial Umbrella Excess Liability policies shall provide coverage for Developer for acts or omissions of it and its Consultants and representatives who may be engaged in performing any Services or activities under or in connection with the Project Development Agreement.

5. The Owner or the University may require Developer at any time, and from time to time, during the Term of the Project Development Agreement, to obtain and maintain in force additional insurance with coverage or limits in addition to those above-described, if the Owner reasonably decide that such coverage is necessary or required. The additional premium cost of any such additional insurance required by the Owner or University, however, shall be borne by the Owner or University, as applicable.

6. The Developer shall purchase and maintain or cause to be purchased and maintained builder’s risk property insurance (special form) upon the Project for the full cost of replacement (or the Guaranteed Maximum Price, whichever is greater) at the time of loss. This insurance shall include as insureds the Owner, the University, the Developer and the Bond Trustee, and shall insure against loss from the perils of Fire, Extended Coverage, and Equipment Coverage, including sublimits for flood and earthquake, and the value of related soft costs and business income/loss of rents coverage as confirmed by the Owner’s and the University’s insurance administrator. The builder’s risk policy shall be made payable to the Bond Trustee, the Owner and the University as their interests may appear.

7. The applicable contracts of insurance shall contain standard loss payable clauses in favor of the Trustee, the University and the Owner as their respective interests may appear.

“Developer’s Representative(s)” are the persons designated in writing by Developer as its agent and contact for all purposes under the Project Development Agreement. The initial Developer’s Representatives are Gregory R. Blais, Jeremy C. Doss and Paul Morgan.

“Displaced Student” or “Displaced Students” shall mean University students who, as of the Outside Completion Date, are parties to executed Student Housing Agreements and are anticipated to occupy the Student Housing Facilities immediately following the Outside Completion Date, and who cannot occupy the Student Housing Facilities as a result of Developer failing to achieve Substantial Completion as of the Outside Completion Date.

“Draw” means a disbursement of Project Financing funds.

“Draw Request” means a written request, in form and substance that complies with the requirements of the Project Development Agreement, for a Draw.

“Effective Date” means the Term Commencement Date.

“Emergency Repairs” means repairs of an emergency nature.

“Event of Default” means, with respect to any Project Document, the occurrence of any of the circumstances described as such under the applicable Project Document.

“Event of Taxability” is defined in the Indenture.

“Excess Development Funds” means funds remaining under the Project Budget following Final Completion.

“Excusable Delay” means an actual delay of the Work activities on the critical path to the extent resulting from either of the following: (i) Force Majeure (defined solely as an unavoidable casualty, storms or other adverse weather conditions of unusual severity, epidemic, civil disturbance, war or act of terrorism, in each case only to the extent the event in question is beyond the reasonable control of and without the fault or negligence of Developer, any Consultant or their respective employees and agents); (ii) a Pre-Existing Unknown Condition for which the University is responsible, (iii) a failure to deliver the West Campus Site, with the Surcharge compaction soil substantially removed, on or before March 31, 2015, or (iv) material delay to the extent caused by Owner, University or their respective agents or representatives acting in a manner not permitted, authorized or otherwise provided for under the Project Development Agreement, provided that Developer shall have promptly notified Owner and University that such conduct was causing a material delay. In no event shall any of the following constitute Excusable Delay: (1) a Party’s financial condition, lack of funds or inability to obtain financing, or (2) any Legal Requirement, including any ordinances or regulations prohibiting noise or otherwise affecting activity at the Project Site on particular days or during certain hours of the day.

“Existing Site Conditions” are any and all conditions of the Project Site and any Adjacent Properties affected by the Work, as of the Effective Date, including, but not limited to,
geological, geotechnical, archeological, paleontological and environmental, including the presence or absence of any Hazardous Materials and compliance or non-compliance with Environmental Laws as of the commencement of construction.

“Existing Student Housing Facilities” means Vodra Hall and Co-Op Hall.

“FF&E” is all furniture, fixtures and equipment, including furnishings and appliances to be installed in the Student Housing Facilities as part of the Project.

“FF&E Work” means the purchase and installation of all furniture, fixtures and equipment required for the Project under the Contract Standards.

“Final Completion” or “Finally Complete” means when the conditions therefor contained in the Project Development Agreement have been satisfied.

“Final Construction Documents” means the construction documents that set forth in detail the requirements for construction of the Student Housing Facilities in accordance with the Project Development Agreement.

“General Contractor” means Terminal Construction Corporation.

“Good Design-Build Practice” means those methods, techniques, standards and practices which, at the time they are to be employed and in light of the circumstances known or reasonably believed to exist at such time, are generally recognized and accepted as good practice in the delivery of public or institutional buildings serving purposes similar to the Student Housing Facilities on a design-build basis as observed in Northeastern urban areas.

“Good Management Practice” means the methods, techniques, standards and practices that, at the time they are to be employed, are customary for student housing and that will result in the Student Housing Facilities being operated, managed, and maintained in the manner that constitutes the “best practices” for comparable student residential facilities, and includes such services as are customarily provided by managers of student residential housing projects of comparable class and size as the Student Housing Facilities in Northeastern urban areas.

“Governmental Authority” means any federal, state or local governmental entity, or any subdivision thereof, exercising any executive, legislative, judicial, regulatory, administrative or other governmental function with respect to (i) the Premises, including without limitation the use, occupancy or operation thereof, or (ii) any Person, as applicable.

“Ground Lease” means the Lease.

“Guaranteed Maximum Price” means the maximum amount of the Development Costs as guaranteed by the Developer under the Project Development Agreement.

“Guarantor” means Ambling University Development Group, LLC, a Georgia limited liability company having an address at 348 Enterprise Drive, Valdosta, Georgia 31601.
“Guaranty” means the Guaranty dated the Term Commencement Date delivered by Guarantor with respect to the Project.

“Hazardous Materials” means asbestos or any substance containing asbestos, polychlorinated biphenyls (“PCB”), PCB contaminated material, including, but not limited to, PCB contaminated electrical equipment as defined in 40 C.F.R. 761.3, lead, lead in the form of lead based paint materials or paint with lead (“LBP”), flammable explosives, radioactive materials, petroleum, petroleum fractions, petroleum constituents, petroleum distillates, chemicals known to cause cancer or reproductive toxicity or that pose a risk to human health or safety or the environment or that are regulated under Environmental Law, pollutants, effluents, residues, contaminants, emissions or related materials, natural gas liquids, and any items defined or regulated as “hazardous waste,” “hazardous materials,” “hazardous substances,” “toxic waste,” “toxic materials,” or “toxic substances” or words of similar import, all under any applicable Environmental Law. The term “Hazardous Materials” shall not include items that are “household hazardous waste” including chemicals, lubricants, refrigerants, household supplies, materials for common residential purposes, and other substances kept in amounts typical for, and used as, standard janitorial supplies, office supplies, and the like in connection with the routine maintenance and operation of commercial projects similar to the Student Housing Facility, to the extent kept, used, and maintained in a manner consistent with their intended uses and in compliance with Environmental Law.

“Impositions” means all taxes, property assessments, water and sewer rents and charges and other governmental or public utility company charges of any kind and nature whatsoever, together with all interest and penalties thereon, which are assessed, levied, confirmed, imposed upon or against the Premises or the value of the Premises, improvements thereto or fixtures therein, or rent received or payable under the Lease, the gross receipts from the Premises, or the possession of any interest under the Lease or the conduct of any business in the Premises, in each instance payable with respect to the Term of the Lease, or any portion thereof, as well as any transfer, recording, documentary or gift stamp or taxes incurred by Landlord or Tenant as a result of the Lease.

“Indenture” means that certain Trust Indenture by and between New Jersey Economic Development Authority and U.S. Bank National Association, as Trustee, dated as of March 1, 2015, in connection with the New Jersey Economic Development Agency Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project) Series 2015A and Series 2015B (Federally Taxable).

“Inexcusable Delay” means any delay in the Work other than an Excusable Delay.

“Initial Staffing Plan” means the staffing and supervision plan set forth as an exhibit to the Project Management Agreement

“Institution” means a savings bank, savings and loan association, credit union, commercial bank or trust company organized or chartered under the laws of the United States or any state thereof or the District of Columbia or a foreign banking institution (in each case whether acting individually or in a fiduciary or representative (such as an agency) capacity); an insurance company organized and existing under the laws of the United States of America or any state
thereof or the District of Columbia or a foreign insurance company (in each case whether acting individually or in a fiduciary or representative (such as an agency) capacity); an institutional investor such as a publicly held real estate investment trust, an entity that qualifies as a “REMIC” under the federal internal revenue code or other public or private investment entity (in each case whether acting as principal or agent); a brokerage or investment banking organization (in each case whether acting individually or in a fiduciary or representative (such as an agency) capacity) as principal or agent); an employees’ welfare, benefit, pension or retirement fund; an institutional leasing company; an institutional financing company; any governmental agency or entity insured by a governmental agency or any combination of the foregoing entities; in each such case having net assets in excess of Five Hundred Million Dollars ($500,000,000).

“IRS Determination Letter” means that certain ruling letter dated February 25, 2008, issued by the Internal Revenue Service to Tenant’s sole member confirming that Tenant’s sole member is a Tax-Exempt Organization.

“Known Existing Site Conditions” means the Existing Site Conditions of which Developer or its Affiliate has actual knowledge as of the Effective Date, including but not limited to any information set forth in the environmental studies and reports listed on an exhibit to the Project Development Agreement.

“Land” means certain property known as 500 Route 440, Vodra Hall and Co-op Hall in the City of Jersey City, County of Hudson, and State of New Jersey, all as more particularly described in the Lease.

“Landlord” means New Jersey City University or any successor owner of the landlord’s interest under the Lease at the time of reference.

“Landlord Indemnified Parties” means Landlord, the State of New Jersey, and their respective members, employees, officers, agents, trustees and directors.

“Laws” means laws (including common law), statutes, codes, treaties, orders, rules, regulations, ordinances, requirements, judgments, orders, decrees or determinations of any Governmental Authority.

“Lease” means the Indenture of Lease, dated as of March 1, 2015 between the University, as “Landlord” and West Campus Housing, LLC, as “Tenant.”

“Leasehold Mortgage” and “Leasehold Mortgagee” mean, respectively, any mortgage granted and held in full compliance with the terms of the Lease and constituting a lien upon the interest of Tenant in the Lease and the leasehold estate under the Lease created, and the party acting as mortgagee under such mortgage, provided, however, that any Leasehold Mortgagee must be an Institution.

“Lease Year” means (i) the period beginning on the Term Commencement Date and ending on the last day of the eleventh (11th) calendar month following the month in which the Term Commencement Date shall have occurred, or (ii) any of the separate and consecutive twelve (12) month periods commencing on (A) the first day of the twelfth (12th) calendar month following the month in which the Term Commencement Date shall have occurred, or (B) any anniversary
of the day referred to in the foregoing clause (A); provided, however, that the last Lease Year shall end on the last day of the Term of the Lease.

“Legal Requirement(s)” means, (i) with reference to any Person (A) the articles of organization, operating agreement, certificate of incorporation and by-laws or partnership agreement, certificate of limited partnership or other organizational or governing documents of such Person, and (B) any Laws applicable to or binding upon such Person or its property (to the extent thereby affecting the Premises); and (ii) with reference to the Premises (A) any Laws applicable to or binding upon the Premises, any appurtenance thereto, or the use or manner of use thereof, including without limitation (1) any applicable environmental, ecological, zoning, building, landmark, subdivision and land use Laws, (2) the requirements, terms or conditions of any permits, consents, certificates (including without limitation certificates of occupancy) and approvals of any Governmental Authority, including the Remediation Requirements, and (3) the terms, conditions and requirements of any easement, restrictive declaration or other encumbrance upon the Premises, and (B) the orders, rules and regulations of the Board of Fire Underwriters or any body now or hereafter performing similar functions.

“Liquidated Damages” means the amounts payable by the Developer under the Project Development Agreement in the event of delays in Substantial Completion of the Student Housing Facilities.

“Liquidated Damages Period” means the period from the Outside Completion Date until the date following Substantial Completion as of which each Displaced Student has been relocated, pursuant to a relocation plan reasonably acceptable to the University and at Developer’s sole cost and expense, to the West Campus Student Housing Facility.

“Long Term Maintenance Plan” means the long term maintenance plan attached as an exhibit to the Project Management Agreement, as it may be modified from time to time pursuant to the Project Management Agreement.

“Management Fee” means the amounts payable to Manager pursuant to the Project Management Agreement.

“Management Services” means the operation, management, maintenance, repair, marketing and other services to be provided pursuant to the Project Management Agreement.

“Manager” means AUDG Management, LLC, a Georgia limited liability company, or another Qualified Manager under the Project Management Agreement.

“NFA” means the Conditional No Further Action Letter, dated May 7, 2012, from the New Jersey Department of Environmental Protection, relating to the West Campus Site, as it may be amended, supplemented superseded or otherwise modified hereafter.

“NJEDA” means New Jersey Economic Development Authority.

“Opening Date” means the date following Substantial Completion of the Work in respect of a Student Housing Facility upon which the Student Housing Facility is fully open for occupancy by Landlord’s students.
“**Operating Account**” means an account established by Manager for the payment of Operating Expenses.

“**Operating Expenses**” is defined in the Indenture.

“**Operating Period**” means the period from (a) (i) June 1, 2015, with respect to the Existing Student Housing Facilities and, (ii) July 1, 2016, with respect to the West Campus Student Housing Facility, to (b) the termination of the Project Management Agreement.

“**Operating Pro Forma**” means the projected Revenues and Operating Expenses set forth in an exhibit to the Project Management Agreement.

“**Outside Completion Date**” means (i) June 30, 2016 as to the West Campus Student Housing Facility, (ii) September 1, 2015 as to Co-Op Hall, and (iii) September 1, 2015 as to Vodra Hall, in each case as such dates may be extended from time-to-time as provided for in the Project Development Agreement.

“**Outstanding**” is defined in the Indenture.

“**Owner**” means West Campus Housing, LLC, a New Jersey limited liability company.

“**Patriot Act**” means the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) and all other statutes and all orders, rules and regulations of the United States government and its various executive departments, agencies and offices related to the subject matter of the Patriot Act, including Executive Order 3224 effective September 24, 2001.

“**Payment and Performance Bond**” are the payment bond and performance bond for the Project in the form required by the Project Development Agreement.

“**Permitted Change**” means a change to the Construction Documents that does not (1) increase the Development Costs, (2) delay the projected date of Substantial Completion or (3) have a material effect upon (a) the size, scope, location, orientation, appearance, layout, configuration, function, design or amenities of the Student Housing Facilities, (b) the construction materials, engineering (civil, structural, mechanical, electrical, plumbing or otherwise), performance, durability, maintenance requirements (short term or long term), projected lifecycle costs or LEED status of the Student Housing Facilities, (c) the build-out, finish materials, fixtures, furnishings or equipment of the Student Housing Facilities, including the design, layout and finish of the individual residential units, or (d) the information and utility infrastructure, capacity or adaptability of the Student Housing Facilities. For purposes of the foregoing, the reasonable judgment of the University as to “materiality” shall be conclusive.

“**Permitted Exceptions**” means the following matters:

(a) All matters affecting title to all or any part of the Premises and the areas in which any easements are located on the date of the Lease, whether or not listed below or elsewhere in the Lease, and whether or not appearing as exceptions or exclusions in any policy of title insurance, commitment for title insurance or title report.
(b) All matters, exceptions and exclusions in any policy of title insurance obtained by Tenant or any Leasehold Mortgagee on or about the date of the Lease, and any additional matters, exceptions or exclusions set forth in any subsequent endorsement or amendment to such policy (including any so-called “datedown” or “continuation” endorsement) related to any of the following items in this Exhibit.

(c) All matters that would be disclosed by an accurate and complete survey or physical inspection of the Premises and the areas in which any easements are located (a) conducted prior to, or on or about, the date of the Lease or (b) conducted thereafter and surveying any and all improvements constructed on the Land or in such easement areas by or on behalf of Tenant, including the Student Housing Facility and other elements of the Project, provided that this clause does not constitute the consent of Landlord to any such matters.

(d) Any and all defects, liens, encumbrances, adverse claims or other matters created, suffered, assumed or agreed to by Tenant or anyone claiming by, through or under Tenant, at any time, provided that this clause does not constitute the consent of Landlord to any such defects, liens, encumbrances, adverse claims or other matters.

(e) The effects of any and all laws, ordinances, permits or governmental regulations, including those relating to building and zoning, now or hereafter existing, and all amendments thereof, or any violations thereof, provided that this clause does not constitute the consent of Landlord to any such violations.

(f) Any and all Impositions for or allocable to any and all periods on and after the date hereof, provided that this clause does not constitute the consent of Landlord to Tenant’s failure to pay any of the same.

(g) Any Student Housing Agreement.

(h) Any and all matters resulting from any breach by Tenant of any of its obligations under the Lease, provided that this clause does not constitute the consent of Landlord to any such breach by Tenant.

(i) Any Sublease or other agreements relating to dining facilities in the Existing Student Housing Facilities, as such Sublease or agreements may be modified, extended or replaced.

“Person” means natural persons, corporations, companies, partnerships, limited liability companies, trusts, associations, public bodies, joint ventures and similar entities.

“Plans” means the Annual Maintenance Plan, the Annual Capital Plan and the Long Term Maintenance Plan.

“Pre-Existing Unknown Condition” means those Existing Site Conditions involving Hazardous Materials, Environmental Laws, and/or the Remediation of any Hazardous Materials other than Known Existing Site Conditions.

“Premises” means the Land, the Building and their appurtenant rights and interests.
“Premises Delivery Date” shall mean the Term Commencement Date for the West Campus Site and July 1, 2015, for the Existing Student Housing Facilities.

“Prime Rate” means the rate published by The Wall Street Journal (or, if The Wall Street Journal shall not be published, a domestic financial newspaper of comparable status designated by Landlord) from time to time as the generally prevailing rate of interest charged by commercial banks on ninety (90) day unsecured loans to their most preferred corporate customers in Hudson County.

“Principal Consultants” are the Project Engineer, the Architect, and the General Contractor. Principal Consultants are also Consultants.

“Principal Consultants Insurance” means:

(i) with respect to Design Consultants:

1. The Design Consultants shall, at no cost to the Owner or the University, provide and maintain or cause to be provided and maintained in force, with responsible companies with a Best Policyholders Rating of “A-” or better and with a financial size rating of Class IX or larger and permitted to conduct the business of insurance in the State of New Jersey, the following minimum insurance coverage and such other insurance as may be specifically required in the Lease.

(a) Worker’s Compensation (statutory amount);

(b) Employer’s Liability ($1,000,000 per accident or disease);

(c) Commercial General Liability (on a current ISO Occurrence Form or equivalent) (occurrence basis);

Bodily injury (including death) and property damage arising from premises and operations liability, products and completed operations liability (three years), personal injury and advertising liability, contractual liability, fire legal liability, blasting and explosion, collapse of structures, and underground damage liability:

per occurrence $1,000,000;

general aggregate $2,000,000;

with deductible provisions not to exceed $25,000 per occurrence;

A “per location or project endorsement” shall be included so that the general aggregate limit applies separately to the location or Project.
Coverage shall apply on a primary and non-contributory basis and include a waiver of subrogation in favor of the Developer, Owner, the University, the Authority, the Trustee and the State of New Jersey;

and

(d) Commercial Umbrella Excess Liability (occurrence basis – follow form) which shall include all insured coverages required by subsections (b), (c) and (d):

- per occurrence $2,000,000;
- aggregate $5,000,000;

(e) Commercial Business Automobile Liability (unless coverage is already included under the Commercial General Liability policy)

- (owned, non-owned, and hired vehicles) (occurrence basis):
  - combined single limit $1,000,000;
  - with deductible provisions not to exceed $5,000 per occurrence

(f) Errors and Omissions insurance covering all architects, engineers, specialists and consultants in an amount and with coverage of not less than $3,000,000 per claim and $4,000,000 in the aggregate. Such coverage shall continue in force and apply to claims made for a period of not less than five (5) years following the issuance of the Certificate of Final Completion for the Project.

2. The Commercial General Liability policy shall include contractual liability coverage to cover the insurable liabilities assumed by Design Consultants under the Service Agreement, subject to standard policy stipulations. The cost of all insurance required under the Project Development Agreement is agreed to be included in the Guaranteed Maximum Price. The Commercial General Liability, Automobile Liability and Umbrella/Excess Liability policies shall include endorsements naming the Developer, Owner, the University, the Trustee, the New Jersey Economic Development Authority, and the State of New Jersey as additional insureds for ongoing and completed operations.

3. The Design Consultants shall bear all costs of all deductibles and shall be held responsible for any and all damages as may result from the failure of Design Consultants to exercise its responsibilities as defined under the Project Development Agreement.

4. The Commercial General Liability Insurance, Commercial Automobile Liability Insurance and Umbrella Excess Liability Insurance shall provide
coverage for the Design Consultants for acts or omissions of it and its Consultants and representatives who may be engaged in performing any Services or activities under or in connection with the Project Development Agreement.

5. The Owner or the University may require the Design Consultants at any time, and from time to time, during the Term of the Project Development Agreement, to obtain and maintain in force additional insurance with coverage or limits in addition to those above-described, if the Owner reasonably decide that such coverage is necessary or required. The additional premium cost of any such additional insurance required by the Owner, however, shall be borne by the Owner, and the Design Consultants shall arrange to have such costs billed separately and directly to the Owner by the insuring carrier or carriers.

(ii) With respect to the General Contractor and other Consultants:

1. The General Contractor shall, at no cost to the Owner or the University, provide and maintain or cause to be provided and maintained in force, with responsible companies with a Best Policyholders Rating of “A-” or better and with a financial size rating of Class IX or larger and permitted to conduct the business of insurance in the State of New Jersey, the following minimum insurance coverage and such other insurance as may be specifically required in the Lease.

   (a) Worker’s Compensation (statutory amount);

   (b) Employer’s Liability ($1,000,000 per accident or disease);

   (c) Commercial General Liability (on a current ISO Occurrence Form or equivalent) (occurrence basis);

Bodily injury (including death) and property damage arising from premises and operations liability, products and completed operations liability (three years), personal injury and advertising liability, contractual liability, fire legal liability, blasting and explosion, collapse of structures, and underground damage liability:

per occurrence $1,000,000;

general aggregate $2,000,000;

with deductible provisions not to exceed $25,000 per occurrence;

A “per location or project endorsement” shall be included so that the general aggregate limit applies separately to the location or Project.
Coverage shall apply on a primary and non-contributory basis and include a waiver of subrogation in favor of the Developer, Owner, the University, the Authority, the Trustee and the State of New Jersey;

and

(d) Commercial Business Automobile Liability

(owned, non-owned, and hired vehicles) (occurrence basis):

combined single limit $1,000,000;

with deductible provisions not to exceed $5,000 per occurrence;

and

(e) Commercial Umbrella Excess Liability (occurrence basis – follow form) which shall include all insured coverages required by subsections (b), (c) and (d):

per occurrence $20,000,000;

aggregate $20,000,000;

2. The Commercial General Liability and Umbrella Excess Liability policies shall include contractual liability coverage to cover the insurable liabilities assumed by General Contractor under the Construction Contract, subject to standard policy stipulations. The cost of all insurance required under the Project Development Agreement is agreed to be included in the Guaranteed Maximum Price. The Commercial General Liability, Automobile Liability, and Umbrella Excess Liability policies shall include endorsements naming the Developer, Owner, the University, the Trustee, the New Jersey Economic Development Authority and the State of New Jersey as additional insureds for ongoing and completed operations.

3. The General Contractor shall bear all costs of all deductibles and shall be held responsible for any and all damages as may result from the failure of General Contractor to exercise its responsibilities as defined under the Project Development Agreement.

4. The Commercial General Liability Insurance, Commercial Automobile Liability Insurance, and Commercial Umbrella Excess Liability Insurance shall provide coverage for General Contractor for acts or omissions of it and its Consultants and representatives who may be engaged in performing any Services or activities under or in connection with the Project Development Agreement.
5. The Owner or the University may require the General Contractor at any time, and from time to time, during the Term of the Project Development Agreement, to obtain and maintain in force additional insurance with coverage or limits in addition to those above-described, if the Owner reasonably decides that such coverage is necessary or required. The additional premium cost of any such additional insurance required by the Owner, however, shall be borne by the Owner, and the Construction Manager shall arrange to have such costs billed separately and directly to the Owner by the insuring carrier or carriers.

“Prohibited Person” means:

(a) any Person or Affiliate of a Person that is in default or in breach, beyond any applicable grace period, of its obligations under any material written agreement with the Landlord or any bureau, agency or department thereof unless such default or breach has been waived in writing by the Landlord or such bureau, agency or department, respectively;

(b) any Person or Affiliate of a Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed by an appropriate law enforcement agency to have substantial business or other affiliations with an organized crime figure;

(c) any government, or any Person that is directly or indirectly controlled (rather than only regulated) by a government, that is finally determined to be in violation of (including, but not limited to, any participant in an international boycott in violation of) the Export Administration Act of 1979, or its successor, or the regulations issued pursuant thereto, or any government that is, or any Person that, directly or indirectly, is controlled (rather than only regulated) by a government that is subject to the regulations or controls thereof;

(d) any government, or any Person that, directly or indirectly, is controlled (rather than only regulated) by a government, the effects of the activities of which are regulated or controlled pursuant to regulations of the United States Treasury Department or executive orders of the President of the United States of America issued pursuant to the Trading with the Enemy Act of 1917, as amended (including the Arms Export Control Act of 1979, as amended);

(e) any Person or Affiliate of a Person that is a “blocked person” or “Specially Designated Terrorist” under the Patriot Act or any list maintained pursuant to the Patriot Act or is otherwise subject to any prohibition or regulation under the Patriot Act; and

(f) any Person not authorized under the Act to be the lessee under the Lease.

“Project” means (i) the design, development, financing, construction, equipping, furnishing, operation, management and maintenance of the West Campus Student Housing Facility and any ancillary improvements, fixtures and property, and (ii) the design, financing, construction, equipping and furnishing of renovations to and, following completion of such renovations, the operation, management and maintenance of the Existing Student Housing Facilities and any ancillary improvements, fixtures and property.
“Project Budget” means the budget agreed to in the Project Development Agreement.

“Project Development Agreement” means the Project Development Agreement of even date between Tenant and Developer for the benefit of Landlord, as it may be modified, amended, supplemented or superseded, in each instance with the consent of Landlord.

“Project Documents” means the Project Development Agreement, the Lease, the Project Management Agreement, the Guaranty and any other agreements between Landlord, Tenant, Developer or any Affiliate of Tenant or Developer in connection with the Project.

“Project Engineer” shall mean Langan Engineering & Environmental Services.

“Project Financing” means the financing for the Project to be obtained by Tenant.

“Project Financing Documents” means the note, loan agreement, leasehold mortgage, indenture or other instruments and agreements evidencing or securing the Project Financing.

“Project Financing Provider” means the Trustee or such other Institution as is providing financing for the Project.

“Project Impact” means a potential effect on certain aspects of the Project identified in the Project Development Agreement.

“Project Management Agreement” means the Project Management Agreement between Landlord, Tenant and Manager providing for the management, operation, maintenance and repair of the Student Housing Facilities, as it may be modified, amended, supplemented or superseded, in each instance with the consent of Landlord, or such other agreement with a Qualified Manager as may be approved by Landlord.

“Project Management Requirements” means the requirements for the operation, management, maintenance and repair of the Student Housing Facility contained in the Lease.

“Project Management Standards” means the standards, terms, conditions, methods, techniques and practices imposed or required by:

(i) Legal Requirements;

(ii) Good Management Practice;

(iii) The Plans;

(iv) Applicable written equipment manufacturers’ specifications;

(v) Applicable Insurance Requirements;

(vi) Project Operations Committee Requirements; and

(vii) Any other standard, term, condition or requirement specifically provided in or pursuant to the Project Documents to be observed by the Manager.
“Project Manual” is a volume assembled for the Work and shall include the following: (1) The final “As-Built” drawings in electronic format; (2) all warranties and guarantees required by the drawings and specifications and any other Contract Documents to be provided by Developer and Consultants; (3) all final submittals, shop drawings and product data; (4) all operations and maintenance manuals and agreements for the systems and equipment installed in the Student Housing Facilities; (5) all permits, licenses and certificates for the use and occupancy of the Student Housing Facilities; (6) a list of Consultants, being inclusive of all Contractors and Suppliers of materials, equipment, tools and other services to accomplish the Work, including persons to contact and their e-mail, addresses and telephone numbers; and (7) a list of all FF&E installed and/or provided, including drawings, diagrams, and specifications. The Project Manual shall include such other documents or information that may be reasonably identified by the University as being necessary to include in the Project Manual.

“Project Operations Committee” shall mean the committee established pursuant to the Lease.

“Project Operations Committee Requirements” means the standards, procedures and requirements established from time to time by the Project Operations Committee.

“Project Schedule” is a schedule prepared and updated by Developer in accordance with the Project Development Agreement. It represents the best current estimate of the timetable required to complete the Project.

“Project Site” is the Land.

“Proposal” means the response by Ambling, Developer and Manager to the RFP, as clarified and refined.

“Proposed Annual Capital Plan” means an Annual Capital Plan proposed by Manager.

“Proposed Annual Operating Budget” means a draft budget for the Operating Expenses in connection with the operation, management and maintenance of the Student Housing Facilities for an Annual Period.

“Qualified Manager” means a Person approved by Landlord to act as manager of the Student Housing Facility, which approval will not be unreasonably withheld, delayed or conditioned, provided that such Person: (i) has not less than eight (8) years experience managing student housing facilities of at least 400 beds, and (ii) has not less than 1500 dormitory beds under management at the time such approval is requested.

“Receipts Fund” means the fund of that name established under the Indenture.

“Remedial Work” means any remediation or other work arising under the Project Development Agreement.

“Remediation” includes but is not limited to any response, remedial, removal, or corrective action; any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Material; any actions to prevent, cure or mitigate any Release of any Hazardous Material; any action to comply with any Environmental Laws or with any permits issued.
pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Materials.

“Remediation Requirements” means the institutional controls and other requirements of the Consent Decree, the NFA and all other agreements, decrees, judgments and other requirements relating to the West Campus Site and, to the extent affecting any aspect of the Project, any adjacent properties.

“Rent” means Basic Rent and Additional Rent.

“Replacement Fund” means the fund of that name established under the Indenture.

“Restoration Work” means restoration, repair, replacement or rebuilding of damage or destruction to the Building resulting from a partial Taking, or a fire or other casualty.

“Revenues” is defined in the Indenture.

“RFP” means the Request for Proposals dated October 25, 2013 issued by Landlord to pre-qualified development teams in order to solicit proposals to provide the services necessary for the proposed student housing project.

“Senior Leasehold Mortgage” and “Senior Leasehold Mortgagee” mean, respectively, the Leasehold Mortgage the lien of which, by virtue of prior recordation, is senior to any other Leasehold Mortgage, and the holder of the Senior Leasehold Mortgage.

“Services” under the Project Development Agreement include all design, development and construction work, materials and services, and all furniture, fixtures and equipment, required or necessary to Finally Complete the Student Housing Facilities, along with other services customarily and reasonably within the general scope of such services and responsibilities, including the Design Work, the Construction Work and the FF&E Work.

“Service Agreement(s)” are the agreements between Developer and any Consultant pursuant to which such Consultant is to provide goods or services as part of the Work.

“Staffing Plan” means the Initial Staffing Plan, as it may be modified from time to time in accordance with the Project Management Agreement

“Student Housing Agreement” means an agreement, in the form prescribed by Landlord, providing for the occupancy of the Student Housing Facility by a matriculated student at New Jersey City University.

“Student Housing Facility(ies)” means any or all of the West Campus Student Housing Facility, Vodra Hall and/or Co-op Hall, as the context requires.

“Student Housing Fees” means amounts payable pursuant to the Student Housing Agreements.
“Sublease” and “Sublessee” mean, respectively, any lease or agreement for occupancy of the Building, or any part thereof, other than the Lease or a Student Housing Agreement, and a tenant or occupant under a Sublease.

“Subordinated Expenses” shall mean Subordinated University Operating Expenses and Subordinated Management Fees.

“Subordinated Management Fees” means the portion of the Management Fee the payment of which is subordinated to the payment of other Operating Expenses pursuant to the Project Management Agreement.

“Subordinated University Operating Expenses” means Operating Expenses payable to the University, the payment of which is subordinate to the payment of other Operating Expenses pursuant to the Project Management Agreement.

“Substantial Completion” or “Substantially Complete” means when the conditions therefor contained in the Project Development Agreement have been satisfied.

“Suppliers” are suppliers of materials to the Project.

“Surcharge” means the surcharge soil compaction of the West Campus Site.

“Surplus Cash Flow” is defined in the Indenture.

“Surplus Cash Flow Application Date” is defined in the Indenture.

“Tax-Exempt Organization” means an entity organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code and exempt from Federal income taxes under 501(a) of Code, or corresponding provisions of Federal income tax laws from time to time in effect.

“Tenant” means West Campus Housing, LLC, a New Jersey not-for-profit corporation or any permitted successor or assignee of the interest of Tenant under the Lease.

“Term” means:

(i) with respect to the Lease, the period commencing on the Term Commencement Date and expiring at midnight on the earlier of (i) the fortieth (40th) anniversary of the Term Commencement Date unless such term shall sooner Terminate in accordance with the terms of the Lease, in which case the Term (and all of the rights and obligations of Landlord and Tenant under the Lease) shall end on the date of such earlier Termination, and (ii) the date on which the Bonds shall no longer be Outstanding;

(ii) with respect to the Project Management Agreement, approximately fifteen years, commencing at the start of the Operating Period and ending on the sooner to occur of (i) June 30, 2030, and (ii) such other date upon which the Project
Management Agreement shall have been terminated in accordance with its terms; and

(iii) with respect to the Project Development Agreement, the period beginning on the Effective Date and ending on the Termination Date or otherwise as provided in the Project Development Agreement provided however, indemnities, certain warranties and outstanding claims shall survive to the extent contemplated in the Project Development Agreement.

“Term Commencement Date” means the date on which the Lease is executed and delivered.

“Terminate”, “Terminated”, and “Termination” of the Lease shall refer to the expiration of the Term of the Lease or any sooner termination of the Term of the Lease pursuant to any of the provisions herein or of applicable law.

“Termination Date” is the date that the Project Development Agreement terminates, and is the earlier of (i) 12 months after Final Completion, (ii) abandonment of the Project by the University, (iii) Termination of the Ground Lease, (iv) any other date mutually agreed in writing by Developer and the University, and (v) such other date upon which the Project Development Agreement is terminated in accordance with its terms.

“Transfer” means an assignment, pledge, mortgage, grant of a security interest in, encumbrance or other transfer or disposition of the Lease or any interest therein or in the Premises or any right or privilege appurtenant thereto, or a lease, ground lease or sublease the Premises or any portion thereof.

“Trustee” means the trustee under the Indenture.

“University” means New Jersey City University, an instrumentality of the State of New Jersey.

“University Facilities” means such portions of the Student Housing Facilities as the University has reserved under the Lease or may subsequently designate for its own use pursuant to the Lease. The initial University Facilities include the portions of the first two floors of Vodra Hall used for dining facilities, academic facilities and office space.

“University Indemnified Parties” means the Owner, the University, the State of New Jersey and their respective members, employees, officers, agents, trustees and directors.

“University Reserved Revenues” means rents, issues, profits, fees, payments and other revenues derived from the use of University Facilities for purposes unrelated to the housing of students at any of the Student Housing Facilities. University Reserved Revenues include license fees, registration, tuition and other fees paid by participants in or sponsors of conferences, meetings, seminars, presentations or similar events utilizing University Facilities, or any portions thereof, that are not part of the University residence life program or otherwise intended primarily for occupants of the Student Housing Facilities.

“University Temporary Housing Expenses” means compensation to the University for its costs and expenses in connection with any Displaced Students.
“Utility Services” means all utilities required, used, or consumed at the Premises, including, but not limited to gas, water (including water for domestic uses and for fire protection), telephone, electricity, cable TV (or its equivalent), internet connection, sewer service, or any similar service (herein sometimes collectively referred to as.

“West Campus Site” means Parcel 1 of the Land.

“West Campus Student Housing Facility” means a student housing facility that accommodates 425 students, complies with the requirements of the Project Development Agreement, and otherwise implements the Proposal, to be located on the West Campus Site.

“Work” means the Services and all other work, services and materials required to Finally Complete the Student Housing Facilities, provided that, to the extent that the Project Development Agreement expressly states that Owner or the University shall be responsible for providing any specific services or materials that are material to the Final Completion of the Student Housing Facilities then such services or materials shall not constitute part of the Work.

“Work Notification” means advance written notification of work to be carried out pursuant to a Plan.

**SUMMARY OF GROUND LEASE AGREEMENT**

The following is a summary of certain provisions of the Indenture of Lease (the “Ground Lease” or the “Lease”). This summary does not purport to be complete and reference is made to the Lease for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Definitions of capitalized terms used in this summary appear above.

Demise of the Premises. Landlord for and in consideration of the rents, covenants and agreements contained in the Lease demises and leases to Tenant, and Tenant takes, hires and accepts, subject to Permitted Exceptions and the terms, covenants, conditions, reservations and agreements contained in the Lease, the Building and the Land; together with all the rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in any way appertaining, including by way of illustration the right to use sidewalks and such other appurtenances as may be necessary for the purpose of ingress and egress, as these appurtenances exist on the Term Commencement Date, or as they may thereafter exist. (Section 2.1)

Term. The Term of the Lease shall commence on the Term Commencement Date and expire at midnight on the earlier of (i) the fortieth (40th) anniversary of the Term Commencement Date unless such term shall sooner Terminate in accordance with the terms of the Lease, in which case the Term (and all of the rights and obligations of Landlord and Tenant under the Lease) shall end on the date of such earlier Termination, and (ii) the date on which the Bonds shall no longer be Outstanding. (Section 3.1)

No Renewals or Extensions. Nothing in the Lease or any of the other Project Documents shall be construed as conferring upon Tenant any right to extend or renew the Term. (Section 3.2)
Basic Rent. Throughout the Term of the Lease, Tenant shall pay Basic Rent to Landlord, over and above any additional payments provided for in the Lease. Basic Rent for each Lease Year shall be paid periodically on each Surplus Cash Flow Application Date. (Section 4.1)

Net Obligation. Landlord and Tenant intend that Rent shall be paid to Landlord absolutely net of all costs, expenses and obligations of every kind and nature whatsoever with respect to the Premises. Tenant’s obligation to pay Rent as and when required under the Lease is absolute and not contingent. Landlord shall not be required to render any service or make any payment of any kind to Tenant or any other Person except as may be expressly provided for in the Lease. (Section 4.2)

Additional Rent. All sums that may become payable to Landlord by Tenant as provided in the Lease, shall be deemed Additional Rent, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment of any such sums by Tenant as in the case of default by Tenant in the payment of Basic Rent. (Section 4.5)

Design, Construction and Renovation of the Student Housing Facilities.

(a) Tenant and Landlord intend that Tenant shall, or shall cause the Developer to, design, develop, finance, construct, equip, and furnish the West Campus Student Housing Facility upon the West Campus Site. In that connection, Tenant and Developer are entering into the Project Development Agreement for the benefit of Landlord. Tenant shall cause the West Campus Student Housing Facility to be “Finally Completed” in accordance with, and as such term is defined in, the Project Development Agreement, the terms and conditions of which shall be deemed incorporated into the Lease, and shall otherwise undertake, perform and cause Developer to perform and complete the Project in accordance with the Project Documents.

(b) In addition to the West Campus Student Housing Facility, Landlord and Tenant intend that Tenant shall, or shall cause the Developer to, undertake and cause to be Finally Completed the renovations at the Existing Student Housing Facilities provided for in the Project Development Agreement.

(Section 5.1)

Approvals.

Tenant, at its own expense, shall be responsible for timely obtaining all Approvals. Tenant shall keep each Approval obtained in full force and effect for as long as necessary under any Legal Requirement, and shall promptly notify Landlord of the granting, denial and/or lapse of each Approval. The Approvals to be obtained by Tenant shall also include evidence of compliance with Executive Order No. 215 of 1989, as amended, if applicable, any and all approvals of NJEDA required under the Act.

(Section 5.2)
Utilities.

(a) Landlord makes no representations or warranties regarding the availability or adequacy of any utility services to or at the Premises. The Tenant shall make (or shall cause to be made) application for, obtain, and be solely responsible for providing all Utility Services.

(b) As part of the Project, Tenant shall, at Tenant’s cost and expense, construct and install (or cause to be constructed and installed) all sewer facilities or other infrastructure required for Utility Services within and outside the Premises, if any, that are required or contemplated by the applicable Governmental Authority in its approval of the Utility Service facilities for the Project. Tenant shall dedicate and cause all other parties to dedicate ownership of such facilities (i) to Landlord to the extent such facilities are located on the Premises or Landlord’s campus or (ii) to Jersey City to the extent such sewer facilities are outside the Premises and Landlord’s campus, provided however, that Tenant shall confirm that all warranties to Landlord’s benefit related to construction of the Building also apply to such facilities (including the portions of such facilities outside the Premises but on Landlord’s campus) and shall continue for at least one (1) year (and such longer periods as may apply by law or any agreements) after Final Completion of the Student Housing Facility.

(c) Without in any manner limiting Tenant’s obligations under the Lease, Landlord reserves the right, easement and privilege (but has no obligation) to enter (and to have its contractors and employees enter) on the Premises in order to install, at its own cost and expense, any Utility Services infrastructure in connection therewith as may be required or desired by Landlord to service the Premises or any other real property owned by Landlord or its Affiliates.

(Section 5.3)

Commencement of Work.

(a) Prior to Developer’s mobilization at the West Campus Site, Tenant shall deliver, or shall cause the Developer to deliver, to Landlord:

(i) a certificate of an engineer acceptable to Landlord, in a form acceptable to Landlord, stating that (A) such engineer is fully familiar with the Remediation Requirements, including the Consent Decree, and the design of the West Campus Student Housing Facility, including all utility connections, (B) the design of the West Campus Student Housing Facility, including all utility connections, and the construction means, methods and procedures for the West Campus Student Housing Facility are in full compliance with the Remediation Requirements;

(ii) evidence that all Approvals necessary for the Work at the West Campus Site have been obtained and are in full force and effect except for such Approvals as are not yet required for that stage of the Work and will otherwise be available on a non-discretionary basis when required;

(iii) evidence that all insurance required under the Lease and under the Project Development Agreement is in place;
(iv) evidence that the payment and performance bonds required under the Project Development Agreement are in place;

(v) evidence that all applicable requirements of the Act, including the execution of a “project labor agreement,” have been satisfied; and

(vi) evidence that all applicable requirements under the Project Financing Documents have been met.

(b) Once Tenant shall have commenced construction of the West Campus Student Housing Facility, or excavation or demolition in contemplation thereof, it shall continuously and with due diligence proceed to complete construction of the West Campus Student Housing Facility in accordance with the Project Development Agreement.

(c) Prior to commencement of the Work at the Existing Student Housing Facilities Tenant shall deliver, or cause Developer to deliver, to Landlord all of the items required under clauses (ii), (iii), (iv), (v) and (vi) above to the extent applicable to the Existing Student Housing Facilities. Once Tenant shall have commenced work at the Existing Student Housing Facilities it shall continuously and with due diligence proceed to complete such work.

(Section 5.4)

**Landlord’s Right to Take Over Service Agreements.** If the Lease shall Terminate prior to the Substantial Completion of the Student Housing Facilities, Landlord shall, at its option, have the right to succeed to the interest or rights of Tenant under any Service Agreements between Tenant and Developer and any Consultant, relating to the Premises and Tenant agrees to provide for such contingency in such agreements and to execute, and cause Developer to execute whatever assignments or other instruments shall be necessary to effect the same. In addition, following any such Termination, Landlord shall have the right to utilize any Deposited Sums in connection with the completion of construction, and to make such changes to the Construction Documents as shall, in Landlord’s sole discretion, be necessary or desirable. (Section 5.5)

**Ownership of Project.** During the Term Tenant shall be deemed to be the Owner of the Buildings comprising the West Campus Student Housing Facility and, after July 1, 2015, the Existing Student Housing Facilities (but not, in either case, the Land and subject, in all events, to the terms of the Lease), provided that upon any Termination all right, title and interest in and to the Buildings and all other improvements, fixtures, furnishings and equipment located upon or appurtenant to the Land or used in connection with the operation of the Student Housing Facilities (except for trade fixtures and business equipment belonging to Manager as provided for in the Lease) shall automatically vest in Landlord, free and clear of any lien, security interest or encumbrance arising from any act or omission of Tenant, including any Leasehold Mortgage, without any further act or compensation on the part of either Party, and Tenant shall promptly execute and deliver such bills of sale, deeds and other instruments, affidavits and returns as may be requested by Landlord in confirmation thereof. (Section 5.6)
Permitted Uses.

(a) The Premises shall be utilized during the Term of the Lease as student housing facilities for occupants under Student Housing Agreements and for no other purpose, other than ancillary supporting uses such as dining facilities, storage, management offices and common areas designated for recreational or educational uses by Landlord’s students, faculty or administrators.

(b) Notwithstanding the limitations above, with Landlord’s prior written consent portions of the West Campus Student Housing Facility may be used for retail purposes that are compatible with its location within a student housing facility, subject to the provisions of the Lease relating to the preservation of the tax exemption for the Bonds. Landlord’s consent to retail use may be subject to such conditions and limitations as Landlord may determine in its sole discretion, provided that such conditions and limitations are accepted in writing by Tenant. Upon such acceptance any such conditions or limitations shall be deemed to be incorporated into and a part of the Lease.

(Section 6.2)

Responsibility for Maintenance and Operation. Tenant shall have sole responsibility for the condition, operation, maintenance, management and repair of the Premises and shall cause the Premises to be managed, maintained and continuously operated by a Qualified Manager pursuant to a Project Management Agreement and in accordance with the terms of the Lease and the Project Management Requirements. Tenant shall timely comply with and observe its obligations under the Project Management Agreement and shall diligently enforce its rights and remedies thereunder. The terms and conditions of the Project Management Agreement shall be construed as supplementing the terms and conditions of the Lease, provided, however, that nothing in the Lease shall be construed as imposing upon Landlord any obligation or liability thereunder to the Manager. Tenant’s entry into a Project Management Agreement shall not relieve Tenant of any of its obligations under the Lease or any other Project Documents. (Section 6.3)

Landlord’s Reservation of Certain Revenues and Portions of the Premises.

(a) Notwithstanding anything to the contrary in the Lease, Landlord reserves the exclusive right of use and possession of, and all rents, issues, profits, revenues and other amounts attributable to, the Existing Student Housing Facilities from the Term Commencement Date until July 1, 2015.

(b) In addition to the reservation above, from and after July 1, 2015, Landlord reserves for its own use the University Facilities and any University Reserved Revenues. In furtherance of Landlord’s educational objectives, Tenant shall make available to Landlord certain spaces or facilities within the Premises as set forth in the Project Management Agreement or as otherwise agreed by Landlord and Tenant. University Facilities shall be occupied by Landlord or its designees for such purposes as Landlord determines from time to time, provided that no such purpose shall cause an Event of Taxability. Tenant acknowledges and agrees that the continuation of any current uses of University Facilities shall in no event be construed as causing an Event of Taxability.

(Section 6.4)
Project Operations Committee.

(a) Landlord and Tenant shall establish and maintain throughout the entire Term a “Project Operations Committee.” The Project Operations Committee shall be comprised of seven (7) members, four (4) of whom shall be appointed by Landlord and one (1) of whom shall be appointed by Tenant and two (2) of whom shall be appointed by Manager. In the event of any change in a Project Operations Committee member, the party proposing such change shall provide written notice to the other party, the Manager and the other Project Operations Committee members.

(b) The Project Operations Committee shall meet from time to time, but no less frequently than once each month starting eight (8) months prior to the Outside Completion Date for the purpose of providing advice and consultation to Tenant and the Manager with respect to the management and operations of the Student Housing Facilities. Any and all decisions and determinations of the Project Operations Committee shall be by majority vote of such seven (7) members, and any such member may assign his right to vote to another representative by written proxy. The Project Operations Committee shall have the following duties and responsibilities: (i) approval of a Proposed Annual Operating Budget; (ii) approval of a Proposed Annual Capital Plan; (iii) review of periodic financial and operational reports submitted by the Manager and providing advice and consultation regarding adjustments to the Annual Operating Budget; (iv) ensuring compliance by the Student Housing Facilities with all rules and regulations prescribed by the University relating to resident related activities; (v) establishment of Student Housing Fees, and (vi) such other duties and responsibilities as may be requested by the Manager or as such committee may, from time to time, determine to be necessary or desirable.

(c) A schedule of regular meetings shall be established for each Annual Period prior to the beginning of each such Annual Period. Meetings of the Project Operations Committee shall take place at a facility located on the University campus designated for such purpose by Landlord. Any member of the Project Operations Committee may convene a special meeting of the Project Operations Committee at any time on not less than 10 business days’ notice (which shall also identify the agenda items to be discussed at the meeting), provided that in an emergency a meeting may be called at any time on such notice as may be reasonable in the circumstances.

(d) The Project Operations Committee shall be chaired by a member designated by Landlord and shall operate in accordance with such rules and procedures as it shall adopt from time to time.

(e) The purpose of the Project Operations Committee is to provide a formal forum for the parties to consult and cooperate in all matters relating to the Project during the operation of the Student Housing Facilities. Members appointed to the Project Operations Committee shall not have any duties or obligations arising out of such appointment independent of such member’s duties or obligations to the party making such appointment. The Project Operations Committee shall not have the authority to modify any of the Project Documents and no action or failure to act by the Project Operations Committee shall relieve Tenant or Manager of any obligations under the Project Documents.

(Section 6.5)
Project Financing.

(a) Pursuant to the Act, Tenant shall be solely responsible, at its sole cost, for obtaining financing for the Project. In no event are Tenant’s obligations under the Lease or the Project Documents contingent upon, limited by or subject to Tenant’s ability to secure Project Financing or its ability to generate adequate revenues for the operation and maintenance of the Student Housing Facility following its completion.

(b) The terms of the Project Financing shall be subject to Landlord’s review and approval, shall be consistent with the Proposal and shall not (i) require Student Housing Fees materially greater than projected in the Proposal, or (ii) otherwise require a modification of the Project as contained in the Proposal. The proceeds of the Project Financing shall be used solely the pay the costs of the Project as set forth in the Project Budget approved by Landlord.

(c) Tenant shall be solely responsible for repayment of the Project Financing. In no event shall Landlord have any obligation to pay debt service on the Project Financing or to join in, execute or guaranty (in whole or in part) the Project Financing or to incur any other cost or liability in connection with the Project Financing.

(Section 7.1)

Compliance With Project Financing Documents.

(a) Tenant shall timely and diligently comply with its obligations, under the Project Financing Documents and shall promptly forward to Landlord copies of any notices it delivers or receives pursuant to the Project Financing Documents. Tenant shall timely make requests and determinations and give responses and directions under the Project Financing Documents to the extent necessary to comply with its obligations to timely perform its obligations under the Project Documents.

(b) Tenant shall not amend or modify the Project Financing Documents or waive any of its material rights under the Project Financing Documents without Landlord’s prior written consent. Tenant shall diligently enforce its rights under the Project Financing Documents to the extent necessary to comply with its obligations to timely perform its obligations under the Project Documents.

(c) Following the initial closing of the Project Financing Tenant shall not enter into any refinancing, increase the amount of the Project Financing or incur any additional financing in connection with the Project without Landlord’s prior written consent.

(d) Without limiting the general requirements set forth above, Tenant shall timely submit such documentation as is required under the Project Financing Documents, including documentation required in connection with the determination of Surplus Cash Flow and for the application thereof pursuant to the Indenture, and for the disbursement pursuant to the Indenture of funds required for the operation, maintenance and repair of the Student Housing Facilities.

(Section 7.3)
Landlord Cooperation On Continuing Disclosure. Landlord shall reasonably cooperate with Tenant in connection with Tenant’s continuing disclosure obligations pursuant to the Project Financing by furnishing such information as Tenant may from time to time request, provided that Landlord shall not be obligated to incur any expense or undertake any additional obligations or liabilities in connection therewith or to make available information that is confidential, privileged or that Landlord otherwise reasonably determines is not appropriate for disclosure. (Section 7.4)

Real Estate Taxes. Tenant covenants and agrees to pay when due (subject to certain exceptions set forth in the Lease), all Impositions payable in respect of the Premises. If, by law, any such Imposition may at the option of the taxpayer be paid in installments, Tenant may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and shall pay only such installments as may become due during the term of the Lease as the same respectively become due and payable. Any Imposition relating to a fiscal period of the taxing authority, a part of which period is included within the Term of the Lease and a part of which is included in a period of time before the Term Commencement Date or after Termination of the Lease, shall be prorated between Landlord and Tenant as of the Term Commencement Date or the date of Termination of the Lease. (Section 8.1)

Certain Impositions Not Tenant’s Responsibility. Nothing in the Lease shall require Tenant to pay any corporate, estate, inheritance, income, excess profits, transfer or similar tax imposed on Landlord; provided, however, that if, at any time during the Term of the Lease, a tax or excise is levied or assessed against Landlord on the Rent, in substitution in whole or in part for taxes assessed or imposed on the Land and Building, the same shall be deemed to be an Imposition and Tenant covenants to pay and discharge such tax or excise in accordance with the provisions of the Lease. (Section 8.2)

Exemption From Impositions.

(a) Notwithstanding any other provision of the Lease regarding Impositions, Landlord and Tenant intend that, to the fullest extent provided for under the Act, the Premises shall be exempt from ad valorem taxes and assessments and other Impositions. Landlord shall, at Tenant’s sole cost and expense (including without limitation reasonable attorneys’ fees and disbursements), cooperate with Tenant in obtaining the benefit of such exemptions, abatements, reductions or other relief as may be available with respect to any Impositions; provided, however, that the foregoing shall not (i) obligate Landlord to participate in or prosecute any action, proceeding, application or petition (except to the extent of indicating its acquiescence thereto), (ii) obligate Landlord to assert or waive any governmental right, power or authority, including without limitation Landlord’s sovereign immunity, or (iii) authorize Tenant to assert Landlord’s governmental status as a ground for relief in any action, proceeding, application or petition. In no event shall Landlord be liable for the payment of any Impositions.

(b) In no event shall Tenant take any action or fail to take any act that would result in the loss of any exemption from Impositions. (Section 8.7)
**General Insurance Requirements.** It is the intent of the parties that all risk of loss for the Project be shifted to insurance to the maximum extent practicable. Accordingly, the Tenant shall maintain, or cause to be maintained, insurance covering the risks enumerated below. Such insurance shall be written on an occurrence basis, but for errors and omissions insurance issued on a claims made basis, the Landlord may require the purchase of a tail policy with such term and limits as Landlord may reasonably determine. The policies procured under the Lease shall provide that such insurance shall be primary coverage without reduction or right of offset or contribution on account of any insurance provided by Landlord to itself or its officers, officials, or employees, that such insurance shall not be modified, altered or cancelled without thirty (30) days' (10 days’ for nonpayment of premium) written notice to the Landlord, and that such insurance shall name Landlord, the State of New Jersey, the Trustee and NJEDA as additional insureds as their interest may appear. The insurance policies purchased by Tenant, or provided on behalf of Tenant, must be issued by a company authorized to conduct business in the State of New Jersey which has a rating of A-IX or better by the latest Best Insurance Report. Notwithstanding anything else herein contained, the rights of the Landlord to any insurance policies covering the Student Housing Facilities or the Project (or any portion thereof) and any and all proceeds paid or payable thereunder, but not any liability policies, shall be subject to the rights of NJEDA and the Trustee under the Bond Documents. (Section 9.1)

**Required Insurance Coverages.** During the Term Tenant shall obtain and maintain, or cause the Developer, Consultants (as defined in the Project Development Agreement) or Manager, as applicable, to obtain and maintain, the following coverages:

(a) **Property/Casualty** - Property insurance insuring the Student Housing Facilities against loss and damage by fire and other hazards on a “special form” policy form, covering insurance risks covered by a standard extended coverage insurance policy, and covering such other risks as Landlord or the Trustee may reasonably require, in amounts equal to the full replacement cost of the Student Housing Facilities, including fixtures, equipment and personal property, and the cost of debris removal, with an agreed amount endorsement;

(b) **All Risk and Builder's Risk** – During any period of construction, alteration, renovation or repair, Completed Value Form Property Insurance covering all physical loss or damage to the Project covered by the extended coverage endorsement then in use in the State of New Jersey (including vandalism and malicious mischief) in an amount not less than full replacement value (or the Guaranteed Maximum Price under the Construction Contract, whichever is greater); such insurance shall cover (i) design, engineering, inspections, loss of permits, fees, etc., (ii) loss of materials, equipment, machinery and supplies (whether on-site, in transit or stored off-site), and temporary structures, (iii) soft costs, plans, blueprints, etc., and (iv) rental interruption (delayed opening) on an actual loss basis and otherwise in compliance with the requirements of the business interruption insurance policy. To the extent that any portion of the Building shall be occupied during the course of any such work, the insurance coverage required by this paragraph shall be obtained such that it shall not be subject to impairment by reason of such occupancy;

(c) **Business interruption insurance** (also referred to as “use and occupancy insurance” or “rental income insurance”) - covering loss of revenues or other income by the Tenant by reason of total or partial suspension of, or interruption in, the operation of the Project
caused by damage or destruction of the Project in an amount sufficient to cover Revenues for twenty four (24) months;

(d) **Boiler and Machinery Insurance** - boiler and machinery insurance, written on a comprehensive form and appropriately coordinated under a “joint loss agreement” (or the equivalent) with the coverage described in subparagraph (a) above relating to property/casualty insurance, covering all steam, mechanical and electrical equipment, including without limitation any boilers, pressure vessels, pressure piping, components of any central heating, ventilation or air conditioning system, or similar apparatus, installed in the Premises, in an amount reasonably satisfactory to Landlord;

(e) **Employee Dishonesty** - At all times during the Term of the Lease, the Tenant shall maintain or cause to be maintained fidelity bonds or employee dishonesty insurance for all officers, agents, and employees of the Tenant, Developer and Manager with the responsibility of handling any revenues generated from the operation of the Student Housing Facilities with policy limits not less than One Million Dollars ($1,000,000);

(f) **Commercial General Liability** - At all times during the Term, Tenant shall maintain or cause to be maintained a primary Commercial General Liability insurance policy, on an occurrence form (“CGL”), covering all claims for bodily injury and property damage, including loss of use thereof, including independent contractor liability, products/completed operations liability and contractual liability coverage in an amount not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate, with deductible provisions not to exceed Twenty-Five Thousand Dollars ($25,000) per occurrence, to include personal and advertising injury, general aggregate, products and completed operations aggregate insurance beginning at the Substantial Completion of each Project component, and contractual liability to cover all insurable obligations in the Lease. The policy or policies must be on an “occurrence” basis unless waived in writing by Landlord. The policy shall not include any endorsement that restricts or reduces coverage as provided by the ISO CG 0001 form without prior approval of Landlord. A “per location or project endorsement” shall be included, so that the general aggregate limit applies separately to the location or project that is the subject of this Indenture of Lease;

(g) **Automobile** - At all times during the Term, Tenant shall maintain or cause to be maintained comprehensive automobile insurance (with deductible provisions not to exceed Five Thousand Dollars ($5,000) per occurrence) with liability limits of not less than One Million Dollars ($1,000,000.00) combined single limit covering liability arising out of the use of any Tenant vehicle, or such vehicles used in conjunction with the Project, whether owned, non-owned or hired;

(h) **Errors and Omissions** - The Tenant shall obtain and maintain Professional Errors and Omissions Insurance covering all architects, engineers, specialists, and consultants in an amount and with coverage of not less than $3,000,000 per claim and $4,000,000 aggregate;

(i) **Worker's Compensation Insurance** - Tenant shall obtain and maintain Worker’s Compensation Insurance applicable to the laws of the State of New Jersey and other State or
Federal jurisdiction required to protect all persons employed in or about the Premises by Tenant or its agents or contractors. The certificate must so indicate that no proprietor, partner, executive officer or member is excluded. This insurance shall include Employers’ Liability Protection with a limit of liability not less than one million dollars ($1,000,000) bodily injury, each occurrence, one million dollars ($1,000,000) disease, each employee, and one million dollars ($1,000,000) disease, aggregate limit. Lower primary limits will be accepted if employer’s liability insurance is included under the umbrella insurance and the umbrella limit exceeds the employer’s liability limit requirements;

(j) Excess Umbrella - Tenant shall obtain and maintain or cause to be obtained and maintained additional excess and/or umbrella liability coverage in an amount of Twenty Million Dollars ($20,000,000) in the aggregate, which shall include all insured coverages required under the Lease for commercial general liability, automobile and workers compensation coverage;

(k) Law and Ordinance Coverage - if there shall be material changes in the building codes or other laws pursuant to which the Building shall have been built, increased cost of construction insurance, in an amount reasonably satisfactory to Landlord, and, if such codes or other laws (as changed) require the demolition of the remaining portion of the Building if and when a certain minimum portion of the building is damaged or destroyed, demolition insurance (to the extent not included in the “all risk” coverage described above), in an amount not less than the full cost of demolishing such remaining portion of the Building; and

(l) Additional Coverage - such insurance against other risks or hazards as Landlord may reasonably require, including without limitation insurance against (to the extent, if any, not covered by the “all risk” policy described above) damage caused by water leakage, flood, collapse, acts of war, earthquakes or terrorism, if at the time of such requirement by Landlord such insurance is generally carried by prudent owners of buildings in the State of New Jersey that are comparable to the Building, in amounts reasonably satisfactory to Landlord.

(Section 9.2)

Policy Loss Payable Requirements. Each of the insurance policies shall be endorsed to name the Trustee, Landlord and their respective successors and assigns as the mortgagee or lender loss payee, with loss payable to the Trustee, the Landlord and their successors and assigns, without contribution or assessment, pursuant to a standard first mortgagee endorsement in the form of, or substantially equivalent to, the standard mortgagee or lender loss payee endorsement used in the State of New Jersey, provided that with respect to liability insurance and any other policies of insurance required under the Lease where a mortgagee or lender loss payee endorsement is not available, the Trustee and the Landlord shall be named as an additional insured. All insurance policies and endorsements required pursuant to the Lease shall be fully paid for, nonassessable and contain such provisions and expiration dates and be in such form and amounts as indicated above and shall be issued by an insurance company licensed or authorized to sell insurance in the State of New Jersey, and having an A.M. Best Company rating with respect to its financial strength of A-:IX or better. Without limiting the foregoing, each policy shall specifically provide that (A) such policy may not be cancelled except upon thirty (30) days’ (10 days for nonpayment of premium) prior written notice to the Trustee and the Landlord and that no act or thing done by Tenant shall invalidate the policy as against the Trustee and/or Landlord, and (B) any and all fire,
casualty or other property insurance proceeds will be paid to the Trustee for application in accordance with the provisions of the Indenture and the Lease. (Section 9.3)

**Delivery of Evidence of Insurance.** Upon the commencement of the Lease and at each policy renewal date should the Landlord so request, the Tenant shall furnish to the Landlord copies of insurance policies and all endorsements, including additional insured endorsements, or enforceable evidences or binders of all insurance required to be carried by the Tenant in accordance with the Lease, listing the Landlord and the State of New Jersey as the certificate holder. Such insurance evidence must document that the liability insurance coverage purchased by or maintained on behalf of the Tenant includes contractual liability coverage. (Section 9.4)

**Insurance Required under the Bond Documents.** Tenant shall also obtain and maintain such higher amounts and/or additional types of insurance as may be required under the Bond Documents. (Section 9.6)

**Annual Certification.** In order to assure compliance with the ongoing insurance requirements herein, Tenant shall deliver or cause to be delivered annually, within thirty (30) days after the end of each Annual Period, a certification from a Tenant representative that the required insurance is maintained and in compliance with this Indenture of Lease. (Section 9.7)

**Insurance Proceeds Received by Tenant to be Held in Trust.** Any property or casualty insurance proceeds paid to Tenant shall be held by Tenant in trust for application to the cost of restoring, repairing, replacing or rebuilding the Building. Any insurance proceeds paid to the Depositary shall be disbursed first to reimburse Landlord and the Trustee for any reasonable expenses, including reasonable attorneys’ fees, that they shall have incurred in connection with the collection of such proceeds, and then in accordance with the provisions of Article 16 hereof, to pay costs of restoring, repairing, replacing or rebuilding the Building. (Section 9.8)

**Separate Insurance.**

(a) Tenant shall not carry separate insurance concurrent in coverage with any insurance required to be furnished by Tenant under the provisions of the Lease unless Landlord shall be included as a named insured or additional insured, as the case may require, with loss payable as hereinabove provided. Tenant shall promptly notify Landlord of the issuance of any such separate insurance and shall cause certified copies of such policies to be delivered to Landlord as provided in this Article.

(b) Tenant shall, at all times, observe and comply with the requirements of all policies of insurance in effect with respect to the Premises.

(Section 9.9)

**No Waste.** Tenant shall not cause or permit any waste on the Premises, or destroy or modify the Student Housing Facilities or any portion thereof except as expressly permitted by the Lease. (Section 11.1)

**Maintenance of Premises.** Tenant cause the Premises to be maintained in accordance with the Project Management Requirements and shall otherwise, at its sole expense, keep the Premises
and the adjoining sidewalks and curbs clean and in good condition and good working order, free of accumulations of snow, ice, dirt and rubbish, and shall promptly make all repairs and replacements (including structural repairs), foreseen and unforeseen, ordinary and extraordinary, necessary to maintain the Premises in good working order and a clean and attractive condition, and in a condition at least equal to the condition and order of Landlord’s other student housing facilities. All repairs and replacements shall be equal in quality to the original work unless otherwise approved in writing by Landlord. (*Section 11.2*)

**Maintenance of Personal Property.** Tenant shall keep and maintain all fixtures, machinery, equipment and other personal property comprising part of the Project in good and usable condition throughout the Term of the Lease, and shall deliver the same in such condition to Landlord upon Termination of the Lease. Tenant shall not remove any fixtures, machinery, equipment and other personal property comprising part of the Project without the prior written consent of Landlord, except for repairs, cleaning or other servicing, unless the same shall be replaced by fixtures, machinery or equipment similar in function, kind and quality. (*Section 11.3*)

**Tenant to Comply with Legal Requirements.** Throughout the Term of the Lease, Tenant shall, at its sole cost and expense, promptly comply with, or cause Developer or Manager, as applicable, all applicable Legal Requirements, including all Environmental Laws, subject to certain provisions of the Lease that require Landlord to be responsible for certain Pre-Existing Unknown Conditions. (*Section 12.1*)

**No Assertion by Tenant of Landlord’s Immunity.** Whether or not express reference is made to this Section 12.3, for so long as Landlord shall be a governmental entity, references in the Lease to any Legal Requirement shall be construed without reference to any inapplicability or unenforceability thereof by reason of Landlord’s governmental rights, power, authority or status, it being the intent of the parties that Tenant shall comply with all Legal Requirements that would apply if Landlord were not a governmental entity, except to the extent expressly stated to the contrary herein, and that Landlord shall not be obligated to assert on Tenant’s behalf, or waive for Tenant’s benefit, any governmental right, power or authority, including without limitation Landlord’s sovereign immunity. (*Section 12.3*)

**Compliance With the Act.** Notwithstanding any other provision of the Lease or any other Project Document, it is the intent of the parties that the Project shall, in all respects, comply with the requirements of the Act and any regulations or requirements promulgated by NJEDA in connection with the Act. Without limiting the generality of the preceding sentence, Tenant shall be responsible for (i) complying with the requirements and any conditions of NJEDA in connection with its review and approval of the Project, (ii) payment of any costs or fees imposed by NJEDA, and (iii) complying with any ongoing reporting or other requirements of NJEDA. (*Section 12.5*)

**Damage to or Destruction of the Building - Restoration.** In case of damage to or destruction of the Premises by fire or any other cause, similar or dissimilar, insured or uninsured, Tenant shall promptly notify Landlord and Tenant shall, at its sole cost and expense, and whether or not insurance proceeds are available or are sufficient for the purpose, remove all debris resulting from such damage or destruction, and shall rebuild, restore, repair and replace, as applicable, the
Premises or any improvements, betterments, fixtures and equipment, furnishings and physical property located thereon, or any part thereof, substantially in accordance, to the extent feasible, with the plans and specifications for the same as they existed prior to such damage or destruction or make such other repairs, replacements, changes or alterations as is mutually agreed to in writing by Landlord and Tenant. Such rebuilding, restoration, repairs, replacements, or alterations shall be commenced promptly and shall proceed with all due diligence subject to the terms and conditions of the Lease.  (Section 13.1)

**Use of Insurance Proceeds.** If the damage or destruction to the Building is covered by insurance then, subject to the provisions of the Indenture, the proceeds of such insurance shall be made available for and applied to the payment of the cost of the rebuilding, restoration, repair, replacement and alteration work required to be performed by Tenant under the Lease. If insurance proceeds are less than the reasonably estimated cost of any rebuilding, restoration, repair, replacement and alteration work required by the Lease, then Tenant shall pay any deficiency. Tenant shall take such actions as Landlord may reasonably direct for the purpose of causing the disbursement of such proceeds pursuant to the Bond Documents.  (Section 13.2)

**Receipt of Insurance Proceeds.** In the event of any casualty covered by insurance the proceeds of any property insurance shall be deposited and applied in accordance with the applicable provisions of the Indenture.  (Section 13.3)

**No Rent Abatement.** Tenant’s responsibility to pay Rent, and Tenant’s obligation to perform all other covenants and agreements under the Lease, shall not be affected by any such damage to or destruction of the Premises, and Tenant under the Lease waives the provisions of any statute or law now or hereafter in effect that would otherwise relieve Tenant from such obligations.  (Section 13.4)

**Condemnation - Taking of All or Substantially All of the Premises.** If, at any time during the Term of the Lease, the whole or substantially all of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain, or by agreement between Landlord, Tenant and those authorized to exercise such right, the Lease shall Terminate on the date of such taking and the Rent shall be apportioned and paid to the date of such taking.  (Section 14.1)

**Condemnation - Taking of Less Than Substantially All.** If less than substantially all of the Premises shall be taken, then the Lease shall be deemed Terminated as to the part so taken as of the date of such taking, but shall continue in full force and effect for that part not taken, without reduction, abatement or effect upon the Term of the Lease or the liability of Tenant to pay in full the Basic Rent, Impositions and other sums of money and charges herein provided to be paid by Tenant.  (Section 14.2)

**Application of Award.** In the event of any Taking, partial, whole or substantially all, as the case may be, Landlord and Tenant agree that the award or awards resulting from condemnation or eminent domain as determined by a court of competent jurisdiction or the proceeds pursuant to a written agreement in lieu thereof shall be allocated between Landlord and Tenant and paid in the following order of priority:
(a) The Landlord shall be paid an amount for the Land so taken equal to the higher of its fair market value (x) as if it were vacant and unimproved, based on the then permitted highest and best use of the Land so taken, or (y) as improved by the Building (but in any case excluding the value of the Building), in either case as if the Land so taken were unencumbered and free and clear of the Lease and any Subleases.

(b) If the award shall have been made in respect of a Taking of less than substantially all of the Premises, then from the remainder of the proceeds there shall be deposited with the Depositary, to be disbursed in accordance with the Lease provisions, an amount sufficient to pay in full the cost of any repair, replacement and rebuilding necessitated by such taking and required by the terms of the Lease. The amount so deposited shall include, but shall not be limited to, the amount of any award specified to be for the purpose of effecting such repairs, replacements and rebuilding.

(c) From the remainder of the proceeds, if any, the Leasehold Mortgagee(s) (if any) shall be paid an amount equal to the aggregate amount of the principal indebtedness plus accrued interest that is owing on the Leasehold Mortgage(s) (if any) on the date of the taking; provided, however, that the amount payable to the holder of any Leasehold Mortgage under this subparagraph (c) shall not exceed eighty percent (80%) of the fair market value of Tenant’s interest in the Premises at the time such Leasehold Mortgage shall have been executed, as determined by an appraiser selected by such Leasehold Mortgagee, less the outstanding principal amount of any superior Leasehold Mortgage as of the date on which such Leasehold Mortgage shall have been executed.

(d) From the remainder of the proceeds, if any, Landlord shall be paid an amount equal to the value of the Landlord’s reversionary interest in the part of the Building so taken.

(e) Any balance shall be payable to Tenant. Any remaining unpaid principal balance, accrued interest and other amounts payable to any Leasehold Mortgagee shall be paid solely out of Tenant’s share of any proceeds or awards.

(Section 14.3)

Allocation of Award. In case the respective portions of any award to be received by Landlord and Tenant shall not be fixed in the proceedings for such taking and if Landlord and Tenant shall not agree in writing on such respective portions within thirty (30) days after the date of the final determination of the amount of such award, the entire award or awards shall be deposited with the Depositary pending resolution of the amount of the apportionment. (Section 14.4)

Restoration. If the Premises shall be damaged or partially destroyed by any taking of less than substantially all of the Premises, Tenant shall give prompt notice thereof to Landlord and, regardless of the amount or allocation of any award made in respect of such taking, Tenant shall proceed with reasonable diligence to conduct any necessary demolition and to repair, replace or rebuild the portion of the Premises not so taken so as to constitute such remaining portion a complete, rentable building in good condition and repair, suitable for use as a student housing facility. If the cost of any work necessary to repair, replace or rebuild any such damage or
destruction shall exceed the amount, if any, paid to the Depository, Tenant shall pay any
deficiency.  (**Section 14.5**)

**Temporary Taking.** If temporary use of the whole or any part of the Premises shall be taken at
any time during the Term of the Lease for any public or quasi-public purpose, Tenant shall give
prompt notice to Landlord and the Term of the Lease shall not be reduced or affected in any way
and Tenant shall continue to pay the full Rent provided for in the Lease. Any award or payment
for such temporary use shall be deposited with the Depository and shall be withdrawn by Tenant
on a pro rata basis over the same period as such temporary use and together with any interest
thereon. If such taking results in Alterations in or to the Building that would necessitate an
expenditure, after repossession, to restore it to its former condition, and such temporary taking
shall end prior to Termination of the Lease, Tenant shall restore the Building, and the portion, if
any, of the award or payment intended to compensate for such expenditure shall be paid to
Tenant by the Depository. If such temporary taking shall not end until after Termination of the
Lease, such portion of said award shall be paid by the Depository to Landlord.  (**Section 14.6**)

**Conflict with Indenture.** To the extent any provisions of the Lease conflict with any provisions
of the Indenture regarding the application of any Award the provisions of the Indenture shall
control.  (**Section 14.8**)

**Alterations.** After the Substantial Completion of the West Campus Student Housing Facility
and the renovations to the Existing Student Housing Facilities, Tenant shall not make any
Alteration unless approved by Landlord in writing and unless Tenant shall have complied with
the following requirements:

(a) No single Alteration the cost of which is estimated to exceed Two Hundred Fifty
Thousand Dollars ($250,000) shall be undertaken until and unless (i) Tenant shall have furnished
to Landlord the plans, specifications, construction contract or contracts and construction
schedule for such Alterations, and (ii) Landlord shall have been afforded the benefit of any and
all bonds, completion guarantees and/or other security for the completion of such Alteration that
shall be provided to any Leasehold Mortgagee, subject to the rights of such Leasehold
Mortgagee;

(b) All Alterations, when completed, shall be of such a character as is consistent with
the continued use of the affected Student Housing Facility for its intended purposes and as shall
not reduce the value and utility of the Premises below its value and utility immediately before
construction of such Alterations;

(c) All Alterations shall be made promptly and in good and workmanlike manner and
in compliance with other applicable provisions of the Lease;

(d) Tenant shall demonstrate to Landlord’s satisfaction that Tenant has available
funds sufficient to pay in full the cost of the proposed Alterations. Landlord shall have the right
to require that such funds be deposited with the Depository or otherwise segregated and secured
for application to the proposed Alterations;

(e) The cost of any Alterations shall be paid in cash or its equivalent so that the
Premises shall at all times be free of liens for labor and materials supplied or claimed to have
been supplied to the Premises, excepting liens the collection of which has been indemnified or insured against by a bonding or title insurance company to the reasonable satisfaction of Landlord; provided, however, that, the provisions of this subparagraph (e) shall not be deemed to prohibit Tenant from placing a mortgage on its leasehold interest under the Lease to the extent otherwise permitted by the Lease;

(f) No Alterations shall be undertaken until Tenant complies with the insurance requirements with respect to new construction and shall have delivered to Landlord insurance policies bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Landlord of such payments;

(g) Landlord shall in all cases have the right to enter upon the Premises to monitor and inspect the work and its progress and to post such notices of non responsibility as may be permitted under applicable law; and

(h) All Alterations shall be carried out under the supervision of a licensed qualified architect or engineer selected by Tenant and approved in writing by Landlord.

(Section 15.1)

Certain Alterations Deemed Approved. Any Alterations approved by the Project Operations Committee (including Alterations pursuant to an “Annual Capital Plan” as defined in the Project Management Agreement) shall be deemed to have been approved by Landlord, provided, however, that such deemed approval shall not relieve Tenant of the other provisions of the Lease applicable to Alterations. (Section 15.3)

Disbursements of Deposited Moneys. All Deposited Sums shall be paid to or deposited with the Trustee as “Depositary” and disbursed in accordance with the requirements of the Lease. (Section 16.1)

Restoration Work. From time to time during the progress of any Restoration Work, disbursement of any Deposited Sums shall be made to Tenant no sooner than fifteen (15) days following receipt by the Depositary and Landlord of the following:

(a) A certificate signed by Tenant and the architect or engineer selected by Tenant, dated not more than thirty (30) days prior to the application for such disbursement, in form reasonably satisfactory to Landlord and setting forth in substance the following:

(i) That the sum then requested to be disbursed either has been paid by Tenant and/or is justly due to persons or firms who have rendered and furnished certain labor and materials for the Restoration Work;

(ii) The name and address of each person or firm referred to in the foregoing clause (i) and the amounts paid and/or due to each such person or firm with respect to the Restoration Work as of the date of such certificate;

(iii) That the sum then requested to be disbursed, plus all sums previously disbursed, does not exceed the cost of the Restoration Work accomplished up to the date of such
certificate, and that the balance of the Deposited Sums will be sufficient to pay in full the cost of completing the Restoration Work;

(iv) That except for the amounts stated in said certificate to be due for services or materials, and amounts, if any, referred to in clause (v) below, either (A) there is no outstanding indebtedness known to the person signing the certificate, after due inquiry, that is then due and payable for work, labor, services and materials in connection with the Restoration Work, less reasonable retainages, or (B) with respect to any indebtedness of the type referred to in (A) that may be outstanding, Tenant is engaged in a bona fide dispute as to the amount due and payable in respect thereof and the Depositary holds sufficient funds to cover both the disputed amount and the cost of completing the Restoration Work; and

(v) That there has not been filed with respect to the Premises or any part thereof or interest therein any vendor’s, mechanic’s, laborer’s or materialman’s statutory or similar lien that has not been discharged of record, except such as will be discharged upon payment of the amount then requested to be disbursed, unless a bond has been provided in the full amount of such lien.

(b) A certificate signed by a responsible officer of Tenant, or of a general partner of Tenant if Tenant is a partnership, dated not more than thirty (30) days prior to the application for such disbursement, stating that no default under the Lease by Tenant has occurred and not been remedied.

(c) An official search or a certificate of a recognized title company doing business in the area, showing that there has not been filed with respect to Tenant’s leasehold estate or Landlord’s interest in the Premises or any part thereof, any vendor’s, mechanic’s, laborer’s or materialman’s statutory or similar lien that has not been discharged of record.

(d) Waivers of all mechanic’s and materialman’s liens executed by each Contractor, construction manager, architect, engineer, materialman and first tier subcontractor involved in carrying out the Restoration Work.

(e) Such other documents or materials as may be required under the Bond Documents.

(Section 16.2)

**Deposited Sums Deficiencies.** If for any reason the Deposited Sums shall in the reasonable judgment of any Leasehold Mortgagee or Landlord not be sufficient for the completion and full payment of the applicable Restoration Work, Tenant shall, immediately upon written demand by such Leasehold Mortgagee or Landlord, pay the amount of the deficiency to the Depositary or such Leasehold Mortgagee. If such deficiency is required to be paid to the Depositary, the Depositary shall not make any further disbursements until said deficiency has been deposited. (Section 16.4)

**Use of Deposited Sums.** Except as specifically authorized in the Lease, and subject to the limitations herein provided, neither Landlord nor Tenant shall have any right to use, withdraw or receive payment of any Deposited Sums; provided, however, that so long as Tenant has
performed all of its obligations under the Lease, Tenant shall be entitled to any Deposited Sums remaining after the completion of the applicable Restoration Work and the payment of all obligations to be paid from the Deposited Sums; provided, however, that any Deposited Sums held by Depositary upon Termination of the Lease shall be promptly paid to Landlord. (Section 16.5)

Conflict with Indenture. To the extent any provisions of the Lease conflict with any provisions of the Indenture regarding the release or application of any Deposited Sums the provisions of the Indenture shall control. (Section 16.6)

No Liens. Tenant shall not suffer or permit any vendor’s, mechanic’s, laborer’s or materialman’s statutory or similar lien to be filed against the Premises or any interest of Landlord or Tenant therein by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone holding the Premises or any part thereof through or under Tenant (including but not limited to work, labor, services or materials supplied in connection with the construction or renovation of a Student Housing Facility). If any such lien shall at any time be filed, Tenant shall, within forty-five (45) days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Tenant shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such mechanic’s lien by the lienor and to pay the amount of the judgment for and in favor of the lienor with interest, cost and allowances. Nothing in the Lease shall be deemed or construed in any way as constituting (i) the consent of Landlord to the filing of any such lien on Landlord’s interest in the Premises or the Lease or (ii) the consent or request of Landlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman or the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of the Premises or any part thereof, nor as giving Tenant a right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any such liens against the Premises. Any amounts paid by Landlord to discharge any such lien shall be reimbursed by Tenant to Landlord upon demand. (Section 17.1)

End of Term - Surrender Condition. Upon Termination of the Lease, Tenant shall surrender to Landlord the Premises and all equipment, furniture and other personal property comprising part of the Project broom clean and otherwise in the condition required under the Lease, free and clear of all lettings and occupancies (except for any Student Housing Agreements), and free and clear of all liens and encumbrances, including any claim or lien on the part of Tenant. (Section 18.1)

Hold Over. In the event Tenant shall not have vacated the Premises on or before the Termination of the Lease such holding over shall not be deemed to extend the Term or renew the Lease, but such holding over shall continue upon the covenants and conditions herein set forth, except that Rent shall be deemed to be two hundred percent (200%) of the Basic Rent payable at
the end of the Term. Neither the billing or acceptance of Rent shall constitute a waiver of any of Landlord’s rights under the Lease. (Section 18.5)

Assignments. For purposes of the Lease, the term “assignment” whether in the noun or verb form, shall include any transaction or series of transactions in which the Tenant’s interest in the Lease and the leasehold estate under the Lease granted is transferred, voluntarily or by operation of law or any other involuntary means, or in which any interest, however remote, in the Person identified as the Tenant shall be transferred. For purposes of the Lease the substitution of a different general partner, member, manager or managing member of Tenant shall be regarded as an assignment of Tenant’s interest in the Lease and, if Tenant or such general partner, member, manager or managing member is a corporation (other than a publicly held corporation), a change in the voting control of such corporation shall likewise be deemed to be an assignment of the Lease. (Section 19.1)

Transfers Prohibited.

(a) Except as otherwise expressly provided in the Lease, Tenant and its successors and assigns shall not (and shall not have the right to) cause or suffer a Transfer unless in each case the written consent of the Landlord is first obtained. Any Transfer which is made without such written consent of Landlord shall be void ab initio. Without limitation to the foregoing, the consent (if any) of Landlord to any Transfer shall not be deemed to release Tenant from any obligation Tenant may have under the Project Financing Documents to obtain consent to such Transfer, and Tenant shall remain obligated to obtain any such required consent.

(b) No Transfer shall occur unless Tenant shall assign, and the assignee or transferee shall expressly, in writing, assume, all the obligations of the assignor under the Lease, the Project Documents, the Project Financing Documents and all other documents and agreements relating to the Project to which Tenant is a party, such written instrument expressly to be for the benefit of, enforceable by and delivered to the Landlord.

(c) Any (x) reorganization, merger, dissolution, liquidation, termination, transfer or acquisition of assets, or change of ownership, of Tenant or its assets (including a change to the member of Tenant or the admission of any additional members of Tenant), or (y) any modification in the operating agreement of Tenant that modifies the method of management of Tenant or the method of appointments to the board of managers of Tenant, shall constitute a Transfer subject to the restrictions of Subsection (a) of this Section if made without the prior written consent of Landlord in each instance, unless such transfer is expressly permitted by the provisions of the Lease.

(d) Tenant acknowledges and agrees that its rights and undertakings pursuant to the Lease and the other Project Documents are for the purpose of development of the Project and not for speculation in land holding or otherwise. Tenant further acknowledges and agrees, that in view of the importance of the Project to Landlord, the qualifications and identity of Tenant and its Principal Consultants are essential inducements to Landlord’s selection of Tenant after evaluation of its Proposal. Tenant further recognizes that the identity and qualifications of the Tenant and its Principal Consultants are the basis for Landlord’s entering into the Lease, and in so doing, Landlord is relying upon the obligations of the Tenant, and the expertise of its Principal
Consultants, for the faithful performance of all undertakings and covenants to be performed under the Project Documents.

(Section 19.2)

Landlord to Enter into Student Housing Agreements on Tenant’s Behalf. Landlord will have full responsibility and authority for entering into the Student Housing Agreements on Tenant’s behalf. Following execution of any Student Housing Agreements and promptly after Landlord has issued a room assignment for a student with respect to a Student Housing Facility (or, to the extent a Student Housing Facility is not Substantially Complete on or before the Outside Completion Date, the other housing to which such students are temporarily assigned as provided under the Project Development Agreement for Displaced Students), the University shall send a list of those students assigned to the Student Housing Facilities to Tenant and Manager, together with their room assignments. (Section 20.1)

Enforcement of Student Housing Agreements. Landlord shall be responsible for securing compliance by each resident with the terms of its Student Housing Agreement and Landlord agrees to use commercially reasonable efforts under the circumstances to secure full compliance by each resident with the terms of its Student Housing Agreement. Landlord may terminate any student occupancy when, in its judgment, sufficient cause (including but not limited to nonpayment of Student Housing Fees) for such termination occurs under the terms of such Student Housing Agreement. For this purpose, Landlord is authorized to consult with legal counsel, to bring actions for removal and to execute notices to vacate and bring judicial proceedings incident to such actions and Tenant shall cooperate with the University in connection therewith. Further, Landlord is authorized to sue for a recovery of Student Housing Fees and when expedient, to settle, compromise and release such actions or suits, or reinstate such licensees. Landlord shall keep Tenant informed of such actions and consult with Tenant with respect to the conduct of any such action. Attorney’s fees and other reasonable, customary and necessary costs incurred in connection with such actions will be paid as collection and billing services as operating expenses of the Student Housing Facility. (Section 20.2)

Assignment of Amounts Due Under Student Housing Agreements. For so long as the Lease is in effect and the Bonds remain Outstanding, but subject to Landlord’s reservation of the University Facilities and University Reserved Revenues, Landlord assigns and releases to Tenant such interest as Landlord may have in amounts payable by students under the Student Housing Agreements in the nature of rent or occupancy fees to the full extent necessary to meet Tenant’s obligations in respect of the Bonds, including the pledge of such amounts as security for payments under the Bonds Documents. (Section 20.3)

Leasehold Mortgages. Tenant shall have the right to place a Leasehold Mortgage on Tenant’s interest in the Lease, upon the condition that all rights acquired under such Leasehold Mortgage shall be subject and subordinate to all of the rights and interests of Landlord under the Lease. The execution and delivery of a Leasehold Mortgage shall not be deemed to constitute a Transfer of Tenant’s leasehold interest nor shall the holder of a Leasehold Mortgage be deemed to be an assignee or transferee of the Lease so as to require such holder to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed under the Lease; and Landlord’s consent shall not be required with respect to any sale of Tenant’s interest under the
Lease upon or in lieu of the foreclosure of any Leasehold Mortgage; provided, however, that no purchaser at a foreclosure sale or sale in lieu of foreclosure shall acquire any interest in the leasehold unless such purchaser or its designee shall execute, acknowledge and deliver to Landlord an instrument in recordable form whereby such purchaser or designee assumes and agrees duly to perform all of the obligations, terms and conditions of the Lease to be performed on the part of the Tenant (including its obligations to perform under the other Project Documents). If Tenant shall grant a mortgage on its interest in the Leasehold, Tenant or the holder of such mortgage shall deliver to Landlord a true copy of such mortgage, together with written notice specifying the name and address of the mortgagee under such mortgage and the recording date. Provided that Landlord shall have received such notice, Landlord agrees that so long as a Leasehold Mortgage shall remain unsatisfied of record or until written notice of satisfaction is given by the holder, the following provisions shall apply:

(a) There shall be no cancellation, surrender, modification or amendment of the Lease by joint action of Landlord and Tenant without the prior consent of each Leasehold Mortgagee.

(b) Landlord shall, contemporaneously with the service upon Tenant of any notice of default, serve a copy of such notice upon each Leasehold Mortgagee, and such notice of default shall not be effective against Tenant until served on each Leasehold Mortgagee. The holder of any Leasehold Mortgage shall have the same period to cure the default as does Tenant, plus an additional sixty (60) days; provided, however, that, in the case of a non-monetary default that is susceptible to cure but which cannot, with due diligence, be remedied by the holder of any Leasehold Mortgage within the additional sixty (60) days the period of time in which the holder of any Leasehold Mortgage may cure the non-monetary default shall be extended, without further act by Landlord, for an additional ninety (90) days. The Landlord may, at its option, terminate the right of any Leasehold Mortgagee to cure any such non-monetary default if the Leasehold Mortgagee does not commence such cure within the sixty (60) day period referred to in this subparagraph (b) and thereafter proceed with all due diligence to cure the default or if there is not evidence of continuing progress in curing such default.

(c) If any non-monetary default has not been, and cannot by its nature be, cured without excluding Tenant from possession of the Premises, then Landlord shall grant an additional cure period to any Leasehold Mortgagee, provided that the Leasehold Mortgagee shall have, within such ninety (90) day period:

(i) notified Landlord of its election to proceed with due diligence to foreclose its Leasehold Mortgage or otherwise to proceed promptly to acquire possession of the Premises; and

(ii) delivered to Landlord a written instrument, in form and substance reasonably satisfactory to Landlord, duly executed and acknowledged wherein such Leasehold Mortgagee agrees that:

(A) during the pendency of any such foreclosure or other proceedings and until the interest of the then Tenant in the Lease shall Terminate, it will pay or cause to be paid to Landlord all Rent due under the Lease; and
(B) if delivery of possession of the Premises shall be made to such Leasehold Mortgagee or to its nominee, whether voluntarily or pursuant to any foreclosure or other proceedings, such Leasehold Mortgagee shall promptly perform or cause its nominee to perform all the covenants and agreements herein contained on Tenant’s part to be performed (including its obligation to perform under the other Project Documents), except such covenants and agreements which cannot by their nature with the exercise of due diligence be performed by such Leasehold Mortgagee or such nominee.

Subject to the foregoing, Landlord will postpone the service of notice of election to end the Term of the Lease for an Event of Default and postpone any other action as a consequence of such default for such period or periods of time as may be necessary for such Leasehold Mortgagee, with due diligence, to foreclose its Leasehold Mortgage or otherwise acquire Tenant’s interest in the Lease and to perform or cause to be performed all of the covenants and agreements herein contained. Upon the acquisition of the Tenant’s interest in the Lease and the curing of such Event of Default (except an Event of Default which cannot by its nature be remedied) by such Leasehold Mortgagee or such nominee, or by any purchaser of the Lease pursuant to any foreclosure proceeding, Landlord’s right to serve a notice of election to end the Term of the Lease by reason of such Event of Default shall be waived as a ground for Termination of the Lease. If prior to any sale pursuant to any proceeding brought to foreclosure by any Leasehold Mortgagee, or if prior to the date on which the then Tenant’s interest in the Lease shall otherwise be extinguishable, the Event of Default shall have been remedied and possession of the Premises shall be restored to the then Tenant, the obligation of the holder of any Leasehold Mortgage shall be null and void and of no further effect.

(d) In addition to the agreement of Landlord to forbear Termination of the Lease, if, by reason of the occurrence or continuance of an uncured Event of Default, the Lease is Terminated, Landlord shall give notice of such Termination to each Leasehold Mortgagee, and on written request of a Leasehold Mortgagee made within forty-five (45) days after Landlord shall have given such notice, enter into a new lease of the Premises and new Project Documents with such Leasehold Mortgagee, or its designee, within twenty (20) days after receipt of such request, which new lease and Project Documents shall be effective as of the effective date of such Termination of the Lease for the remainder of the Term of the Lease, at the same Rent and upon the same terms, covenants, conditions and agreements as are herein contained (including the obligation to perform under the other Project Documents); provided, however, that Landlord shall not be so obligated unless such Leasehold Mortgagee or its designee shall: (i) contemporaneously with the delivery of such request pay to Landlord all the unpaid installments of Rent to which Landlord is entitled through the date of Termination; (ii) pay to Landlord at the time of the execution and delivery of said new lease any and all sums for Rent which would have been due under the Lease (had the Lease not been Terminated) from the date of Termination of the Lease to and including the date of the execution and delivery of the new lease, together with all expenses, including reasonable attorneys’ fees, incurred by Landlord in connection with the Termination of the Lease and with the execution and delivery of such new lease; and (iii) agree in writing that promptly following the delivery of such new lease, such Leasehold Mortgagee or its designee will, with due diligence, perform or cause to be performed all of the other covenants and agreements herein contained on Tenant’s part to be performed (including the obligation to perform under the other Project Documents). Landlord shall have no obligation, and nothing
herein contained shall be deemed to impose an obligation on the part of Landlord, to deliver physical possession of the Premises to such Leasehold Mortgagee unless Landlord at the time of the execution and delivery of such new lease shall have obtained physical possession thereof. Such new lease shall have the same relative priority in time and in right as the Lease and shall have the benefit of, and shall vest in, the Leasehold Mortgagee or its designee all of the rights, title, interest, powers and privileges of Tenant under the Lease in and to the Premises, subject to the terms and conditions of the Lease, until expiration of the Term.

(Section 22.1)

Multiple Leasehold Mortgages. If at any time there shall be more than one Leasehold Mortgage constituting a lien on the Lease and the leasehold estate under the Lease created, the holder of the Senior Leasehold Mortgage, prior in lien to all others, shall be vested with the rights (and thereby subject to the requirements) under this Article to the exclusion of the holder of any junior Leasehold Mortgage; provided, however, that if the holder of the Senior Leasehold Mortgage shall fail or refuse to exercise the rights set forth in the Lease following a default, each holder of a Leasehold Mortgage junior in lien in the order of the priority of their respective liens shall have the privilege of exercising such rights, provided that the foregoing shall not be deemed to duplicate or extend further any grace period provided for herein. If more than one request for a new lease shall have been received by the Landlord, priority for such new lease shall be given to the Leasehold Mortgagees in order of their priority which shall be determined from the public real estate records. The report of a reputable title company doing business in the area, setting forth the order of priority of lien of the Leasehold Mortgages, may be relied upon by Landlord as presumptive evidence of priority. (Section 22.2)

Events of Default.

(a) The occurrence of one or more of the following events shall constitute an “Event of Default” under the Lease:

(i) default shall be made in the payment when due of any Rent payable under the Lease and such default shall continue for a period of five (5) days after written notice, specifying such default, shall have been given to Tenant; or

(ii) default shall be made in the performance or observance of any other covenant, condition or agreement on the part of Tenant to be observed or performed under the Lease, and such default shall continue for a period of thirty (30) days after written notice specifying such default shall have been given to Tenant; provided, however, that if such default is susceptible to cure but cannot, with due diligence, be remedied by Tenant within thirty (30) days, the period of time to cure the default shall be extended for such period as may be reasonably necessary to cure the same with all due diligence, provided Tenant has commenced to cure within such initial thirty (30) day period and is continuing to proceed to cure such default with due diligence, provided further, however, that in no event shall such cure period be deemed to have been extended by more than ninety (90) days; or
(iii) an Event of Default shall have occurred and be continuing under any of the Project Documents or the Project Financing Documents; or

(iv) any representation, warranty or other statement by or on behalf of Tenant contained in or pursuant to the Lease or any of the other Project Documents, or in any document, agreement or instrument furnished in compliance with, relating to or in reference to the Lease or any other Project Document, shall have been untrue or misleading in any material respect when made; or

(v) any interest in the Lease shall be held, directly or indirectly, by any Prohibited Person and such interest shall not have been divested within forty-five (45) days after written notice to Tenant.

(b) If an Event of Default shall have occurred and be continuing then Landlord may, at its option but subject to the rights of any Leasehold Mortgagees, give to Tenant and to each Leasehold Mortgagee a notice of election to Terminate the Lease and, if the Term shall have commenced, to end the Term of the Lease, at the expiration of three (3) days from the date the notice is served. At the expiration of such three (3) days the Lease shall Terminate and all right, title and interest of Tenant under the Lease shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the Term of the Lease, and neither Tenant nor any Leasehold Mortgagee shall have any right to cure within such three (3) day period.

(Section 23.1)

Remedies.

(a) Upon any Termination of the Lease, Tenant shall quit and peacefully surrender the Premises to Landlord, and Landlord, upon or at any time after any such Termination, shall have the right, without further notice, to enter upon and re-enter the Premises and possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess Tenant and remove Tenant and all other persons and property from the Premises and may have, hold and enjoy the Premises and the right to receive all rental and other income of and from the same.

(b) If the Lease is Terminated by reason of the occurrence of any Event of Default:

(i) the Rent shall become immediately due and be paid by Tenant up to the time of such Termination, together with such expenses as Landlord may incur for legal expenses, attorneys’ fees and disbursements, brokerage commissions, and/or the costs of putting the Premises in good order, or for preparing the same for reletting;

(ii) Landlord may relet the Premises or any part or parts thereof, either in the name of Landlord or otherwise (but shall have no obligation to do so), for a term or terms, which may, at Landlord’s option be less than or exceed the period which would otherwise have constituted the balance of the Term of the Lease and may grant concessions or free rent; and
(iii) Tenant or the legal representatives of Tenant shall also pay Landlord, liquidated damages for the failure of Tenant to observe and perform Tenant’s covenants herein contained, amounts equal to the Rent that would have been payable by Tenant had the Lease not been terminated, such payments to be made upon the due dates therefore specified herein following such Termination and continuing until the date on which the Lease would have expired had the Lease not been terminated by Landlord; provided, however, that if Landlord shall relet the Premises, Landlord shall credit Tenant, up to the amount due from Tenant, with the net rent received by Landlord for such reletting after deducting from the first installments of such rent received the expenses incurred or paid by Landlord in terminating the Lease or in re-entering the Premises and in securing possession thereof, as well as the reasonable expenses of reletting, including reasonable legal expenses, attorneys’ fees and disbursements, brokerage commissions, alteration costs and other expenses incurred for keeping the Premises in good order or for preparing the same for reletting. Any suit brought to collect the amount of the aforesaid damages for any month or months shall not prejudice in any way the rights of Landlord to collect the damages for any subsequent month or months by a similar proceeding. Nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of the Lease would have expired if it had not been terminated under the terms of the Lease, or under any provision of law.

(Section 23.2)

Additional Remedies.

(a) Landlord may elect, as an alternative to the damages and charges provided for in the ‘Remedies’ section of the Lease, and in lieu of all other such damages thereafter accruing, to have Tenant pay the liquidated damages provided for below, which election may be made by notice given to Tenant at any time after the Termination of the Lease and whether or not Landlord shall have collected any damages. Upon such notice, Tenant shall promptly pay to Landlord, as liquidated damages, in addition to any damages collected or due from Tenant from any period prior to such notice, such a sum as at the time of such notice represents the amount, if any, by which (i) the present value, at a discount rate of 2%, of the Rent that would have been payable by Tenant under the Lease for the remainder of the Term if Tenant had fulfilled all of its obligations under the Lease, exceeds (ii) the present value, at a discount rate of 2%, of the Rent that would be received by Landlord if the Premises were relet at the time of such notice for the remainder of the Term at the fair rental value thereof at the time of such notice.

(b) If Landlord elects to require Tenant to pay liquidated damages then, if the Premises or any part thereof shall have been relet by Landlord for the unexpired portion of the Term of the Lease, or any part thereof, the amount of Rent received upon such reletting shall be deemed to be the fair rental value of the Premises, or part thereof, so relet during the term of such reletting.

(c) Nothing contained in the Lease shall limit or prejudice the right of Landlord to prove for and obtain, in proceedings for the Termination of the Lease by reason of bankruptcy or insolvency, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether
or not the amount be greater, equal to, or less than the amount of the loss of damages referred to above.

*(Section 23.3)*

**Waiver of Redemption.** Tenant waives any and all right of redemption or re-entry or repossession or to restore the operation of the Lease in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge or in case of any expiration or Termination of the Lease. Landlord and Tenant, so far as permitted by law, waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with the Lease, the relationship of Landlord and Tenant, Tenant’s use or occupancy of said Premises or any claim of injury or damage. The terms “enter,” “re-enter,” “re-entry,” as used in the Lease, are not restricted to their technical legal meaning. *(Section 23.5)*

**Bankruptcy; Insolvency.**

(a) Any of the following events with respect to Tenant or its assignee shall also constitute an Event of Default under the Lease and, upon the occurrence of any such event, Landlord may Terminate the Lease upon ten (10) business days’ written notice to Tenant, and at the expiration of said ten (10) day period all rights of Tenant in the Lease shall Terminate:

(i) if Tenant shall admit in writing its inability to pay its debts, or shall file or consent to the filing of any petition in any bankruptcy, insolvency, reorganization of debt or similar debtor relief proceeding, or any proceeding for the liquidation or dissolution of Tenant under law or statute, or shall make a general assignment of all or substantially all of its assets, or shall consent to or acquiesce in the appointment of a trustee, liquidator or receiver of Tenant or of the whole or any substantial part of Tenant’s assets or of Tenant’s interest in the Premises; or

(ii) if pursuant to an order, judgment or decree entered by any court of competent jurisdiction (A) a receiver, trustee or liquidator of Tenant or of all or any substantial part of Tenant’s assets or of Tenant’s interest in the Premises shall be appointed in any proceeding, or (B) Tenant shall be adjudicated bankrupt or insolvent, or (C) a petition seeking liquidation or dissolution of Tenant, or reorganization of Tenant or an arrangement with creditors or to take advantage of any law or statute, whether now existing or hereafter in effect, of the federal or any state government, or any subdivision thereof, relating to bankruptcy, insolvency, readjustment of debt or similar debtor-relief measures, shall be approved; and any such order, judgment or decree referred to in clauses (A), (B) and (C) above shall not be vacated, set aside or stayed within 80 days from the date of entry thereof, or a stay thereof shall be thereafter set aside.

(b) If under applicable law the provisions of the Lease are not enforceable by Landlord in accordance with their terms in any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt or similar debtor-relief proceeding, then an Event of Default under the Lease shall be deemed to have occurred upon the first to occur of: (i) the rejection or disaffirmance of the Lease or any of the obligations of Tenant under the Lease in such proceeding, whether by virtue of an affirmative act or any failure to act within a specified time, or (ii) the failure of Tenant or any trustee, receiver or other Person in possession of Tenant’s
property in such proceedings, within one hundred eighty (180) days after the filing of such proceeding, to expressly affirm or assume the Lease and all obligations of Tenant under the Lease, to pay all sums and perform all other obligations of Tenant then due but not previously paid or performed, and to recognize the payment of all obligations of Tenant under the Lease to be entitled to priority in such proceeding as costs and expenses of the administration of such proceeding, or (iii) the failure of Tenant or any trustee, receiver or other person or Person in possession of Tenant’s property in such proceeding, within one hundred eighty (180) days after the filing of such proceeding, to give Landlord adequate assurance of the future performance of all of Tenant’s obligations under the Lease in the manner and within the time provided by applicable law, or (iv) any event, condition or set of circumstances occurs which under applicable law or any rule, order or direction of any court, judge or magistrate operates to Terminate the Lease or to permit the Termination of the Lease by Landlord in or notwithstanding such proceeding; provided, however, that nothing herein shall be construed to prohibit Landlord from Terminating the Lease or otherwise exercising any of its remedies under the Lease on the occurrence of any Event of Default under the Lease other than the filing or existence of any such bankruptcy, insolvency, reorganization, arrangement, readjustment of debt or similar debtor-relief proceeding.

(Section 23.6)

Rights Are Cumulative Under Project Documents. Landlord’s rights and remedies under the Lease are in addition to such rights and remedies as Landlord may have under the Project Development Agreement or any other Project Document. (Section 23.7)

Indemnity. Tenant agrees to indemnify the Landlord Indemnified Parties against, and to defend and save Landlord harmless from any and all claims by or on behalf of any person, and any and all judgments, costs, expenses and liabilities (including reasonable attorneys’ fees) incurred (a) arising on or after the Term Commencement Date in connection with the Premises, including without limitation any claim arising in connection with (i) any condition of the Premises or any curb or sidewalk adjoining the Premises (including, without limitation, any condition relating to Hazardous Materials, other than a Pre-Existing Unknown Condition, or that shall have been introduced to the Premises subsequent to the Term Commencement Date), or of any vaults, passageways or space therein or appurtenant thereto, (ii) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the Lease or any of the other Project Documents, (iii) any act or negligence of Tenant, or any Sublessee or occupant of the Premises or any part thereof, or of its or their agents, contractors, servants, employees, licensees, or invitees, or (iv) any accident, injury or damage whatsoever caused to any person or property occurring in or about the Premises or upon or under the sidewalks adjacent thereto, or (b) arising in connection with any work or other activity whatsoever done in or about the Premises by or on behalf of Tenant, including the Project, except, in each instance, for any claim arising solely out of acts of negligence by Landlord, its agents or representatives acting within the scope of their authority. If any action or proceeding is brought against Landlord by reason of the Lease or any of the other Project Documents or any such claim, then, upon request of Landlord, Tenant covenants to defend such action or proceeding by counsel reasonably satisfactory to Landlord. Representation of Landlord in any such action or proceeding by the New Jersey Attorney General’s Office shall not affect Tenant’s
obligations under the Lease including the obligation to pay any judgments or claims within the scope of the indemnity.

(Section 24.1)

Release of Landlord Indemnified Parties. Notwithstanding any other provision of the Lease, Tenant, for itself, its successors and assigns, under the Lease forever releases, discharges and acquits the Landlord Indemnified Parties from any claim, liability or charge herefore or hereafter arising and relating to any Hazardous Materials affecting the Premises on or prior to the Term Commencement Date except to the extent of any remediation of Pre-Existing Unknown Conditions required of Landlord under the Project Development Agreement.

(Section 24.2)

Utility Costs. The costs of Utility Services shall be paid by Tenant. The foregoing sentence shall not preclude the inclusion of the cost of Utility Services in the Annual Operating Budget in accordance with the Project Management Requirements, provided, however, that such inclusion shall not relieve Tenant from ultimate responsibility for such costs. (Section 25.1)

Subject to Project Management Agreement. Notwithstanding certain provisions of the Lease, Tenant’s obligation to pay Landlord for charges for Utility Services shall be subject to the applicable provisions of the Project Management Agreement. (Section 25.3)

Limitation of Landlord’s Liability - Definition of Landlord. The term “Landlord” as used in the Lease so far as covenants or obligations on the part of Landlord are concerned shall mean and include only the owner or owners at the time in question of the fee title to the Land. Any funds in the hands of the grantor at the time of any transfer of Landlord’s interest in the Lease, in which Tenant has an interest, shall be turned over to the grantee and any liquidated amount then due and payable to Tenant by Landlord shall be paid at such time to Tenant, it being intended that the covenants and obligations contained in the Lease on the part of Landlord shall, subject as aforesaid, be binding on the initial Landlord, and its successors and assigns, only during and in respect of their respective successive periods of ownership. (Section 26.1)

Limitation of Liability. It is expressly understood and agreed that Landlord’s liability under the Lease shall in no event exceed the value of its estate in the Premises. Landlord shall have no personal liability with respect to any of the provisions of the Lease and if Landlord is in breach or default with respect to its or his obligations or otherwise under the Lease, Tenant shall have recourse only against the estate of Landlord in the Premises. (Section 26.2)

No Personal Liability. All covenants, stipulations, promises, agreements and obligations of Landlord contained in the Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of Landlord only and not of any member, director, officer, employee or agent of Landlord in his or her individual capacity, and no recourse shall be had for any pecuniary liability or for any claim based under the Lease for any reason whatsoever against any such member, director, officer, employee or agent. (Section 26.3)

Tenant Acknowledgements. Tenant agrees and acknowledges as follows:
(a) Landlord is an instrumentality of the State of New Jersey.

(b) Landlord shall have no liability to Tenant, Tenant’s agents or employees, or others working at the direction of the Tenant or on its behalf, regardless of any intentional, reckless or negligent act or omission of Landlord or any Landlord Indemnified Parties, except only as provided otherwise (and pursuant to the procedures of) the New Jersey Tort Claims Act, NJSA 59:1-1 et seq., the New Jersey Contractual Liability Act, NJSA 59:13-1, et seq., and the availability of appropriations.

(c) The State of New Jersey does not carry public liability insurance, but the liability of the State and the obligations of the State to be responsible for tort claims against its agencies and employees is covered under (and only under) the terms and provisions of the New Jersey Tort Claims Act.

(d) The New Jersey Tort Claims Act also creates a special self-insurance fund and provides for payment and claims against the State of New Jersey and against its employees for which the State of New Jersey is obligated to indemnify against tort claims which arise out of the performance of their duties.

(e) Claims against Landlord or its employees shall be referred for handling exclusively to the Attorney General, Division of Law, Claims Service Section, Richard Hughes Complex, Trenton, New Jersey 08625.

(f) The State of New Jersey self funds for Workers Compensation and Disability.

(Section 26.4)

No Waiver of Sovereign Immunity. Nothing in the Lease or any other Project Document is intended or shall be construed as a waiver of any right to sovereign immunity that Landlord may enjoy. (Section 26.5)

Acknowledgement of Leasehold Mortgage. Landlord agrees that at any time and from time to time, upon not less than ten (10) days prior written notice of a Leasehold Mortgagee, Landlord will execute, acknowledge and deliver to the Leasehold Mortgagee a statement in writing, acknowledging receipt by Landlord of notice from the Leasehold Mortgagee of its name and address, and of the existence of its Leasehold Mortgage. (Section 28.3)

Remedies Cumulative. Each right or remedy of Landlord provided for in the Lease shall be cumulative and shall be in addition to (and not exclusive of) every other right, remedy or means of redress provided for in the Lease or the other Project Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or the beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in the Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in the Lease or now or hereafter existing at law or in equity or by statute or otherwise. In addition to the other remedies in the Lease, Landlord shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, terms, agreements, provisions or limitations of the Lease as though the rights of Termination, entry, re-
entry, summary proceedings, and other remedies were not provided for in the Lease.  (Section 30.1)

**Quiet Enjoyment.** Landlord covenants and agrees that Tenant, upon paying the Rent and all other charges herein provided for and upon observing, performing and keeping all of the covenants, conditions, agreements and provisions of the Lease on its part to be observed, kept and performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the term of the Lease without hindrance or molestation by or from anyone claiming by, through or under Landlord, subject, however, to the terms, conditions and reservations hereof; Landlord’s rights herein, any right of eminent domain Landlord may have, the Permitted Exceptions, and any encumbrance hereafter arising by operation of law, or the act or sufferance of Tenant.  (Section 31.1)

**Condition of Premises.** Tenant represents that the Premises, and the present uses and nonuses thereof, have been examined by Tenant and that Tenant shall accept the same “AS IS” on the Term Commencement Date. Prior to entering into the Lease Tenant has made, or caused to be made, such examinations and reviews of the Premises, the operations thereof, the income and expenses thereof and all other matters of every kind whatsoever relating to this transaction as Tenant has deemed to be necessary or desirable, including but not limited to matters relating to (i) the status of title to the Premises, (ii) the current or future real estate tax liability, assessment or valuation of the Premises, (iii) the potential qualification of the Premises for any and all benefits conferred by any laws whether for subsidies, special real estate tax treatment, insurance, mortgages or any other benefits, whether similar or dissimilar to those enumerated, (iv) the compliance of the Premises in its current or any future state with any applicable Legal Requirements, including, without limitation, those relating to environmental or zoning matters, and the ability to obtain an Approval with respect to the non-compliance, if any, of the Premises, or the Proposal, with zoning laws or any other applicable Legal Requirements, (v) the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition or other matter affecting the Premises, (vi) the availability of any financing for the development, alteration, rehabilitation or operation of the Premises from any source, (vii) the current or future use of the Premises, (viii) the status of the real estate markets in which the Premises is located, (ix) the future actual or projected income or operating expenses of the Premises, (x) the presence or absence at, upon, within or otherwise affecting the Premises, of Hazardous Materials, and (xi) the feasibility, in all respects, of the Project.  (Section 33.1)

**No Representations By Landlord or Reliance By Tenant.** Tenant has entered into the Lease based solely on the results of its own examinations and reviews and has not been induced by, and is not relying upon, any representations, warranties or statements (written or oral, express or implied) made, or materials furnished, with respect to the Premises by Landlord or any agent, employee or representative of Landlord, or any broker or other person purporting to be acting on Landlord’s behalf or with Landlord’s knowledge, which are not expressly set forth in the Lease or the other Project Documents. Tenant acknowledges that any information or materials provided to Tenant by Landlord or any agent, employee or representative of Landlord, or any broker or other person purporting to be acting on Landlord’s behalf or with Landlord’s knowledge is solely for Tenant’s convenience and that Landlord makes no representation or warranty as to the completeness or accuracy thereof.  (Section 33.2)
Hazardous Materials - Remedial Work. Tenant shall promptly, and in compliance with all Legal Requirements, carry out, or cause the Developer to carry out, all remediation activities required of Tenant pursuant to the Project Development Agreement, and any other Remedial Work required by any Legal Requirements and not expressly the responsibility of Landlord under the Project Development Agreement. *(Section 35.1)*

**Hazardous Materials.**

(a) Tenant shall not, and shall not permit or suffer any Person to, use, handle, store, generate, manufacture, transport, discharge, or release any Hazardous Materials in, on or under the Premises. Tenant shall promptly notify Landlord (including oral notification in the event of an emergency) of any event or circumstance relating to Hazardous Materials on, in, under or otherwise affecting the Premises that fails to comply with or requires or may require remediation or any other response under Environmental Laws or any other Legal Requirement. In addition, promptly after receipt, notify Landlord, and provide copies, of all written complaints, claims, citations, demands, inquiries, reports, or notices relating to non compliance with Legal Requirements at the Premises or the use, storage, handling, transportation, disposal, or release of Hazardous Materials in, on or under the Premises by Tenant or a Person which is in violation of Legal Requirements; provided, however, that the Landlord’s receipt of any of the foregoing shall in no way create or impose any duty or obligation upon the Landlord to respond thereto. To the extent required by Legal Requirements, but subject to Landlord’s obligations relating to Pre-Existing Unknown Conditions, Tenant shall, at its sole cost and subject in all respects to the prior written notification to the Landlord thereof, promptly clean up, remove and otherwise fully remediate, in compliance with all Legal Requirements, any Hazardous Materials situated in, on, under or otherwise affecting the Premises. Tenant shall maintain and provide to Landlord copies of all documentation required under Legal Requirements relating to any Hazardous Materials or other substances removed from the Premises and disposed of off of the Project Site.

(b) Upon the Termination of the Lease or Tenant’s vacation of the Premises, Tenant shall, at its sole cost, immediately remove and otherwise fully remediate any Hazardous Materials in compliance with all Legal Requirements (including the performance of any necessary investigatory, monitoring, cleanup, removal or other remedial work), all of which remediation shall be subject to the prior written notification to Landlord. Landlord agrees to grant Tenant such access to the Premises as may be necessary to fulfill such obligation. Such obligation of Landlord shall survive the expiration or earlier termination of the Lease. *(Section 35.2)*

**Compliance With Remediation Requirements.** Tenant acknowledges that all activities affecting the West Campus Site and any property adjacent thereto are subject to the Remediation Requirements, including reporting requirements and rights of access on the part of certain third parties. Notwithstanding any other provision of the Lease, Tenant shall cause all activities in connection with the Project at the West Campus Site to be carried out in strict compliance with the Remediation Requirements. To the extent that Landlord has any reporting requirements under the Remediation Requirements, Tenant shall, or shall cause Developer to, cooperate with Landlord in fully and timely complying with such requirements. *(Section 35.3)*
Pre-Existing Unknown Conditions. Notwithstanding certain provisions of the Lease expressly relating to Hazardous Materials, for all purposes under the Lease Landlord, rather than Tenant, shall remain responsible for Pre-Existing Unknown Conditions to the extent provided for in the Project Development Agreement, and Tenant shall have no responsibility or liability in respect thereof. (Section 35.4)

Tax-Exempt Status -Tenant Representations. Tenant represents and warrants to Landlord as follows:

(a) Tenant (i) is a New Jersey limited liability company whose sole member is a not-for-profit corporation duly organized under the laws of the State of New Jersey, (ii) is validly existing and in good standing under the laws of its state of organization, (iii) is duly qualified to do business and in good standing under the laws of the State of New Jersey, (iv) is not in violation of any provision of its organizational documents, and (v) has the requisite power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Agreement and each other Project Document to which it is or shall be a party.

(b) Tenant and its sole member are in compliance with the provisions of the Code and any applicable regulations thereunder necessary to maintain its exempt status under Section 501(a) of the Code.

(c) Tenant’s sole member is exempt from Federal income taxes under Section 501(a) of the Code.

(d) Tenant’s sole member is an organization described in Section 501(c)(3) of the Code and has received the IRS Determination Letter. The facts and circumstances which form the basis of the IRS Determination Letter continue substantially to exist as represented to the Internal Revenue Service. The IRS Determination Letter has not been modified, limited or revoked, and the Institution is in compliance with all terms, conditions and limitations, if any, contained in or forming the basis of the IRS Determination Letter.

(e) Tenant is not a “private foundation”, as defined in Section 509 of the Code. (Section 36.1)

Preservation of Tax Exemption. The Tenant agrees that (i) it shall not perform any acts, enter into any agreements, carry on or permit to be carried on at the Premises, or permit the Premises to be used in or for any trade or business, which shall adversely affect the basis for its exemption under Section 501 of the Code; (ii) shall timely file all returns and other information required of it as a Tax Exempt Organization, and (iii) it shall not take any act that would adversely affect the tax-exempt status of the Bonds. (Section 36.2)

Governing Law. The Lease and the performance thereof shall be governed, interpreted, construed and regulated by New Jersey law (without giving effect to New Jersey conflict of law principles). (Section 39.1)
**Landlord’s Right of Entry.** In addition to Landlord’s right to entry under any other provision of the Lease, Tenant shall permit Landlord and its authorized representatives to enter the Premises at all reasonable times for the purpose of (a) inspecting the same, (b) making any necessary repairs thereto and performing any work therein that may be necessary by reason of Tenant’s failure to make any such repairs or commence such work within thirty (30) days after written notice from Landlord or without notice in case of an emergency, and (c) carrying out such other activities or purposes as Landlord may reasonably determine. Nothing herein shall create or imply any duty upon Landlord to make any such repairs or do any such work, and performance thereof by Landlord shall not constitute a waiver of Tenant’s default in failing to perform the same. (*Section 41.1*)

**Integration with University Operations.** Tenant acknowledges that the Student Housing Facilities are intended to be part of the integrated New Jersey City University campus. In furtherance thereof Landlord will be providing certain administrative, residence life, security and other services with respect to the Student Housing Facilities. In that connection Landlord will be entering and engaging in activities upon the Premises relating to such services. Tenant consents to such activities and agrees that such entry shall not constitute an eviction or give rise to any claim or damages on the part of Tenant. Tenant further acknowledges that the promulgation and enforcement by Landlord of rules and policies regarding such matters are solely for the benefit of Landlord and that Landlord shall have no obligation to Tenant to enforce any such rules or policies except to the extent, if any, expressly provided for in the Project Documents. Tenant shall cooperate with Landlord in carrying out Landlord’s activities with respect to the Student Housing Facility. (*Section 42.1*)

**Additional Construction Activities.** Tenant acknowledges that Landlord will be conducting construction activities adjacent to the West Campus Site, including the construction of roads, infrastructure and other buildings. Tenant shall cause the Developer avoid interfering with such activities and to cooperate and coordinate with the Landlord in connection with such activities. (*Section 42.2*)

**Landlord Cooperation.**

(a) Landlord will include all Student Housing Facilities (i) as part of its on-campus housing stock regularly made available to its students; (ii) in all general information and marketing materials regarding student housing that it provides to students and prospective students, including providing information about the Student Housing Facilities on Landlord’s web site; and (iii) in its housing lottery system and will otherwise promote the availability of the Student Housing Facilities in the same manner as its own housing facilities.

(b) Landlord will provide to students residing at the West Campus Student Housing Facility substantially the same services and access it provides to students in its own housing facilities, including, without limitation, the Landlord’s current student life programs, access to Landlord’s computer network and student transportation system, to the extent applicable.

(c) Landlord will not construct or cause the construction of any Additional Student Housing, unless: (i) the Student Housing Facilities are projected to maintain a minimum Debt Service Coverage Ratio of at least 1.20 for the remaining term of the Bonds when taking into
account the Additional Student Housing, based on projections prepared by an independent consultant; and (ii) the construction of the Additional Student Housing is supported by a demand study from an independent consultant concluding that sufficient demand exists for the additional number of beds to be added by the Additional Student Housing. The projections and demand study shall be prepared by nationally recognized consulting firm experienced in student housing for comparably sized or larger institutions of higher education selected by Landlord and reasonably acceptable to Tenant.

(d) Landlord will not direct or assign students on a priority basis to the Existing Student Housing Facilities or any Additional Student Housing in preference over the West Campus Student Housing Facility, except to meet existing or future special program needs, such as Freshman Housing or Honors Housing.

(e) If Tenant is in default in respect of the Bond Documents Landlord will reasonably cooperate with the Tenant in selecting an independent consultant and in implementing such consultant’s recommendations regarding the operation and management of the Student Housing Facilities, provided that such recommendations shall neither increase Landlord’s costs, responsibilities or liabilities nor decrease its rights, remedies or benefits in connection with the Student Housing Facilities in any material respect.

(f) The Landlord will enforce its then current policies regarding withholding of grades, transcripts and/or registration in the event of delinquencies in the payment of amounts due under applicable Student Housing Agreements with respect to the Student Housing Facilities in substantially the same manner as it does with respect to its other student housing facilities.

(g) The Student Housing Facilities shall be subject to the jurisdiction of Landlord’s campus security force.

(h) To the extent that Landlord has reserved under the Lease or subleases or licenses back from Tenant all or a portion of the Student Housing Facilities, including but not limited to any administrative facilities, residential units, common area, educational space, dining facilities or retail space, Landlord may further license or sublease such space (or any portions thereof) to any party and under any terms permitted by law, provided that such licenses or sub-subleases do not materially impair Tenant’s ability to meet its obligations under the Bond Documents with respect to the Student Housing Facilities or cause any tax-exempt Bonds to lose their tax-exempt status.

(Section 42.3)

**Tax Lots; Subdivision.** Tenant acknowledges that as of the Term Commencement Date the Premises may not be comprised of separate and independent tax lots. Tenant shall cooperate with Landlord in the event Landlord, in its sole discretion, elects to subdivide the Premises or any portions thereof into separate lots. In connection therewith Tenant agrees to execute such written consents or other instruments as Landlord may request in connection with any subdivision. In the event Tenant fails to timely comply with any such request then Landlord is under the Lease appointed Tenant’s attorney-in-fact for the purpose of executing any such
instruments. The foregoing appointment of Landlord is irrevocable and is coupled with an interest. \((\text{Section 49.3})\)

**Approvals For Landlord’s Sole Benefit.** Landlord shall not be deemed to have incurred or assumed any obligation or responsibility in connection with the construction or renovation of the Building, or any changes or alterations or their construction, maintenance or operation, by reason of its approval of any plans and specifications, nor shall any such approval be deemed a representation by Landlord of the sufficiency of such plans and specifications, the stability or structural integrity or strength of any part of the Building, or the quality or suitability of any materials or equipment. \((\text{Section 50.10})\)

**Waiver of Consequential Damages.** As a material term of the Lease, each party under the Lease waives any right to recover indirect or consequential damages in connection with the Lease. \((\text{Section 50.12})\)

**Additional Tenant Obligations.** Tenant agrees as follows:

(a) Tenant must and shall obtain a Business Registration Certificate (BRC) from the Department of the Treasury, Division of Revenue prior to conducting business in the State of New Jersey, and provide proof of a valid and current business registration with the Division of Revenue to Tenant. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG. can be filed online at www.state.nj.us/njbgs/services/html. All sub-contractors of Tenant must provide a copy of a current and valid Business Registration Certificate. Tenant must forward the Business Registration Certificates of all subcontractors to the Tenant prior to any subcontractor starting work.


(c) The New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.26 et seq. is under the Lease made part of this Ground Lease. Tenant guarantees that neither it nor any subcontractor it might employ to perform the work has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act.

(d) Tenant shall complete an Ownership Disclosure Form, disclosing the names and addresses of all its owners holding 10% or more of the corporation or partnership’s stock or interest. Refer to N.J.S.A. 52:25-24.2.

(e) Tenant shall maintain records required pursuant to the Lease in accordance with New Jersey law. Such records shall be made available to Tenant upon request for purposes of conducting an audit or for ascertaining information regarding dollar volume or number of transactions.

(f) Tenant agrees not to do any of the following pursuant to New Jersey Executive Order No. 189 (1988):
(i) pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any University officer or employee or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such University officer or employee, or partnership, firm or corporation with which they are employed or associated, or in which such University officer or employee has an interest within the meaning of N.J.S.A. 52:13D-13g.

(ii) solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any University officer or employee from the Company shall be reported in writing forthwith by the contractor to the Attorney General and the Executive Commission on Ethical Standards.

(iii) directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest to, any University officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the Landlord, or with any person, firm or Person with which he or she is employed or associated or in which he or she has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the Landlord officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

(iv) influence, or attempt to influence or cause to be influenced, any University officer or employee in his or her official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.

(v) cause or influence, or attempt to cause or influence, any University officer or employee to use, or attempt to use, his or her official position to secure unwarranted privileges or advantages for the Company or any other person.

The provisions cited above shall not be construed to prohibit a University officer or employee from receiving gifts from or contracting with Tenant under the same terms and conditions as are offered or made available to members of the general public.

(Section 50.14)

Limitation on Liability of Tenant. Notwithstanding any provision of the Lease or applicable law to the contrary, in exercising or enforcing any and all rights and remedies against Tenant or otherwise in connection with or with respect to the Lease or any of the matters described in the Lease, and regardless of any default or Event of Default, Landlord shall under all circumstances (a) have recourse only to Tenant’s interests in the Lease, the Premises, the Project Development Agreement, the Project Documents, the Bond Documents, the Approvals, the Project Management Agreement, the Subleases, the Student Housing Agreements, the rent under the Subleases not yet paid to or received by Tenant, the Student Housing Fees not yet paid to or received by Tenant and any other revenue from any of the foregoing not yet paid to or received
by Tenant, and (b) not seek to exercise or enforce any rights or remedies against Tenant personally or Tenant’s other assets. (Section 51.1)

No Liability of Tenant’s Sole Member. Notwithstanding any provision of the Lease or applicable law to the contrary, under all circumstances and regardless of any default or Event of Default, (a) no direct or indirect Affiliate, member, manager, partner, shareholder, trustee, beneficiary, other owner, organizer, director, officer, employee, representative or agent of Tenant (including New Jersey City University Foundation, Inc., also known as NJCU Foundation or NJCU Foundation, Inc.) or of an Affiliate of Tenant shall have any liability or obligation to Landlord or any other Person in connection with or with respect to Tenant, the Lease, the Premises, the Project, the Act, the RFP, the Proposal, the Project Financing, the Project Financing Documents, the Indenture, the Bonds, the Bond Documents, the Project Development Agreement, the Project Documents, the Approvals, the Project Management Agreement, the Student Housing Facilities, the Subleases, the Student Housing Agreements, any rent under the Subleases, any Student Housing Fees, any other revenue from any of the foregoing, the Consent Decree, the NFA, the Remediation Requirements, any Environmental Laws or Hazardous Materials, or any other matters described in the Lease, or any acts or omissions in connection with any of the foregoing, (b) Landlord under the Lease irrevocably releases all such Persons from any and all such liability or obligation, and (c) Landlord shall have no recourse to, and agrees not to seek to exercise or enforce any rights or remedies against, any such Persons in connection with or with respect to any of the foregoing. (Section 51.2)

SUMMARY OF DEVELOPMENT AGREEMENT

The following is a summary of certain provisions of the Project Development Agreement. This summary does not purport to be complete and reference is made to the Project Development Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Project Development Agreement and are included for ease of reference only. Definitions of capitalized terms used in this summary appear above.

Developer to Perform the Work.

(a) Developer agrees to perform the Work in accordance with the Contract Documents and to pay all costs of the Work except as expressly provided to the contrary in the Project Development Agreement. The Project Development Agreement contains a general description of all development, design and construction of improvements required to be made on the Project Site and all FF&E to be installed in connection with the Project including the following:

(i) Design Work;
(ii) Construction Work; and
(iii) FF&E Work.
(b) Developer acknowledges that the intent of the Project Development Agreement is to provide for the furnishing, at Developer’s sole cost, of all design, development and construction services and all labor, equipment, materials, supplies, FF&E and other personal property necessary to Finally Complete the Student Housing Facilities as a “turnkey project” in accordance with the Contract Documents, the Contract Standards, the Project Schedule and the Project Budget. Notwithstanding the foregoing, the Developer shall not be responsible for soil removal in connection with the Surcharge, which is being carried out by the University at Developer’s request and pursuant to a design and implementation plan that Developer has reviewed and accepted.

(Section 2.1)

Design Requirements.

(a) Developer has delivered to the University and to Owner certain drawings and performance specifications for the Student Housing Facilities along with additional engineering, design and performance concepts, which establish the Design Requirements. The Design Requirements are intended to include the basic design principles, concepts and requirements for the Student Housing Facilities but do not indicate or describe each and every item required for full performance of the Work or for achieving Final Completion. Developer shall promptly furnish to the University for its approval any changes Developer proposes to make to the Design Requirements at any time hereafter. In no event shall Developer be permitted to make any changes to the Design Requirements that would not be consistent with the Proposal as approved by NJEDA or with the requirements of the Act unless expressly authorized in writing by the University and NJEDA.

(b) The Final Construction Documents will not be modified or amended without the prior written approval of the University except as may be expressly permitted under the Project Development Agreement.

(Section 2.2)

Construction Documents.

(a) Neither the Final Construction Documents nor any of the other Contract Documents shall be construed to create a contractual relationship of any kind (1) between any Design Consultant and the Owner or the University, (2) between the Owner or the University and any Contractor or Consultant, or (3) between, or for the benefit of, any other persons or entities other than the Owner, the University and Developer.

(b) Developer shall cause the Construction Documents to include all items necessary for the proper execution and completion of the Work by Developer. The Construction Documents shall be complementary, and what is required by one shall be construed to be binding as if required by all; performance by Developer shall be required consistent with the Construction Documents and the Final Construction Documents shall be deemed to include all items reasonably inferable from them as being necessary to produce the indicated results. In the case of an inconsistency or conflict within or among the drawings and specifications not clarified
by Addendum, the better quality or greater quantity of Work shall be required and shall be provided without change in the Guaranteed Maximum Price.

*(Section 2.3)*

**Developer’s Responsibility.** Developer shall be responsible for the design, development, construction, equipping and furnishing of the Student Housing Facilities in accordance with the terms of the Project Development Agreement. Developer shall Substantially Complete the Student Housing Facilities on or before the Outside Completion Date, and Finally Complete the Student Housing Facilities within ninety (90) days thereafter, for an amount not greater than provided for in the Project Budget, subject only to Change Orders to the extent expressly provided for in the Project Development Agreement. *(Section 3.1)*

**Scope of Services.**

(a) Developer shall provide the Services in accordance with the terms of the Project Development Agreement. The Services are intended to include, and shall be construed as including all design, development and construction services and materials and the procurement and installation of all FF&E and other personal property necessary to Finally Complete the Student Housing Facilities.

(b) Developer has familiarized itself with the Project Site to the extent that Developer has determined to be necessary in order to perform its obligations under the Project Development Agreement. Developer shall review the various drawings and specifications and other construction documents relative to the Work. These obligations are for the purposes of facilitating construction and for discovering errors, omissions, or inconsistencies in the Construction Documents. The Developer shall report to Owner and the University any errors, omissions, or inconsistencies that Developer discovers in the Construction Documents. The Developer shall remain responsible for such errors, omissions and inconsistencies and for correcting them, provided that the foregoing shall not preclude the use of Developer’s contingency amount in connection with such corrections.

(c) Developer shall be responsible to Owner and the University for acts and omissions of Developer’s employees, Consultants and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of Developer or any of its Consultants.

(d) Developer shall be responsible for performing or causing inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work and that such subsequent Work will be properly coordinated with all other portions of the Work.

(e) Developer (i) acknowledges that during its performance of the Work in Co-Op Hall and Vodra Hall and after Substantial Completion of the West Campus Student Housing Facility it will be working in and on a Project that is occupied and used by the University, its students, as well as by guests and invitees; (ii) covenants that it shall perform in a manner that will not unreasonably interfere with such occupancy; and (iii) acknowledges that the costs associated with doing so are included in the Guaranteed Maximum Price. *(Section 3.2)*
Developer’s Expertise. Developer represents that it has expertise and experience in providing the type of Services required by the Project Development Agreement and those necessary for a project similar in scope, size, duration, and complexity to the Project and for a project of this kind, i.e., a student housing facilities of 425 student beds in an urban setting. Developer represents that it has experience in providing all of the Services required under the Project Development Agreement, including management, supervision, coordination, implementation and performance of the design services and construction work. Developer shall provide the Services with its own personnel as well as by diligently supervising the services provided or to be provided by the Design Consultants and other Consultants engaged by Developer on this Project. The University has relied upon Developer’s experience and expertise in allowing Owner to engage the Developer for the Project. (Section 3.3)

Design Consultants. The Design Consultants, as applicable, shall be fully licensed by the State of New Jersey and Developer shall ensure that such license or licenses shall be maintained for the duration of the Term, and that the Design Consultants are competent to perform all of the professional design services provided for in the Design Consultants’ Service Agreements and the Project Development Agreement. Developer shall require that the design portion of the Work provided by the Design Consultants be performed expeditiously and within the Design Schedule and in a manner consistent with the standard of professional skill and care set forth in the Design Consultants’ Service Agreements. (Section 3.4)

Standard of Performance.

(a) Developer shall be responsible for procuring or furnishing the Work in accordance with the Contract Documents so that the Work, when completed, shall comply with all of the requirements of the Contract Documents and the Contract Standards. Developer shall be responsible and liable for any errors, omissions or other defects in the Final Construction Documents.

(b) Developer shall comply with, and shall cause its Consultants to comply with, any and all Legal Requirements that apply to the Project Site, Adjacent Properties, the Work or the obligations of either party under the Project Development Agreement, whether now or hereafter in effect, including any interpretation or administration of Legal Requirements by any Governmental Authority and the Remediation Requirements. Any material change to applicable Legal Requirements that becomes effective after the Effective Date and that materially affects the Development Costs or the Project Schedule shall be addressed by Change Order. (Section 3.5)

LEED Certification. Developer shall cause the Project to receive a LEED certification when completed. Developer acknowledges and agrees that the Project is required to achieve a LEED certification, and receiving this certification from the U.S. Green Buildings Council is a material and ongoing obligation of Developer. Developer shall diligently pursue obtaining this certification by the earliest date possible, and shall continue to diligently pursue obtaining the LEED certification after Final Completion, if the earliest possible date the Project can achieve LEED certified status is after the date of Final Completion. The obligations set forth in this Section 3.6 shall survive the Termination Date. (Section 3.6)
Compliance With Service Agreements. Developer acknowledges and agrees that Developer shall be responsible for procuring or furnishing the Work in accordance with the Service Agreements so that the Work, when completed, shall comply with all of the requirements of the Service Agreements.  *(Section 3.7)*

Developer to Remain Responsible. Subject to restrictions on changing the Principal Consultants, Developer may contract with any qualified Consultant to perform any one or more portions of the Work in accordance with the terms of the Project Development Agreement, provided, however, regardless of how Developer may contract for or obtain any services, labor or materials in connection with the Project, the Developer shall remain responsible for completing the Student Housing Facilities as set forth in the Contract Documents, for the Guaranteed Maximum Price, and as otherwise provided in the Project Development Agreement. *(Section 3.9)*

Performance Standard. Developer shall, as applicable, perform, supervise and direct the Work in accordance with the Contract Standards. Developer shall cause the Work to be performed in a good and workmanlike manner, using new materials of first class quality or as otherwise specified in the Final Construction Documents, free and clear of all mechanics’, materialmen’s and similar liens, all in accordance with the terms of the Project Development Agreement. *(Section 3.10)*

Warranty of Freedom from Defects. Developer warrants that the completed Student Housing Facilities will be of the quality and condition provided for in, and will be in conformity with, the Final Construction Documents, and free of material defects in workmanship and materials for twelve (12) months after Substantial Completion, and Developer shall repair or replace any defective part of the Student Housing Facilities discovered during that twelve (12) month period, all without cost or expense to the Owner or University or any need to increase Student Housing Fees. Nothing in the Project Development Agreement shall be deemed a waiver of or in limitation of any rights to bring an action under N.J.S.A. 2A:14-1 et seq. *(Section 3.12)*

Certifications. Prior to Final Completion, Developer will obtain and submit to Owner and the University all certifications by Developer, the Design Consultants and the General Contractor required under the Project Development Agreement, (all such certifications to be expressly addressed to the University), together with schedules, documents and copies of documents, permits and approvals, and any other information required under the Project Financing Documents, as the case may be. *(Section 3.13)*

Project Labor Agreements.

(a) Developer shall enter into a project labor agreement in accordance with the Act and shall cause the Construction Contract and each of its Service Agreements to comply with any applicable requirements of the Act and of NJEDA.

(b) Developer shall maintain copies of all “project labor agreements” required under the Act that it and its Consultants enter into pursuant to Article 5 hereof at the Project Site and shall make all such agreements available to the University.

*(Section 3.14)*
Modification of Service Agreements. Developer shall not amend or modify the Service Agreement with any Principal Consultant in any respect material to the Final Completion of the Project in accordance with the Project Documents without the prior written consent of Owner and the University. (Section 3.15)

Time of the Essence. Time is of the essence in the performance of the Project Development Agreement. Developer acknowledges and agrees that time is of the essence to the Owner and the University under the Project Development Agreement, including the Outside Completion Date, and the “Construction Milestones” identified in the Project Development Agreement. (Section 4.2)

Developer’s Consultants and Staff.

(a) Developer shall employ qualified Consultants and shall supply qualified staff to perform Developer’s responsibilities and obligations under the Project Development Agreement, including the oversight and supervision of the Consultants in a prompt and timely manner. The retention by Developer of any Consultant shall not relieve Developer of ultimate responsibility for the performance of any portion of the Project, regardless of whether the University shall have approved such Consultant.

(b) Developer acknowledges that its selection by the University for the Project took into consideration its designation in the Proposal of its Principal Consultants. Accordingly, Developer shall not change any of its Principal Consultants without the prior written consent of the University.

(c) The cost of Developer’s staff (as opposed to its Consultants) shall not be considered a Development Cost except to the extent specifically provided for in the Project Budget. Consultants and any on-site construction (quality control) personnel (as opposed to development staff), whether retained as a consultant or employed by Developer, may be paid out of the Project Budget as a Development Cost. (Section 5.1)

Compliance With Legal Requirements. In the performance of the Project Development Agreement, Developer shall, and shall cause its Consultants (including, but not limited to, the General Contractor), to comply with all Legal Requirements, including those affecting employees. In connection therewith, and without limitation to the generality of the foregoing, Developer shall, and shall cause all Consultants to agree to:

(i) comply with the Act;

(ii) comply with the New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.26 et seq. and pay each worker employed in the construction, rehabilitation, or building maintenance services of the Project not less than the prevailing wage rate for the worker’s craft or trade as determined by the Commissioner of Labor and Workforce Development pursuant to P.L. 1963, c. 150 (N.J.S.A. 34:11-56.25, et seq.) and P.L. 2005, c. 379 (N.J.S.A. 34:11-56.58, et seq.).
(iii) enter into a project labor agreement that is written in a manner that enhances to the greatest extent possible employment opportunities in the County subject to the provisions of P.L. 2002, c. 44 (N.J.S.A. 52:38-1, et seq.);

(iv) be registered pursuant to P.L. 1999, c. 238 (N.J.S.A. 34:11-56.48, et seq.) and classified by the Division of Property Management and Construction to perform work on the Student Housing Facilities (to the extent applicable);

(v) abide by all anti-discrimination laws, including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A.10:5-1 et seq. and N.J.S.A.10:5-31 through 10:5-38, and all rules and regulations issued under the Project Development Agreement; and

(vi) not employ any contractor or subcontractor that has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act.

(Section 5.2)

Establishment of Project Budget. The Parties have negotiated the Project Budget, which has been approved by Owner and the University. It is the total budget for Development Costs for the Project, including but not limited to, designing, developing, financing, constructing, renovating, equipping and furnishing the Student Housing Facilities. (Section 6.1)

Revisions To Project Budget. Developer acknowledges that, under the Act, all financing for the Project must be provided by Developer. Developer further acknowledges that the affordability of the Student Housing Fees projected by Developer over the term of the Ground Lease, as reflected in the Proposal, was a material consideration in the University’s selection of Developer to implement the Project and that amounts in excess of the Development Costs shall not be considered in establishing the Annual Operating Budget or the fees payable under the Student Housing Agreements. Accordingly, Developer acknowledges and agrees that the Project Budget will not be revised in any respect without the University’s prior written consent, except to the extent expressly permitted in the Project Development Agreement. (Section 6.2)

Development Costs; Guaranteed Maximum Price.

(a) Developer will ensure that the Development Costs of the Project (as Finally Complete) shall not exceed the Guaranteed Maximum Price, subject to any Change Orders. The Guaranteed Maximum Price for Development Costs equals Forty-Three Million One Hundred Eighty-Five Thousand Five Hundred Nineteen Dollars ($43,185,519) unless adjusted based upon Change Orders. To the extent that Developer does not itself provide Services covered by the Total Construction Budget or the Total Soft-Cost Budget, Developer will act as a pass-through to each Consultant who provides those Services, and shall remain responsible for the provision of those Services. If the Development Costs of the Finally Complete Project exceed the Guaranteed Maximum Price, then the Developer shall be solely responsible for and shall pay such excess Development Costs from its own funds, and such excess Development Costs shall not constitute Development Costs or be reimbursable, directly or indirectly, through Student Housing Fees.
(b) Developer will not be reimbursed as a “Development Cost” for any expenses, except as expressly provided in the Project Budget.

(c) Upon Final Completion of the Project, Developer shall submit to the Owner and the University, for its review and approval, a Final Completion Certificate to include certification of the following:

(i) the actual Development Costs incurred in achieving Final Completion, set forth by line items corresponding to the Project Budget line items; and

(ii) the amount, if any, of Excess Development Funds.

(e) Excess Development Funds shall be used as follows:

(i) to reimburse the University for costs incurred for any Pre-Existing Unknown Conditions;

(ii) fifty percent (50%) of any Excess Development Funds remaining after application pursuant to clause (i) above, if any, shall be payable to Developer; and

(iii) The balance of any Excess Development Funds remaining after application pursuant to clauses (i) and (ii) above, if any, shall be used to pay down the Project Financing or as otherwise agreed by the University.

(Section 6.3)

Reallocation of Line Item Savings. To the extent that particular line items of Development Costs in the Project Budget are exceeded but the overall Development Cost remains, or is reasonably anticipated by Developer to remain, within the Guaranteed Maximum Price, Developer may offset such items with savings on other line items. (Section 6.4)

Reimbursement of University Pre-Development Costs. Developer acknowledges that the University has incurred substantial pre-development costs to date in connection with the Project and agrees to reimburse Two Hundred Fifty Thousand Dollars ($250,000) to the University upon execution of the Project Development Agreement. (Section 6.5)

Developer Contingencies. The Project Budget contain line items for “Developer Contingency” and “Vodra-Coop Contingency.” Developer represents that the amounts of such line items are reasonable in light of the scope and nature of the Project. Use of such amounts shall be in Developer’s sole discretion, including for the correction of mistakes and defects of which do not otherwise constitute a Development Cost under the Project Development Agreement. (Section 6.6)

Establishment of Project Schedule. The Parties have negotiated the Project Schedule, which, by its execution hereof, has been approved by the University. Except as expressly provided for in the Project Development Agreement, the Project Schedule shall not be modified. In no event shall the Outside Completion Date be modified except for Excusable Delays or with the express written consent of the University. (Section 7.1)
Draw Request Procedure.

(a) Developer shall provide to Owner and the University for review and approval all Draw Requests for payments of Development Costs prior to their submission for payment to the Project Financing Provider or any other source of payment, including Developer’s own funds.

(b) Only one Draw Request may be made by the Developer in any thirty (30) day period, unless consented to in writing by Owner and the University.

(c) Each Draw Request shall be submitted for review at least ten (10) days prior to the date such Draw Request is to be submitted to the Project Financing Provider or otherwise funded.

(d) Draws may only be used to pay for Development Costs incurred.

(e) Draw Requests shall comply with the terms and conditions of the Project Financing Documents.

(f) Subject to any additional requirements under the Project Financing Documents, Draws shall be subject to retainage of ten percent (10%) of the amount requested until the Project is fifty percent (50%) complete, after which there shall be no further retainage. Retainage shall be released upon Substantial Completion, except for an amount equal to one hundred percent (100%) of the actual cost of achieving Final Completion, as agreed upon by Developer, the University, the Architect and the Contractor (or such other amount as may be required under the Project Financing Documents), which shall be released upon Final Completion.

(g) Owner and the University shall be entitled, but not obligated, to attend monthly meetings at the Project Site with Developer, the Contractor and any other Consultants to review and comment upon each proposed Draw Request.

(Section 8.1)

Draw Request Contents. Draw Requests shall include the following and any other information reasonably required by the Project Financing Provider, Owner or the University:

(a) Summary Report - A listing, by Project Budget line item, of Development Costs incurred, in the form and specificity reasonably required by the Project Financing Provider and the University.

(b) Detail Report - A listing by vendor for each of the Project Budget line items listed in the Summary Report, in the form and specificity reasonably required by the University and the Project Financing Provider.

(c) Supporting Documentation - A copy of all schedules of values for amounts of at least $10,000 (and, if requested by the University, for lesser amounts for particular items) or other documentation supporting the total amount of the current Draw Request, including a fully executed Application and Certificate of Payment (AIA Document G702), or other document
acceptable to the University and any other documents reasonably necessary or reasonably requested by the University to support Development Costs to be paid by the Draw.

(d) General Ledger Detail Report - A cash-basis general ledger reflecting all activity from the date of the most recent Draw Request to the date of the current Draw Request.

(e) Contingency/Reallocation Substantiation – substantiation of any proposed use of Project Budget contingency line items or line item reallocations.

(f) Statement of Cash Receipts and Disbursements - A listing of all sources and uses of cash from the date of the most recent Draw Request to the date of the current Draw Request.

(g) Applications For Payment and Lien Waivers – a copy of the Contractor’s and each Consultant’s application for payment, along with partial or, if applicable, final lien waivers and customary affidavits from all persons for whom payment is sought in the applicable Draw Request.

(h) Project Schedule – any updates to the Project Schedule since the prior Draw Request.

(i) Change Orders – a copy of any Change Orders or other modifications to the Construction Documents entered into since the prior Draw Request.

(j) Completion Cost Estimate – an estimate setting forth on a line item basis the remaining costs necessary to Finally Complete the Student Housing Facilities in accordance with the Project Development Agreement, along with a statement of all remaining funds available to pay such costs, which may include demonstrated cost savings and remaining available contingency line items but shall take into consideration such limitations, if any, applicable to the use of any such funds.

(k) Other Supporting Documentation - All other documents and information required by the Project Financing Provider or reasonably required by the University.

(Section 8.2)

Objections to Draw Requests.

(a) The Owner shall have the right to object to any Draw Request and Developer shall not submit to the Project Financing Provider any Draw Request to which the Owner has objected. Any such objection shall be solely for the benefit of the Owner and a failure to object to any Draw Request shall not constitute a waiver or otherwise affect or impair the Owner’s rights or remedies under the Project Documents.

(b) If the Owner intends to withhold payment of amounts otherwise due Developer or intends to either partially approve or reject in its entirety a Draw Request, the Owner shall notify Developer in writing of the reasons for such withholding, partial approval or rejection within ten (10) days after receipt of the complete Draw Request.
(c) In the event the Owner either partially approves or rejects in its entirety a Draw Request, Developer shall immediately provide any additional information or documentation to the Owner to satisfy or eliminate the reasons supporting the withholding, partial approval or rejection of the Draw Request.

(d) In addition to any other grounds set forth in the Project Development Agreement, the Owner may withhold the whole or a part of any payment of a Draw due Developer to such extent reasonably necessary to protect the Owner from loss on account of any of the following circumstances, irrespective of when such circumstances are discovered:

(i) defective Services not remedied;

(ii) Claims filed or reasonable evidence indicating probable filing of Claims;

(iii) failure of Developer to make proper payments to its Consultants;

(iv) damage to the Owner, a separate contractor or a third party, caused by Developer or those for whom Developer is legally responsible;

(v) liquidated damages due and owing under the Project Development Agreement;

(vi) any material breach of the Project Development Agreement or any other Project Document;

(vii) the applicable Completion Cost Estimate fails to demonstrate the availability of sufficient funds to Finally Complete the Student Housing Facilities in accordance with the Project Development Agreement.

(e) In the event Owner objects to only a portion of any Draw Request Owner shall, to the extent reasonably possible under the Project Financing Documents, authorize payment of the undisputed portion of such Draw Request.

(Section 8.3)

University Objection Rights. The University shall have the same rights and remedies in respect of objections to or partial approvals of Draw Requests as the Owner. Any such objection shall be solely for the benefit of the University and a failure to object to any Draw Request shall not constitute a waiver or otherwise affect or impair the University’s rights or remedies under the Project Documents. (Section 8.4)

Maintenance of Records On Site. From and after commencement of the Construction Work, Developer shall maintain, or shall cause its Consultants to maintain, at the Project Site one record copy of the Final Construction Documents, and any and all amendments thereto, in good order and marked at least monthly to record changes and selections made during the performance of the Work. In addition, Developer shall maintain, or shall cause its Contractors to maintain, at the Project Site, approved shop drawings, product data, samples and similar required submittals. (Section 9.1)
**Developer Books and Records.** Developer shall keep, and shall cause its Consultants to keep, full and detailed accounts and exercise such controls as may be necessary for proper financial management under the Project Development Agreement and for proper verification of the Development Costs. The accounting and control systems shall be satisfactory to the Owner and the University. The Owner and the University shall be afforded access to, and shall have the right to copies of and to audit, at all times, upon reasonable notice, Developer’s records, books, correspondence, instructions, drawings, receipts, subcontracts, vouchers, memoranda and other data and evidence relating to the Project Development Agreement and costs, charges and expenses incurred or proposed to be incurred in the performance of the Work and the Project Development Agreement. Developer shall preserve and make available for inspection and/or audit all such records and other information until the later of (i) a period of six (6) years after the expiration or termination of the Project Development Agreement, (ii) such period of time as may be required by Applicable Law. (*Section 9.2*)

**Site Control and Access.**

(a) From and after the applicable Premises Delivery Date for any portion of the Project Site until Substantial Completion of the Work for the applicable Student Housing Facility and the turn-over thereof in accordance with the applicable provisions of the Project Development Agreement, Developer shall assume all control of and responsibility for such portion or portions of Project Site, access to such portion or portions of Project Site, and any damage or disruption to the Adjacent Properties, streets and sidewalks attributable to acts or omissions occurring on or about such portions of the Project Site or otherwise arising in connection with the Work, including responsibility for any needed protections, repairs or restorations to the Adjacent Properties, streets and sidewalks. Developer shall be liable for any and all claims and damages, including claims sounding in “strict liability,” nuisance and economic harm arising from Developer’s control and use of the Project Site and performance of the Work. Developer shall confine operations at the Project Site to areas permitted by Legal Requirements and the Project Documents and shall not unreasonably encumber the Project Site with materials or equipment. Developer shall organize, provide and coordinate temporary construction and traffic control signage. Project Site signage shall be subject to the approval of the University.

(b) Developer shall afford Owner, the University, the Construction Consultant and other designees of the University, access to the Project Site at all times during the Term. Upon entering the Project Site, the University and its representatives shall abide by Developer’s reasonable safety rules and shall not materially hinder or delay the performance of the Work or Services, except as may be permitted under the Project Documents.

(*Section 10.1*)

**Developer Responsible for Utility Service.**

(a) The University makes no representation or warranty regarding the availability or adequacy of any services or utilities to or at the Project Site. The Developer shall make application for, obtain and pay for, and be solely responsible for the provision of all utilities required for the construction and operation of the Project, including, but not limited to gas, water
(including water for domestic uses and for fire protection), telephone, electricity, internet service, cable TV (or its equivalent), sewer service, or any similar service. Developer shall also install connections and wiring for network, cable television (or its equivalent), telephone or other telecommunications services throughout the Student Housing Facilities in accordance with the Final Construction Documents, including (i) internet service in each room initially by Wi-Fi and (ii) conduits to each room for future wired internet links. The University shall cooperate with the Developer in all reasonable respects, including the granting of easements where reasonably required to facilitate the provision of utilities to the Project Site, provided, however, that the University shall have no obligation to permit Developer to connect the Student Housing Facilities to the University’s existing utility infrastructure.

(b) Notwithstanding the foregoing, the University shall reasonably cooperate to facilitate the Developer’s use of such utility services as are currently available to Vodra and Co-Op.

(Section 11.1)

**Interruption of Existing Utility Service.** In the event it becomes necessary to interrupt existing utility services to the University or any Adjacent Properties, Developer or the Contractor responsible for the Work shall use its best efforts to continue its Work on a twenty-four (24) hour basis until work is completed and service restored. Before beginning such Work, Developer shall apply in writing to and receive approval in writing from the University. The request to interrupt existing service must be submitted not less than fifteen (15) working days prior to the desired interruption. (Section 11.2)

**Insurance Requirements.** Developer shall acquire and maintain for the benefit of Owner and the University such insurance coverages as are required under the Ground Lease as well as the Developer Insurance and shall, in addition, acquire and maintain or cause its Principal Consultants to acquire and maintain in force at all times the Principal Consultants Insurance, and shall deliver evidence thereof to Owner and the University. If required by the Project Financing Documents, the Project Financing Provider shall be added as an “additional insured” on any such policies of insurance. (Section 12.1)

**Waiver of Subrogation.** Developer waives all rights against Owner, the University, the State of New Jersey, and the contractors, subcontractors, consultants, agents, and employees of each other, for damages caused by fire or any other peril to the extent covered by any property insurance obtained under this Section or any other property insurance applicable to the Project, except rights to proceeds of that insurance to the extent expressly provided for in the Project Documents. (Section 12.2)

**Indemnification of Owner and University.** Developer hereby agrees, covenants, and warrants to, and shall indemnify, hold harmless and defend Owner and the University and their respective principals, partners, members, agents, officers, directors, and employees and agents of each (the “Indemnities”), from and against any and all claims, damages, losses, costs, and expenses, including reasonable attorneys’ and reasonable consultants’ fees, and the cost of the defense, including appeals, in respect of any and all claims, damages, demands, judgments, losses, costs, expenses, liens, encumbrances, suits or actions, involving or attributable to bodily injury
(including death), damage to the Project Site, Adjacent Properties or any other real or personal property, damage to the Work, damage of any other kind or loss, arising out of, or relating in any manner to the Project Development Agreement and any and all Work or Services performed pursuant hereto, resulting herefrom and/or as a result of Developer’s or its Consultant’s or its other subcontractors’ acts, errors and omissions, presence on, access to, or activities on or about the Project Site or the Project, or that is caused by an act or omission (whether it be negligent, reckless, or intentionally wrongful), or a violation of the Project Development Agreement or the Contract Documents (or any modifications thereof), or Applicable Law, by Developer or its Consultants or its other subcontractors, or their respective principals, partners, members, agents, officers, employees, invitees or any third party, and regardless of whether or not it is caused in whole or in part by a party indemnified under the Project Development Agreement, provided that Developer shall not be obligated to indemnify any party to the extent of such party’s own breach of the Project Development Agreement, negligence or intentionally tortious acts or omissions. It is the express intent of this indemnity that it shall include and cover claims where Developer or its Consultant or its other subcontractors and a third party are jointly liable. The foregoing obligation of Developer to indemnify, hold harmless and defend the Indemnitees shall include, but not be limited to, claims, damages, losses or expenses arising from or relating to Developer obligations or responsibilities under the Project Development Agreement, the Contract Documents or Applicable Law. (*Section 12.3*)

**Indemnification of Developer.**

(a) Owner agrees to defend, indemnify and hold harmless Developer, including its trustees, officers, directors, employees, volunteers and agent from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses (including reasonable attorney’s fees) in connection therewith on account of the loss of life, property, or injury or damage to the person, body or property, of any person or persons whatsoever, which shall arise from or result directly or indirectly from (1) any breach or default by Owner in performing any of its express obligations under the Project Development Agreement, and/or (2) any willfully negligent or intentionally tortious act or omission of Owner or any of its officers, agents, contractors, servants, employees, tenants, subtenants, licensees or invitees, provided that Owner shall not be obligated to indemnify any party to the extent of such party’s own breach of the Project Development Agreement, negligence or intentionally tortious acts or omissions.

(b) To the extent permitted by law, the University agrees to defend, indemnify and hold harmless Developer, including its trustees, officers, directors, employees, volunteers and agent from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses (including reasonable attorney’s fees) in connection therewith on account of the loss of life, property, or injury or damage to the person, body or property, of any person or persons whatsoever, which shall arise from or result directly or indirectly from (1) any breach or default by the University in performing any of its express obligations under the Project Development Agreement, and/or (2) any willfully negligent or intentionally tortious act or omission of the University or any of its officers, agents, contractors, servants, employees, tenants, subtenants, licensees or invitees, provided that the University shall not be obligated to indemnify any party to the extent of such party’s own breach of the Project Development Agreement, negligence or intentionally tortious acts or omissions.

(*Section 12.4*)
Release; Waiver of Subrogation. Each party agrees not to make a claim or seek recovery under the Project Development Agreement for any loss or damage to its property or the property of others to the extent of any recovery by such party in respect of such loss or damage under any policy of insurance maintained for such party’s benefit in accordance with the Project Documents, provided that such insurance policy does not prohibit a waiver of subrogation and is not otherwise impaired by the Project Development Agreement not to make a claim. (Section 12.5)

Developer Remediation Obligation. Except as may be provided otherwise with respect to certain Pre-Existing Unknown Conditions, Developer shall, at its sole cost and expense, promptly effectuate Remediation of any condition (including but not limited to a release of a Hazardous Material) in, on, above, under or from the Project Site as necessary to comply with the Ground Lease or otherwise Finally Complete the Project except as expressly provided otherwise in Section 13.2. (Section 13.1)

Pre-Existing Unknown Conditions.

(a) Notwithstanding anything contained the Project Development Agreement or the Ground Lease to the contrary, the University shall be responsible for Pre-Existing Unknown Conditions, and shall promptly effectuate Remediation of any Pre-Existing Unknown Conditions in, on, above, under or from the Project Site as necessary to comply with any Environmental Law or any other federal, state or local law, statute, rule, regulation and/or ordinance. Developer shall be responsible for those Existing Site Conditions involving archeological matters and paleontological matters, as a component of the Development Costs, and shall promptly effectuate Remediation of same in, on, above, under or from the Project Site as necessary to comply with any Governmental Law or any other federal, state or local law, statute, rule, regulation and/or ordinance. Other than with respect to archeological matters and paleontological matters, the cost of the Remediation of any Pre-Existing Unknown Condition and any costs incurred as result of delays in the Project arising therefrom shall not be Development Costs. Notwithstanding the foregoing, after Final Completion of the Project has been achieved, any Excess Project Development Funds may be used to reimburse the University for costs incurred toward any such Pre-Existing Unknown Conditions.

(b) Notwithstanding anything in subsection (a) above, the University may, with respect to any Remediation for which the University is responsible, direct that Developer undertake such remediation through a Change Order. (Section 13.2)

Remediation Requirements.

(a) Developer acknowledges that all activities affecting the West Campus Site and any property adjacent thereto is subject to the Remediation Requirements, including the Consent Decree (as each such term is defined in the Ground Lease), including reporting requirements and rights of access on the part of certain third parties. Notwithstanding any other provision of the Project Development Agreement, Developer shall cause all activities in connection with the Project at the West Campus Site to be carried out in strict compliance with the Remediation
Requirements. To the extent that the University has any reporting requirements under the Remediation Requirements Developer shall cooperate with the University in fully and timely complying with such requirements.

(b) Prior to mobilizing at the West Campus Site Developer shall deliver to Owner and the University the certificate relating to Remediation Requirements required under the Ground Lease.

(c) Developer further acknowledges that the Existing Student Housing Facilities present certain recognized environmental conditions and that all Work affecting the Existing Student Housing Facilities shall be carried out in accordance with applicable Legal Requirements and the recommendations contained within the environmental reports identified in the Project Development Agreement, including but not limited to the oversight of a qualified third party monitor.

(Section 13.3)

Development Fee. As compensation for the timely performance of its obligations under the Project Development Agreement, and subject to the terms and conditions of the Project Development Agreement, Developer shall be paid a fee of Two Million Four Hundred Twenty-Nine Thousand Eight Hundred Ninety Dollars ($2,429,890). (Section 14.1)

Payment of Development Fee.

(a) The Development Fee shall be payable as follows:

(i) Fifty percent (50%) shall be paid upon the Effective Date;

(ii) Thirty percent (30%) shall be payable in installments as part of each Draw Request, each such installment to be in an amount proportionate to the percentage of completion of the Work;

(iii) Ten percent (10%) shall be payable upon Substantial Completion of the West Campus Student Housing Facility; and

(iv) Ten percent (10%) shall be payable upon Final Completion of all the Work.

(b) Notwithstanding anything to the contrary above, unpaid portions of the Development Fee may be reallocated to other Development Costs to the extent that any Completion Cost Estimate demonstrates the availability of insufficient funds to Finally Complete the Student Housing Facilities and Developer shall not have provided sufficient funds to make up for any shortfall.

(Section 14.2)

Developer to Provide Payment and Performance Bonds. Developer shall cause to be provided the Payment and Performance Bonds. (Section 15.1)
**Excusable Delay.** Developer shall promptly notify the University upon learning of any condition or circumstance that may give rise to a claim for Excusable Delay and shall use commercially reasonable efforts consistent with Good Design-Build Practice to mitigate the effect of such condition or circumstance. There shall be no extension of time for late design, unclear design, design error or internal requests for more information or miscommunication delays between the Architect, the Design Consultants, and Developer. *(Section 16.1)*

**Effect of Excusable Delay.** In the event of an Excusable Delay, the University shall, at the University’s option, either: (i) authorize an equitable extension in the CPM Schedule, including, if necessary, an equitable extension of the Outside Completion Date, to account for such delay; (ii) decrease the scope of Work by Change Order; or (iii) request that Developer prepare and implement a recovery schedule for the University’s review and approval showing how (if possible) Developer can achieve Substantial Completion of the Project by the Outside Completion Date. Developer acknowledges that an Excusable Delay shall not allow for any adjustment whatsoever of the Guaranteed Maximum Price unless such Excusable Delay is solely the result of a Pre-Existing Unknown Condition for which Developer is not responsible. *(Section 16.2)*

**Effect of Inexcusable Delay.** In the event of an Inexcusable Delay, Developer shall prepare and submit to the University a recovery schedule for the University’s review and approval showing how Developer will compensate for the delay and achieve Substantial Completion and Final Completion of the Project by their respective scheduled and guaranteed dates, regardless of the occurrence of an Inexcusable Delay. Developer acknowledges and accepts responsibility to achieve Substantial and Final Completion of the Project by their respective scheduled and guaranteed dates, and to use all means necessary to do so, at no increase in the Guaranteed Maximum Price, including, but not limited to, overtime, double shift work, employing additional subcontractors and expediting delivery of materials by air freight. *(Section 16.3)*

**Developer Defaults.**

(a) The occurrence of any of the following events shall constitute a “Developer Default”:

(i) Developer fails or refuses to provide any of the Services or to perform any other obligation under the Project Development Agreement in any material respect in the manner and within the time required by the Project Development Agreement, or Developer commits or permits a breach of any of Developer’s duties, liabilities, or obligations under the Project Development Agreement in any material respect, and fails to correct such failure or breach within thirty (30) days after written notice specifying such is given to the Developer. In the case of any such failure or breach that cannot with due diligence be corrected within such thirty (30) day period but can be wholly corrected within a period of time not materially detrimental to the rights of the University, it shall not constitute a Developer Default if corrective action is instituted by the Developer within the applicable period and diligently pursued until the failure is corrected, provided that failure to cure the same within ninety (90) days after the original notice shall constitute a Developer Default, subject, however, to clause (ii) below, as to which no cure period shall apply;
(ii) Developer fails to achieve Substantial Completion for the Student Housing Facilities on or before the Outside Completion Date; or

(iii) An Event of Default under the Ground Lease unless such Event of Default is solely attributable to the act or omission of Owner.

(b) If a Developer Default shall occur and be continuing then, in addition to all other rights, options and remedies granted or available to Owner or the University under the Project Development Agreement, or otherwise available at law or in equity, Owner or the University may

(i) seek restitution against the Developer for all losses suffered by Owner or the University;

(ii) terminate the Project Development Agreement without prejudice to any other rights or remedies of Owner or the University, and, in that connection, the University may:

   (A) accept assignment of any or all Services Agreements; and

   (B) finish the Work by whatever method Owner or the University may deem expedient; and

   (C) recover the cost of completing the Work, to the extent that they exceed the Guaranteed Maximum Price, along with any additional reprocurement costs; and/or

(iii) otherwise exercise all rights and remedies granted or available to Owner or the University under the Project Development Agreement, the other Project Documents or at law or in equity.

(c) To the extent allowable and enforceable by law or in equity, Owner and the University shall have the right to injunction, specific performance or other equitable remedies to enforce Developer’s obligations under the Project Development Agreement.

(d) In addition to the other rights and remedies available to Owner and the University, upon the occurrence of a Developer Default the Owner and University may call upon the surety under the Payment and Performance Bond and, to the extent covered thereby, the surety shall perform its obligations under the Project Development Agreement, as applicable, or upon such other form of payment and performance guaranty as may be provided by Developer pursuant to the Project Documents, if applicable.

(Section 17.1)

Liquidation of Certain Damages.

(a) If the Developer fails to achieve Substantial Completion of the West Campus Student Housing Facility on or before the applicable Outside Completion Date, then the Developer shall have the following obligations:
(i) FIRST, to the extent that the University has Available Capacity Units to house Displaced Students, as reasonably determined by the University, Developer will pay to the University an amount equal to the Daily Amount for each such Displaced Student housed in the Available Capacity Units, for the Liquidated Damages Period;

(ii) SECOND, for Displaced Students that cannot be housed in Available Capacity Units, Developer will, at the University’s election, either pay directly or reimburse the University for the cost of Displaced Students housed by the University at motels and hotels designated or approved by the University beginning on the Outside Completion Date and continuing throughout the Liquidated Damages Period. In addition, during the Liquidated Damages Period, Developer shall be responsible for providing transportation for Displaced Students from such area motels and hotels to the campus of the University, at such times and intervals as will afford such Displaced Students the ability to eat all meals at University dining facilities and are otherwise are reasonably acceptable to the University, and will be responsible for timely providing a daily stipend for meals in the amount of Five Dollars ($5.00) per Displaced Student that cannot be reasonably accommodated on the campus of the University.

(b) If the Developer fails to achieve Substantial Completion of the renovations at Co-Op or Vodra on or before the applicable Outside Completion Date then Developer will pay to the University an amount equal to Seven Hundred Fifty Dollars ($750.00) per day from the Outside Completion Date until the date that Co-Op and Vodra are each Substantially Complete.

(c) The availability of the Liquidated Damages above shall be the sole damages attributable to delays in the Substantial Completion of the Student Housing Facilities. Such damages shall not, however, affect the University’s termination and suspension rights under the Project Development Agreement or the rights of the University or Owner in connection with any other default by Developer under the Project Development Agreement.

(d) Notwithstanding the University’s and Owner’s entitlement to Liquidated Damages, Developer shall continue to diligently prosecute the Work and make progress towards its completion. It is understood and agreed by the Parties that the terms, conditions and amounts fixed pursuant to do not constitute a penalty and are reasonable considering the damages that Owner and University shall sustain in the event of Developer’s failure to cause Substantial Completion to occur on or before the Outside Completion Date. This amount is fixed as liquidated damages because of the difficulty of ascertaining the exact amount of the damages that will be sustained by the University by reason of any such failure, and the amount shall be applicable regardless of the actual amount of damages sustained by the University by reason of any such failure.

(Section 17.2)

Developer’s Termination Right. If Owner fails to make payment of any undisputed amounts for a period of seventy-five (75) days after Owner receives and approves the applicable Draw Request then Developer may, upon fifteen (15) additional days’ written notice to Owner, the University and the Project Financing Provider, terminate the Project Development Agreement and recover from Owner payment for Work executed, completed and approved, provided that if payment shall have been made prior to the expiration of such fifteen days then Developer’s
termination shall be deemed withdrawn and the Project Development Agreement shall continue in effect. (Section 17.3)

Substantial Completion. For purposes of the Project Development Agreement, a Student Housing Facility will be deemed Substantially Complete when:

(i) The applicable Work has been substantially performed and the Student Housing Facility is substantially completed as required by the Final Construction Documents and the Project Financing Documents, including all life safety systems and all operating systems and equipment, all required temporary certificates of occupancy are issued, the Student Housing Facility is fully operable and capable of being fully occupied for its intended purposes, all FF&E has been installed, all normal means of ingress and egress are clear of obstructions, all elevators are in operation and have all permits and approvals required under Legal Requirements, all mechanical, plumbing and electrical systems are complete and operable, all utility services (including internet and cable television) are connected and functioning properly, all commissioning, balancing and test reports have been delivered to and approved by the University, and a punchlist of unfinished items has been prepared by Developer and provided to and approved by the University;

(ii) Developer and the University have received and approved a certificate of the Architect stating that, in its professional judgment after diligent inquiry, the Student Housing Facility has been substantially completed in accordance with the Final Construction Documents and in accordance with the requirements of all Legal Requirements, such that the Student Housing Facility is available in its entirety for immediate use and occupancy;

(iii) Developer has delivered a certificate to the University, which shall have been approved by the University, stating that the Student Housing Facility has been substantially completed in accordance with the Contract Standards, and has delivered evidence reasonably satisfactory to the University that all costs and expenses of the Project (or any portion thereof) incurred to date have been paid in full and accepted as such by all Consultants, along with waivers and releases of any and all mechanic’s liens (except for any amounts that are the subject of bona fide disputes and the payment of which has been provided for by bonding or otherwise secured in a manner reasonably satisfactory to the University); and

(iv) All governmental authorities having jurisdiction over the Student Housing Facility, including the State Fire Marshal, if applicable, have given their approval to occupancy of the Student Housing Facility pending the occurrence of Final Completion (including certificates of occupancy or, if sufficient therefor, temporary certificates of occupancy).

(Section 18.1)

Turn Over.

(a) Developer shall give notice to the University at least two (2) months prior to the date it believes the Work in respect of each of the Student Housing Facilities will reach Substantial Completion, and along with such notice, shall submit to the University for its review and approval, a proposed “punchlist schedule” setting forth the proposed schedule and sequence of the University’s inspection of the applicable Student Housing Facility in order for the
University to determine whether such Student Housing Facility has reached Substantial Completion. Developer agrees that upon Substantial Completion of a Student Housing Facility there shall be no ongoing construction on any portion of such Student Housing Facility that would materially adversely affect access to the Student Housing Facility. The only items outstanding shall be minor punchlist items which will not individually or in the aggregate impair the use of such Student Housing Facility for its intended purpose, materially impair the Student Housing Facility’s occupants’ experience, or otherwise materially adversely limit, restrict, disturb or interfere with the Manager’s management and operation of the Student Housing Facility in accordance with the Management Agreement. At Substantial Completion, a Student Housing Facilities must be ready for continuous and uninterrupted use by its intended occupants.

(b) Notwithstanding anything to the contrary in the Project Development Agreement, Developer acknowledges that certain areas of each Student Housing Facility will need to be made available to the Manager prior to and after Substantial Completion in order to allow Manager to undertake certain “Pre-Opening Activities” in anticipation of the applicable Opening Date. Developer shall turn over such areas to Manager in accordance with the Project Schedule for use and occupancy by the Manager’s employees and agents, whether or not engaged in construction activities. Immediately prior to such Manager occupancy, the University and Developer shall jointly inspect the area to be occupied in order to determine and record the condition of the Work in the Project Development Agreement. Prior to the date for the Manager’s use or occupancy of all or a portion of a Student Housing Facility as set forth in the Project Schedule, Developer shall obtain temporary certificates of occupancy for such areas of the Student Housing Facility, regardless of whether the entire Project has achieved Substantial Completion. The University or Manager’s occupancy of any portion of a Student Housing Facility prior to or after the date of Substantial Completion shall not constitute or be deemed to constitute acceptance of Work.

(Section 18.2)

Final Completion. For purposes of the Project Development Agreement, the Student Housing Facilities will be deemed Finally Complete when:

(a) All Work has been fully performed and each Student Housing Facility is fully completed as required by the Final Construction Documents and the Project Financing Documents (including all punchlist items);

(b) Owner and the University shall have received a certificate of the Architect stating that, in its professional judgment after diligent inquiry, each of the Student Housing Facilities has been completed in accordance with all Construction Documents and in accordance with the requirements of all Legal Requirements, without exception for punchlist items;

(c) All Services have been fully paid for and are free from all liens of Developer, Consultants, Suppliers, materialmen and laborers, and Developer has delivered final waivers and releases of any and all mechanic’s liens (except for any amounts that are the subject of bona fide disputes and the payment of which has been provided for by bonding or otherwise secured in a manner reasonably satisfactory to the University) and obtained an endorsement to the Owner’s
and Project Financing Provider’s leasehold title insurance policies insuring such lien-free completion of the Student Housing Facilities (or similar title insurance coverage);

(d) The surety under any Payment and Performance Bonds then in effect shall have consented to the final payment and the release of retainage.

(e) Owner and the University shall have received an “as built” ALTA/ACSM survey of the Project Site certified to the University showing no encroachments by the Student Housing Facilities on or over any property outside the Project Site and otherwise reasonably acceptable to the University;

(f) All governmental authorities having jurisdiction over occupancy, including the State Fire Marshal, if applicable, have given their final approval to occupancy of the Student Housing Facilities (including permanent certificates of occupancy);

(g) Developer shall have delivered the Project Manual and assigned and/or delivered all warranties provided by suppliers of various Project components and not originally provided by the Developer or the General Contractor; and

(h) Developer shall have delivered and Owner and the University shall have approved the Final Completion Certificate.

(Section 18.4)

Completion of Punchlist. Developer shall complete any punchlist items within ninety (90) days after Substantial Completion and, in connection therewith, shall minimize any disruption to or disturbance of the occupants of the Student Housing Facilities. (Section 18.5)

Change Orders.

(a) The University may, at any time, by written instructions or drawings, order changes in the Project, issue additional instructions, require additional work or direct the omission of work previously ordered, and the provisions of the Project Development Agreement shall apply to all such changes, modifications, and additional instructions with the same effect as if they were embodied in the original Construction Documents.

(b) Within ten (10) days of the date of the University’s request, Developer shall notify the University if it objects to such proposed change based on its “Project Impact” (as defined below) and shall submit, in writing, for the approval of the University, a proposed Change Order reflecting the University’s request and indicating the amount, if any, by which the Guaranteed Maximum Price is to be increased or decreased to cover changes in or from the existing Construction Documents. In the case of added Work or less Work, such Change Orders shall indicate in detail to the satisfaction of the University, in its sole discretion, the additional cost of the added Work, or the reduction in cost occasioned by the reduced Work, whether performed by Contractors or by Developer’s own forces. A Change Order shall not increase or otherwise change the Outside Completion Date unless the Change Order sets forth expressly the number of days by which the Outside Completion Date is to be changed, and specifies the new Outside Completion Date. Absent such express language, all claims by Developer for an
extension of time based upon or relating to the Change Order shall be deemed waived. No Change Order shall be deemed approved or accepted unless it has been approved in writing by the University.

(c) In the event Developer seeks to make a change to the Construction Documents that is not a Permitted Change then Developer shall submit to Owner and the University a proposed Change Order for its approval. Any such submission shall contain sufficient information for the University to determine the Project Impact of the proposed change. The University shall have the right to accept, reject or modify any such change proposed by Developer. Any such change accepted or modified by the University, and any related change in the terms and conditions of this Project Agreement, shall be reflected in a Change Order.

(d) The Developer shall have the right to make Permitted Changes to the Construction Documents, provided that not less than ten (10) days prior to its execution thereof the Developer shall deliver to the University a copy of the proposed Change Order implementing such Permitted Change, along with a certificate of Developer and the Architect stating that such Change Order constitutes a Permitted Change. In the event that the University determines that the proposed change is not a Permitted Change and so notifies Developer then such Change Order shall not be entered into.

(e) For purposes of the Project Development Agreement, the Project Impact of a proposed Change Order shall be determined by reference to whether the proposed change:

(i) Affects the scope, amenities, quality, integrity, durability, function or reliability of the Student Housing Facilities, or its aesthetic or functional characteristics;

(ii) Adversely affects the capacity of the Student Housing Facilities to be operated, managed and maintained so as to meet the requirements of the Project Documents; or

(iii) Adversely affects the Project Budget or the Project Schedule.

(Section 20.1)

Changes to Guaranteed Maximum Price.

(a) No increase shall be made to the Guaranteed Maximum Price except pursuant to a fully executed Change Order expressly providing for such increase and no Work shall be performed by Developer by reason of any Change Order unless it has been approved in advance in writing by Owner and the University or is expressly permitted as a Permitted Change. Developer shall be deemed to have waived any right to an increase in the Guaranteed Maximum Price for additional Work not provided for in a Change Order entered into in accordance with the Project Development Agreement.

(b) If a Change Order shall decrease the cost of the Work, the Guaranteed Maximum Price, and, if time to complete the Work is reduced, general conditions, to the extent applicable, shall be decreased by an amount equal to the reduction in cost. Changes in the Work which involve a substitution of materials, equipment or labor, or any other aspect of the Work shall be processed through a single Change Order to ascertain whether there is any net increase or net
decrease in the cost of the Work. If the change can be accomplished paralleling other work activities (i.e., not a critical path item) no increase in time shall be allowed.

(Section 20.2)

Disagreements Regarding Project Impact. If the University and Developer cannot agree as to any and all material aspects of the Project Impact of a Developer or University directed Change Order, such Change Order shall not be implemented. If any University directed Change Order does not have any material Project Impact, such University directed Change Order shall be implemented. (Section 20.3)

Claims.

(a) The responsibility to substantiate Claims shall rest with the Party making the Claim.

(b) Claims by Developer must be initiated in writing within 21 days after occurrence of the event giving rise to such Claim or are forever waived.

(c) Pending final resolution of a Claim except as otherwise agreed in writing, the parties shall proceed diligently with the performance of their respective obligations under the Project Development Agreement.

(Section 21.1)

Claims For Increases in Development Costs. If the Developer wishes to make a Claim for an increase in the Development Cost, timely written notice shall be given before proceeding to execute the Work or purchase (or subcontract for) materials, equipment, labor or services. To be effective, Developer’s notice must: (1) specifically and in detail describe the nature and cause of the Claim, (2) specifically reference the details on the drawings and the sections of the specifications that are affected, and (3) contain an itemized and reasonably substantiated estimate of the amount of the Claim. (Section 21.2)

Claims for Extensions of Time. If Developer wishes to make Claim for an extension of the Outside Completion Date, timely written notice must be given. To be effective, Developer’s notice must specify the amount of additional time sought or the duration of delay claimed, and impact therefrom, substantiated by a critical path analysis provided therewith. Developer’s Claim shall indicate the cost and probable effect of the additional time or delay on the progress of the Work, which impact must be shown on a revised Project Schedule. In the case of a continuing delay, Developer must submit bi-weekly updates of the Project Schedule showing the updated impact of the delay on the Project Schedule and provide an itemized statement of costs incurred and expected to be incurred, if any. (Section 21.3)

Notice of Potential Claims. If either party to the Project Development Agreement suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time after discovery. The notice
shall provide sufficient detailed information about the matter so as to enable the other party to fully investigate it and meet its obligations and/or protect its rights. (Section 21.4)

**Continued Performance.** Developer shall continue to perform the Work pending the final resolution of any dispute or disagreement between Developer and Owner or the University. (Section 21.7)

**Acknowledgement of Limitation on University’s Liability.** Developer acknowledges the limitations on claims against and liabilities of the University contained in the Ground Lease, and agrees that such limitations are deemed incorporated in the Project Development Agreement and shall also apply to any claim against or liability of the University under the Project Development Agreement as if fully set forth in the Project Development Agreement. (Section 21.8)

**Royalties.** Developer shall pay all applicable royalties and license fees applicable to the Work. Developer shall (a) defend the University Indemnified Parties against all claims for infringement or misappropriation of copyrights, patent rights and other intellectual property rights and (b) save and hold the Owner and University Indemnified Parties harmless from all loss, cost, damages, fines, judgments, penalties or expenses (including reasonable attorneys’ fees) on account thereof. Developer’s obligation under this Section 23.2 shall survive the Termination Date. (Section 23.2)

**Assignment Prohibited.** Developer may not assign or otherwise transfer its rights or obligations under the Project Development Agreement without the prior written consent of Owner and the University, provided, that regardless of any such consent Developer shall not be relieved of any of its obligations under the Project Development Agreement as a result of any such assignment or transfer. All of the rights, benefits, duties, liabilities, and obligations of the Parties will inure to the benefit of and be binding on their respective successors and assigns. The foregoing shall not preclude an assignment of the Project Development Agreement to the Project Financing Provider as security for the Project Financing. In addition, the foregoing shall not be construed as prohibiting Developer from collaterally assigning to its lender Developer’s interest in any amounts actually paid to Developer under the Project Development Agreement, provided that no such assignment shall result in any such lender having any rights or remedies against Owner, the University or otherwise under the Project Development Agreement. (Section 26.1)

**Subject to Ground Lease.** The Project Development Agreement is subject in all respects to the Ground Lease and the performance and observance of the terms and conditions thereof. Developer and shall not take any act or omit to take any act in the performance of its obligations under the Project Development Agreement that would constitute a violation of the Ground Lease. (Section 27.1)

**University As Third Party Beneficiary.** Notwithstanding any other provision of the Project Development Agreement the Developer acknowledges and agrees that the University is a third party beneficiary of the Project Development Agreement and shall have the right to enforce the terms and conditions hereof against the Developer as fully and completely as if it were a direct party to the Project Development Agreement. (Section 27.2)
Cooperation. University and/or Owner may enter into separate contracts, perform work and further develop or improve portions of the University’s campus as it, in coordination with the University, may wish; provided, however, that such additional work or further developments do not materially interrupt, interfere with, hinder or delay the performance of Developer’s Services under the Project Development Agreement. Such development may occur and proceed without Developer’s consent. To the extent Developer can do so without materially increasing the cost or time of the performance of its Services under the Project Development Agreement, Developer agrees to cooperate with University, such separate contractors and the Owner in any effort to further develop the property not included within the Project Site and shall take such necessary steps and precautions to coordinate its Services with the work of separate contractors and to assure that the performance of the Services does not interfere or hinder such development or improvement. The Owner shall take reasonable steps to assure that the performance of the work by such separate contractors does not interfere or hinder the performance of Developer’s work on the Project. (Section 28.1)

Governing Law. The Project Development Agreement is entered into in the State of New Jersey and is governed by its laws, without regard to its principles of conflicts of laws. (Section 29.1)

Limitation on Owner’s Liability. Notwithstanding any provision of the Project Development Agreement or applicable law to the contrary, in exercising or enforcing any and all rights and remedies against Owner or otherwise in connection with or with respect to the Project Development Agreement or any of the matters described in the Project Development Agreement, and regardless of any default or Event of Default, Developer and the University shall under all circumstances (a) have recourse only to Owner’s interest in the Project Development Agreement, the Premises, the Lease, the Contract Documents, the Deliverable Documents, the Design Agreements, the Project Documents, the Approvals, the Management Agreement, the Subleases, the Student Housing Agreements, the rent under the Subleases not yet paid to or received by Owner, the Student Housing Fees not yet paid to or received by Owner and any other revenue from any of the foregoing not yet paid to or received by Owner, and (b) not seek to exercise or enforce any rights or remedies against Owner personally or Owner’s other assets. The provisions of this Section 31.7 shall survive any termination of the Project Development Agreement. (Section 31.7)

Limitation on Liability of Owner’s Sole Member. Notwithstanding any provision of the Project Development Agreement or applicable law to the contrary, under all circumstances and regardless of any default or Event of Default, (a) no direct or indirect Affiliate, member, manager, partner, shareholder, trustee, beneficiary, other owner, organizer, director, officer, employee, representative or agent of Owner (including New Jersey City University Foundation, Inc., also known as NJCU Foundation or NJCU Foundation, Inc.) or of an Affiliate of Owner shall have any liability or obligation to Developer or the University or any other Person in connection with or with respect to Owner, the Project Development Agreement, the Premises, the Project, the Act, the RFP, the Proposal, the Project Financing, the Project Financing Documents, the Indenture, the Bonds, the Bond Documents, the Lease, the Contract Documents, the Deliverable Documents, the Design Agreements, the Project Documents, the Approvals, the Management Agreement, the Student Housing Facilities, the Subleases, the Student Housing Agreements, any rent under the Subleases, any Student Housing Fees, any other revenue from
any of the foregoing, the Consent Decree, the NFA, the Remediation Requirements, any Environmental Laws or Hazardous Materials, or any other matters described in the Project Development Agreement, or any acts or omissions in connection with any of the foregoing, (b) Developer and the University hereby irrevocably release all such Persons from any and all such liability or obligation, and (c) Developer and the University shall have no recourse to, and agree not to seek to exercise or enforce any rights or remedies against, any such Persons in connection with or with respect to any of the foregoing. The provisions of this Section 31.8 are also for the benefit of and enforceable by all such Persons and shall survive any termination of the Project Development Agreement. (Section 31.8)

**SUMMARY OF MANAGEMENT AGREEMENT**

The following is a summary of certain provisions of the Project Management Agreement. This summary does not purport to be complete and reference is made to the Project Management Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Project Management Agreement and are included for ease of reference only. Definitions of capitalized terms used in this summary appear above.

**Appointment; Term.**

(a) Owner appoints Manager as an independent contractor to operate, manage and maintain the Student Housing Facilities in accordance with the terms of the Project Management Agreement and for the benefit of the University. Manager accepts such appointment.

(b) The term of the Project Management Agreement shall be approximately fifteen years, commencing at the start of the Operating Period and ending on the sooner to occur of (i) June 30, 2030, and (ii) such other date upon which the Project Management Agreement shall have been terminated in accordance with its terms.

(c) Owner and the University have the right, but no obligation, to renew the Project Management Agreement annually upon not less than ninety (90) days’ notice. Owner shall not exercise such right without the prior approval and of the University.

(Section 2.1)

**Responsibilities and Standard of Performance.**

(a) Manager shall provide the Management Services and otherwise operate, manage and maintain the Student Housing Facilities in accordance with the Project Management Standards and the terms of the Project Management Agreement. Without limiting the foregoing, Manager shall put, keep and maintain the Student Housing Facilities in good and clean condition, and in such order and condition equal in scope, character and standards of other student residential facilities of like kind and character where best practices are utilized and make all necessary repairs therein and thereon, interior and exterior, structural and non-structural, ordinary and extraordinary, reasonably necessary to keep the same in good safe order and
condition, as necessity or desirability may cause, and whether or not necessitated by casualty, wear, tear, obsolescence or defects.

(b) Manager shall exercise commercially reasonable prudence and diligence in performing its obligations under the Project Management Agreement.

(Section 2.2)

Start-Up Responsibilities.

(a) The Manager will provide start-up services as set forth in the Project Management Agreement and otherwise necessary for the coordination of the opening of the West Campus Student Housing Facility and the move-in of the residents of the West Campus Student Housing Facility. Such services shall commence prior to Substantial Completion of the West Campus Student Housing Facility on the dates set forth in the Project Management Agreement. Manager will also, to the extent the West Campus Student Housing Facility is not Substantially Complete on or before the Outside Completion Date, provide the budgeting and financial reporting services required in connection with the housing of Displaced Students, which services shall be performed in coordination with the University.

(b) The Manager will provide start-up services as set forth in the Project Management Agreement and otherwise necessary for the coordination of the opening of the Existing Student Housing Facilities and the move-in of the residents of the Existing Student Housing Facilities. Such services shall commence prior to Substantial Completion of the work on Existing Student Housing Facilities on the dates set forth in Project Management Agreement. Manager will also, to the extent the Existing Student Housing Facilities are not Substantially Complete on or before the Outside Completion Date, provide the budgeting and financial reporting services required in connection with the housing of Displaced Students, which services shall be performed in coordination with the University.

(Section 2.3)

Maintenance and Repair. Manager will cause the Student Housing Facilities to be maintained in good order, condition and repair, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care and such other maintenance and repair work as may be necessary in accordance with the Long Term Maintenance Plan, each Annual Maintenance Plan and the Project Management Standards. Without limiting the foregoing, the following provisions will apply in connection with the operation, maintenance and repair of the Student Housing Facilities:

(a) Special attention will be given to preventative maintenance.

(b) To the greatest extent feasible, the services of Manager’s on-site maintenance employees will be used.

(c) At least sixty (60) days prior to the start of each Annual Period, Manager shall provide to the Owner and University a list of independent contractors with whom it may contract in the name of Owner for the maintenance and repair of heating and air conditioning systems,
and for other extraordinary repairs beyond the capability of regular maintenance employees of Manager. In the event that the Owner or University, within thirty (30) days of Manager’s submission of the vendor list, objects to any independent contractor included on the vendor list then such independent contractor shall be removed from the vendor list. All independent contractors who are included on the vendor list and who are not objected to by Owner or the University shall be included on the “Approved Vendor List” for the upcoming Annual Period. Manager may contract with independent contractors included on the Approved Vendor List in accordance with the Annual Operating Budget, for the maintenance and repair of heating and air conditioning systems, and for other extraordinary repairs beyond the capability of regular maintenance employees of Manager. Manager shall not be permitted to contract with contractors not included on the Approved Vendor List except for contracts with an value of less than Five Thousand Dollars ($5,000) or in an emergency when a contractor on the Approved Vendor List is not available. All contracts must be awarded on the basis of a commercially reasonable process reasonably acceptable to the Project Operations Committee. Manager shall review and approve all invoices for maintenance and repair expenses subject to reimbursement or payment from the Operating Account in accordance with the Annual Operating Budget. Manager shall process these invoices in a timely manner to benefit from discounts offered by vendors.

(d) In the event that Emergency Repairs are required at a time when it is impracticable to consult with Owner, Manager shall be authorized to contract to undertake such Emergency Repairs and shall promptly notify Owner and the University of such action.

(e) Manager is authorized in accordance with the Annual Operating Budget, and the Annual Maintenance Plan, to purchase all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance and repair of the Student Housing Facilities.

(f) Manager will reflect in the Annual Operating Budget supplied to and approved by the Project Operations Committee, amounts to be reserved in the Replacement Fund in a manner consistent with the requirements of the Project Management Agreement.

(g) At least sixty (60) days prior to the start of each Annual Period Manager shall submit to Owner, the University and the Project Operations Committee the Annual Maintenance Plan. The Annual Maintenance Plan shall describe in reasonable detail the maintenance operations planned for the upcoming Annual Period. Each Annual Maintenance Plan shall clearly identify any proposed variation from the applicable requirements of the Long Term Maintenance Plan and shall set forth the reason and cost impact (annual and long-term) of each such variation.

(h) Manager shall adhere to the Long Term Maintenance Plan, which shall not be modified except as follows:

(i) Manager may from time to time propose to the Project Operations Committee modifications to the Long Term Maintenance Plan.

(ii) Any such proposed modifications shall include Manager’s best estimate as to the annual and long-term cost impact of the proposed modifications and shall be supported by engineering or other qualified analysis setting forth in reasonable detail the justification for such
proposed modifications. Reasonable fees and expenses of third party consultants providing such engineering services shall be payable as an Operating Expense.

(iii) If approved by the Project Operations Committee then such modifications shall be deemed to be part of the Long Term Maintenance Plan.

(Section 2.4)

Capital Improvements.

(a) Manager will prepare and submit to the Project Operations Committee for its approval, together with the Proposed Annual Operating Budget, a Proposed Annual Capital Plan setting forth in reasonable detail the proposed capital improvements for the Student Housing Facilities for the next Annual Period, which shall include the timing, cost and funding source for all such work and shall show any variances from the nature, extent, projected cost or timing of capital improvements as provided for in the Long Term Maintenance Plan, and shall include reasonable substantiation of projected costs, including the cost of any bond required pursuant to the Act, and, to the extent that such costs are projected to exceed the amounts provided for in the Long Term Maintenance Plan, shall explain in reasonable detail the reason for such increase.

(b) If the Project Operations Committee does not approve the Proposed Annual Capital Plan then it shall state the basis for its objections and Manager shall make appropriate revisions and resubmit the Proposed Annual Capital Plan to the Project Operations Committee. The parties shall repeat this process until a Proposed Annual Capital Plan has been approved by the Project Operations Committee.

(c) Once approved by the Project Operations Committee, Manager will implement the Annual Capital Plan for such Annual Period. Manager is authorized, in accordance with the Annual Capital Plan, to enter into contracts in the Owner’s name for all renovations, repairs, additions, or improvements falling under the category of capital improvements in accordance with and as set forth in the Annual Capital Plan, provided that all expenditures for capital improvements that exceed Ten Thousand Dollars ($10,000) for a single item or in the aggregate must be awarded on the basis of a commercially reasonable process reasonably acceptable to the Project Operations Committee. Any capital expenditure which is outside of the Annual Capital Plan, or which is in excess of the amounts provided in the Annual Capital Plan, shall require the prior written approval of the Owner and the Project Operations Committee before any such expense is incurred.

(d) Manager shall provide the University and Owner with a Work Notification of any proposed work to be done in accordance with the Annual Capital Plan. The Work Notification shall be provided to the University and Owner as far in advance of the work as possible, shall be coordinated with the University to assure the minimum disruption to the University (including reasonable notice to student residents and any affected neighbors) and shall consist of a general description of the work, when it will occur, its location by building and room, and building materials which the work may contact or disturb. Manager shall cooperate with University personnel to provide any other pertinent information they may request with regard to the Work Notification.

(Section 2.5)
Utilities and Services. Manager will cause to be provided to the Student Housing Facilities, telephone service (other than cellular service), internet service (including WiFi), refuse collection and disposal, vermin extermination, and any other utilities and services reasonably required for the operation of the Student Housing Facilities in accordance with the Annual Operating Budget. Manager is authorized to enter into any service agreements in the name of Owner as may be necessary to secure such utilities and services provided, however, that any such agreements must be cancelable upon not more than ninety (90) days written notice without cause (and immediately cancelable for cause, subject to applicable cure periods). The expenses incurred for such utilities and services (that are not directly billed to the residents) will be paid out of the Operating Account as Operating Expenses subject to the University’s agreement to subordinate its right to reimbursement of certain expenses. (Section 2.6)

Staffing; Employees.

(a) Manager will provide such staff and supervisors as are necessary to provide all services, and otherwise carry out all of Manager’s responsibilities, in accordance with the Project Management Agreement. All such staff and supervisors shall be qualified and acceptable to the University. The initial staffing and supervision for the Student Housing Facilities shall be as set forth in the Initial Staffing Plan. The Initial Staffing Plan may be modified from time to time at the request or with the approval of the University.

(b) All on-site personnel will either be employees of Manager or the University, as provided for in the Staffing Plan. Manager or the University, as applicable, will hire, pay, supervise and discharge such personnel and service agreements, subject to the following conditions:

(i) The Manager will coordinate activities in the interest of good overall management of the Student Housing Facilities, and in compliance with the obligations of the Manager to the Owner and/or the University hereunder.

(ii) The compensation, including fringe benefits, and all local, state and Federal taxes, assessments (including but not limited to Social Security taxes, unemployment insurance, and worker’s compensation insurance), insurance premiums and deductibles, and other benefits and expenses incident to the employment of all employees performing on-site functions will be within Manager’s reasonable discretion (or that of the University, in the case of University employees), subject to and in accordance with the Annual Operating Budget. Compensation of bookkeeping, clerical, and other managerial personnel will be within Manager’s reasonable discretion, subject to and in accordance with the Annual Operating Budget. The anticipated compensation, including fringe benefits, of all employees expected to perform on-site functions will be included in the Annual Operating Budget and will not be paid out of any funds of the University.

(iii) The University is not a joint or co-employer of Manager’s employees. Neither the University nor the Owner shall have any liability for, with respect to, or relation to any employee of Manager, including without limitation, liabilities for compensation, bonuses or fringe benefits payable or provided to or for the benefit of any such employee, and Manager
hereby indemnifies and holds the University and the Owner harmless from and against such liabilities, including reasonable attorney fees and court costs.

(iv) No residential unit will be furnished without charge to an employee of the Manager or any other person, or under a Student Housing Agreement or service agreement, unless such person is identified in the Staffing Plan and the expense of providing such unit is reflected in the Annual Operating Budget.

*(Section 2.7)*

**Budgets.**

(a) Manager will prepare and submit to the Owner, the University and the Project Operations Committee (together with the Proposed Annual Capital Plan and the required certification), no later than January 15 of each year (or such other date with respect to the first Annual Period, as required by the University, in the event a Student Housing Facility is not anticipated to be Substantially Complete on or before the Outside Completion Date), a Proposed Annual Operating Budget for the Operating Expenses in connection with the operation, management and maintenance of the Student Housing Facilities, for the Annual Period beginning on July 1 of such year (or such other date with respect to the first Annual Period, as agreed to by the Manager, Owner and the University) and ending on June 30 of the immediately succeeding calendar year, and obtain the approval of the Proposed Annual Operating Budget from the Project Operations Committee. Among other items, the Proposed Annual Operating Budget prepared by Manager shall recommend rental rates by unit types consistent with the Project Management Agreement, and identify the number of employees for the Student Housing Facilities to be employed by Manager, the compensation and fringe benefits for such employees, the Management Fee, taxes, insurance, the cost of any bond or other assurance of payment required from time to time pursuant to the Act, marketing and other promotional expenses, maintenance expenses, utility costs, costs for supplies, capital improvement expenditures, furniture, fixture and equipment expenses, the residence life plan program expenses, and other Operating Expenses, and shall indicate the amount to be expended for each line item on a monthly basis.

(b) Manager’s submission of the Proposed Annual Operating Budget to the Project Operations Committee shall include reasonable substantiation of projected Operating Costs and, to the extent that any such costs are projected to exceed the amounts provided for in the Operating Pro Forma, shall explain in reasonable detail the reason for such increase. In addition, to the extent the Proposed Annual Operating Budget recommends rental rates for the Student Housing Facilities that exceed the rates set forth in the Operating Pro Forma, Manager shall include an explanation, in reasonable detail, of the basis for concluding that such rates are reasonable housing rates for the Student Housing Facilities.

(c) If the Project Operations Committee does not approve the Proposed Annual Operating Budget Plan then it shall state the basis for its objections and Manager shall make appropriate revisions and resubmit the Proposed Operating Budget to the Project Operations Committee. The parties shall repeat this process until a Proposed Operating Budget has been approved by the Project Operations Committee, provided that if the Manager and the Project
Operations Committee fail to reach agreement not later than one hundred twenty (120) days prior to the commencement of the next Annual Period, the Annual Operating Budget for the then current Annual Period shall be increased by the Applicable CPI Amount and implemented for the next Annual Period until agreement is reached on the new Annual Operating Budget.

(d) The Proposed Annual Operating Budget approved by the Manager and the Project Operations shall be the final Annual Operating Budget, following which the Owner, the Manager and the Project Operations Committee shall execute a certification approving the Annual Operating Budget and shall promptly deliver such certification, together with the approved Annual Operating Budget, to each other.

(e) The Manager shall manage and operate the Student Housing Facility pursuant to the Annual Operating Budget. The Manager shall, however, have the option to reasonably reallocate amounts among the various budget categories in the Annual Operating Budget, provided that such reallocation does not exceed five (5%) percent of the amount of such budget category set forth in the Annual Operating Budget, and the total amount of the Annual Operating Budget shall not be exceeded as a result thereof.

(f) Any amendment to the Annual Operating Budget required as a result of any necessary increases in Operating Expenses during any Annual Period shall be approved in accordance with the terms set forth herein for approval of the Annual Operating Budget. To the extent a Student Housing Facility is not Substantially Complete on or before the Outside Completion Date, the Annual Operating Budget for the first Annual Period shall be adjusted (and if necessary readjusted) to take into account such delayed opening.

(Section 2.10)

Financial Reports.

(a) Within ten (10) days after the end of each month commencing July 1, 2015, the University shall provide to the Owner and the Manager information regarding Revenues billed and amounts collected by the University, along with outstanding uncollected Revenues.

(b) Within thirty (30) days after the end of each month, the Manager shall provide to the Owner and the University unaudited financial reports for the Student Housing Facilities for such month in a format approved by Owner and the University. Such financial reports must include a balance sheet, a report of income and expenditures as compared to the Annual Operating Budget for the month and Annual Period to date, and a statement of cash flows in sufficient detail to indicate the financial condition of the Student Housing Facility. The expenditure reports shall include a summary of expenditures along with a corresponding general ledger that outlines expenditures by budgetary line item accounting codes.

(c) The Owner, University and Manager shall conference periodically, as reasonably requested by either of them (but not less frequently than twice in any Annual Period) to discuss the information contained in the monthly reports required herein to determine if any adjustments to the Annual Operating Budget are required. In addition, within one hundred twenty (120) days of the end of each Annual Period, the Owner shall provide the Manager and the University with a certified annual financial report for the Student Housing Facilities, containing a balance sheet,
income statement and statement of cash (including, among other things, cash held in the Operating Account), prepared in accordance with generally accepted accounting principles consistently applied. With respect to each Annual Period ending during the term of the Project Management Agreement, Owner will have the annual financial report audited by the independent certified public accounting firm acceptable to the Manager and the University.

(d) The Manager and University shall cooperate with Owner and provide all information reasonably necessary for completion of the annual financial report.

(Section 2.11)

Books and Records.

(a) The Manager shall keep accurate books and records of the Student Housing Facilities in accordance with generally accepted accounting principles consistently applied. The Manager shall retain such books and records for a period not less than the later of the date that is (i) six (6) years after termination of the Project Management Agreement, (ii) three (3) years after the Bonds shall have been paid and discharged and the Indenture shall have been terminated, and (iii) the date the books and records are required to be retained under the regulations and rulings promulgated under the Internal Revenue Code of 1986, as amended.

(b) The Manager shall cooperate with and shall supply to the Owner, and its auditors, any required information to enable the Owner, or its auditors, to prepare the year end financial statements and the audit report related thereto, all as required by the Bond Documents. The Owner and the University shall have the right from time to time to inspect the books and records of the Student Housing Facilities in Manager’s office at the Student Housing Facilities after reasonable prior notice to Manager. In addition to such inspection, the Owner and the University shall have the right, at its option and expense and during ordinary business hours and upon reasonable prior notice, to conduct audits of all such books and records pertaining to the Student Housing Facilities under the control of Manager, and Manager shall make all such books and records available to any reputable outside accounting firm identified by the Owner or the University. Audits may be made on a periodic basis and may be conducted by employees of the Owner or the University. Unless the Manager is in default under the Project Management Agreement or there exists other reasonable grounds, audits may be made not more often than once in any Annual Period. Audits may be conducted by employees of the Owner, the University or Manager, or by third party auditors engaged by the Owner, the University or Manager.

(Section 2.12)

Bond Documents and Ground Lease Controlling. Notwithstanding anything herein to the contrary, all student housing fees, charges and other amounts receivable in connection with the management and operation of the Student Housing Facilities will be collected, deposited and expended in accordance with the terms of the Bond Documents and the Ground Lease, it being specifically understood that the terms of the Ground Lease, and to the extent not consistent with the Ground Lease, the Bond Documents, shall control the terms hereof with respect thereto.

(Section 2.13)
**Resident Complaints.** All complaints from the University students within the Student Housing Facilities shall be directed to the University. Manager shall be required to respond to such complaints as directed by the University. *(Section 2.14)*

**Rules and Regulations.** Manager will comply with and enforce the rules and regulations prescribed by the University relating to activities of the student residents at its other student residential facilities. *(Section 2.15)*

**Returns Required by Law.** Manager shall execute and file punctually when due all forms and reports required by law relating to the employment of personnel and to the operation of the Student Housing Facilities and will reasonably assist Owner with any tax filings due with respect to the Student Housing Facilities. *(Section 2.16)*

**Security.** Manager and University shall work together so that the Student Housing Facilities are operated with special emphasis on maintaining a secure environment for all residents, staff and visitors. Manager and University shall develop jointly a security plan for the Student Housing Facilities, which plan shall be reviewed by Manager periodically but not less frequently than once in each Annual Period. Based on such reviews Manager shall propose to Owner and the University such modification and updates as Manager determines to be necessary or appropriate in accordance with the Project Management Standards. *(Section 2.18)*

**Emergency Response.** The University will be responsible for responding to security emergencies at the Student Housing Facilities. Such emergencies include, without limitation, fire, utility outage, drug overdose, suicide, assault, rape, criminal disturbance or other criminal activity. Manager shall be responsible for responding to emergencies relating to the operation or physical maintenance of the Student Housing Facilities, such as leaks, flooding, burst pipes or other impairments of the physical integrity or function of the Student Housing Facilities. Manager shall, in all events, provide such assistance and response as is typical for managers of student housing facilities and will be responsible for immediately notifying the University of any emergency. *(Section 2.19)*

**Residence Life Plan.** The University will implement and pay all costs and expenses associated with the residence life plan program established for the University students. Manager shall have no responsibility for the implementation of or the payment of the costs and expenses associated with the residence life plan program. The costs and expenses associated with the residence life plan or program specifically related to the Student Housing Facilities shall be Operating Expenses. *(Section 2.20)*

**Marketing.** Manager will engage in overall marketing and advertising of the Student Housing Facilities in a manner that is consistent with the marketing of student housing at other urban colleges and universities of comparable size. The costs of such marketing and advertising expenses will be treated as Operating Expenses to the extent provided in the Annual Budget. Manager’s marketing approach, campaign and materials, including flyers and website content, shall be approved in advance by the University. Manager shall keep the University informed and cooperate with the University in its marketing efforts. *(Section 2.21)*
**University Temporary Housing Expenses.** The parties acknowledge that the Student Housing Facilities may not be Substantially Complete on or before the applicable Outside Completion Dates and that, to the extent practicable, the University shall endeavor to house Displaced Students in Available Capacity Units, and may also house Displaced Students in area motels and hotels for Owner’s benefit under the Student Housing Agreements, all as more particularly set forth in the Project Development Agreement. In such event, the applicable Annual Operating Budget shall provide for University Temporary Housing Expenses, to the extent that such amounts exceed any amounts paid or payable by Developer under the Project Development Agreement. (*Section 2.22*)

**University Collection of Student Housing Fees.** Owner requests that the University collect student housing fees, deposits, charges and other amounts under the Student Housing Agreements in accordance with the University’s then existing policies, as the agent for and on the Owner’s account, and directs the University to deposit all student housing fees and charges collected under the Student Housing Agreements as Revenues in the Receipts Fund established under the Indenture. Any application fees received by the University with respect to a student that takes occupancy in the Student Housing Facilities under the Student Housing Agreements shall be deposited as Revenues in the Receipts Fund within three (3) days after it is determined by the University that such student will or has taken occupancy in the Student Housing Facilities. In the event a student executes a Student Housing Agreement but does not take occupancy of a unit in the Student Housing Facilities, any application fees received by the University will be retained by the University and shall not be considered Revenues or deposited in the Receipts Fund. Subject to the foregoing, all Revenues collected by the University on behalf of the Owner shall be deposited with the Trustee pursuant to the Bond Documents. Subject to the foregoing, the University shall collect all student housing fees, deposits, charges and other amounts as agent for and on behalf of the Owner under the Student Housing Agreements in connection with the management and operation of the Student Housing Facilities and deposit same as Revenues in the Receipts Fund within three (3) days of receipt. (*Section 3.1*)

**Collection of Revenues by Manager.**

(a) Manager covenants and agrees (a) that it shall collect all other Revenues (other than amounts to be collected by the University) and (b) to transfer all such Student Housing fees it collects to the Trustee for deposit in the Receipts Fund within three (3) days of receipt. The Owner hereby appoints Manager as its agent to collect Student Housing Facility fees and revenues (other than the student housing fees, deposits, charges and other amounts receivable collected by the University under the Student Housing Agreements), and directs Manager to deposit all Student Housing fees and revenues so collected in the Receipts Fund.

(b) Upon the receipt by the Manager of written notice by the Trustee of an Event of Default as provided and defined in the Indenture, all funds held by the Manager shall be immediately transferred to the Trustee. (*Section 3.2*)
Replacement Fund.

(a) The Replacement Fund established under the Indenture shall be funded as provided for in the Indenture. The deposits to the Replacement Fund required under the Indenture shall be reflected in the Annual Operating Budget. Amounts held in the Replacement Fund shall be used solely for the actual cost of repairing and/or replacing building systems or any parts thereof, equipment and other items of a capital nature, including, without limitation, the repair or refurbishing of common areas, required for the proper operation of the Premises and, in all instances, provided for in the Annual Capital Plan.

(b) Along with each Proposed Annual Operating Budget, Manager shall submit to the Owner, the University and the Project Operations Committee a certification as to the adequacy of the Replacement Fund and the scheduled deposits in light of the anticipated capital requirements of the Student Housing Facilities, as reasonably projected and as provided for in the Long Term Maintenance Plan. Such certification shall state the amount, if any, by which the annual deposits should be modified in order to adequately provide for the capital needs of the Student Housing Facilities, which amount shall be supported by Manager’s analysis in reasonable detail.

(c) Amounts in the Replacement Fund shall be withdrawn and applied in accordance with the Indenture.

(Section 3.3)

Operating Account. Manager, as the agent for Owner, shall establish the Operating Account for the payment of Operating Expenses. The Operating Account shall be funded as provided for in the Indenture. From the funds deposited in the Operating Account, the Manager will pay all Operating Expenses. (Section 3.4)

Administrative and Supervisory Expenses. All administrative and supervisory salaries and expenses and other management overhead expenses of Manager (other than expenses for on-site employees and site related supervision by the regional director of Manager) will be borne by Manager out of its own funds and will not be treated as Operating Expenses. However, when it is to the financial benefit of the Student Housing Facilities, normal on-site duties and expenses (including but not limited to staff, bookkeeping, accounting services, clerical, office supplies and equipment, telephone and postage) may be performed off-site and paid for, to the extent approved by the Owner and the University, and treated as Operating Expenses in accordance with the Annual Operating Budget. In addition, when feasible and to the financial benefit of the Student Housing Facilities, certain functions and services (including but not limited to yard, cleaning and maintenance personnel, service and equipment, protection or security service, social worker and/or social agencies, or regional director) will be shared with other projects, and the cost will be prorated on an equitable basis and charged to the Student Housing Facilities. Except as stated above, Manager shall not be entitled to reimbursement with respect to off-site employees or corporate office expense. (Section 4.1)

Overhead Expenses. The overhead expenses of Manager that will be borne by Manager out of its own funds and which will not be treated as Operating Expenses, shall include (a) compensation of central office or off-site personnel employed or contracted by Manager; (b) rent
for off-site offices utilized by Manager; telephone and utility charges incurred at such offices; office supplies; rent for and repair and maintenance of office machines used at such offices; postage used at such offices not attributable to the Project; any rental for or allocation of depreciation or amortization of any properties owned by or leased by Manager and used in performance of its duties hereunder, (c) premiums and deductibles associated with employee dishonesty insurance on Manager’s employees not associated with the Student Housing Facilities, and (d) premiums and deductibles for general liability, worker’s compensation, or other such insurance carried by Manager not associated with the Student Housing Facilities. Except as stated above, the Manager shall not be entitled to reimbursement with respect to off-site employees or corporate office expense. (Section 4.2)

Subordinated Management Fee. Notwithstanding anything to the contrary in the Project Management Agreement, in the event that at the end of any Annual Period the funds available for the payment of Operating Expenses, (including, to the extent available, amounts held in any reserve funds under the Indenture) are insufficient for the payment of the Subordinated Management Fees then payment of such amounts shall be deferred to the extent necessary and shall be payable to Manager solely out of Surplus Cash Flow in accordance with the Indenture, provided that any deferred amounts in respect of the Management Fee shall be due and payable by the Company out of any available funds as a termination fee upon the expiration or termination of the Project Management Agreement. (Section 5.1)

Subordinated University Operating Expenses. In the event that at the end of any Annual Period the funds available for payment of Operating Expenses (including, to the extent available, amounts held in any reserve funds under the Indenture) are insufficient for the timely payment to the University of the amounts set forth below notwithstanding the subordination of the Management Fees, then payment to the University, as Operating Expenses, of the following amounts shall be deferred to the extent necessary and shall be payable out of Surplus Cash Flow in accordance with the Indenture:

(i) Amounts due in respect of utility services to the Student Housing Facilities advanced by the University (that are not directly billed to the residents);

(ii) Amounts due in respect of landscaping and grounds maintenance (including snow removal) provided by the University to the Student Housing Facilities;

(iii) Amounts due in respect of security services provided by the University to the Student Housing Facilities; and

(iv) Such other amounts as the University, the Owner and the Manager shall have agreed in writing.

(Section 5.2)

Management Offices. Manager shall maintain and staff management offices at the Student Housing Facilities. (Section 6.1)
**University Facilities.** Manager shall provide the Management Services for the University Facilities during the Operating Period except to the extent precluded by or inconsistent with the University’s use thereof. *(Section 6.2)*

**Indemnification of Owner.** Manager shall assume all risk of and responsibility for, and agrees to defend, indemnify and hold harmless the Owner, including its trustees, officers, directors, employees, volunteers and agent from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses (including reasonable attorney’s fees) in connection therewith on account of the loss of life, property, or injury or damage to the person, body or property, of any person or persons whatsoever, which shall arise from or result directly or indirectly from (1) any breach or default by Manager in performing any of its obligations under the Project Management Agreement, and/or (2) any actual or alleged negligent, intentionally tortious or other act or omission of Manager or any of its officers, agents, contractors, servants, employees, tenants, subtenants, licensees or invitees. This indemnification obligation is not limited by, but is in addition to the insurance obligations contained in the Project Management Agreement. This indemnification shall survive the expiration or termination of the Project Management Agreement. *(Section 7.1)*

**Indemnification of University.** Manager shall assume all risk of and responsibility for, and agrees to defend, indemnify and hold harmless the University and the State of New Jersey, including their trustees, officers, directors, employees, volunteers and agent from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses (including reasonable attorney’s fees) in connection therewith on account of the loss of life, property, or injury or damage to the person, body or property, of any person or persons whatsoever, which shall arise from or result directly or indirectly from (1) any breach or default by Manager in performing any of its obligations under the Project Management Agreement, and (2) any actual or alleged negligent, intentionally tortious or other act or omission of Manager or any of its officers, agents, contractors, servants, employees, tenants, subtenants, licensees or invitees from and after the Effective Date of the Project Management Agreement. This indemnification obligation is not limited by, but is in addition to the insurance obligations contained in the Project Management Agreement. This indemnification shall survive the expiration or termination of the Project Management Agreement. *(Section 7.2)*

**Indemnification of Manager.**

(a) Owner agrees to defend, indemnify and hold harmless Manager, including its trustees, officers, directors, employees, volunteers and agent from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses (including reasonable attorney’s fees) in connection therewith on account of the loss of life, property, or injury or damage to the person, body or property, of any person or persons whatsoever, which shall arise from or result directly or indirectly from (1) any breach or default by Owner in performing any of its obligations under the Project Management Agreement, and/or (2) any willfully negligent or intentionally tortious act or omission of Owner or any of its officers, agents, contractors, servants, employees, tenants, subtenants, licensees or invitees. This indemnification shall survive the expiration or termination of the Project Management Agreement.
(b) To the extent permitted by law, the University agrees to defend, indemnify and hold harmless Manager, including its trustees, officers, directors, employees, volunteers and agent from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses (including reasonable attorney’s fees) in connection therewith on account of the loss of life, property, or injury or damage to the person, body or property, of any person or persons whatsoever, which shall arise from or result directly or indirectly from (1) any breach or default by the University in performing any of its obligations under the Project Management Agreement, and/or (2) any willfully negligent or intentionally tortious act or omission of the University or any of its officers, agents, contractors, servants, employees, tenants, subtenants, licensees or invitees. This indemnification shall survive the expiration or termination of the Project Management Agreement.

(Section 7.3)

Release; Waiver of Subrogation. Each party agrees not to make a claim or seek recovery hereunder for any loss or damage to its property or the property of others to the extent of any recovery by such party in respect of such loss or damage under any policy of insurance maintained for such party’s benefit in accordance with the Project Documents, provided that such insurance policy does not prohibit a waiver of subrogation and is not otherwise impaired by the Project Management Agreement not to make a claim. (Section 7.4)

Coverage to be Maintained by Manager.

(a) All insurance coverage required under the Project Management Agreement is subject to the approval of the Owner and the University and shall be issued by an insurance company authorized to do business in the State of New Jersey and which maintains an A.M. Best rating of A- (IX) or better. Manager shall provide the Owner, the Trustee and the University with current certificates of insurance for all coverage and renewals thereof which must contain the provision that the insurance provided in the certificate shall not be modified, canceled or terminated for any reason except after thirty (30) days (ten (10) days for non-payment of premium) written notice to the Owner and the University. The Manager will promptly forward any notices of cancellation received from the insurance companies to the Owner and the University. All insurance required herein shall contain a waiver of subrogation in favor of the Owner and the University. All insurance required herein, except workers’ compensation, shall name the Owner, University, the Trustee and the State of New Jersey as additional insureds.

(b) Manager shall secure and maintain in force or cause to be secured and maintained in force for the term of the Project Management Agreement, the insurance coverage provided below:

(i) Commercial general liability insurance written on an occurrence form including independent contractor liability, products/completed operations liability, contractual liability, covering but not limited to the liability assumed under the indemnification provisions of this contract. The minimum limits of liability shall not be less than a combined single limit of one million dollars ($1,000,000) per occurrence, three million dollars ($3,000,000) general aggregate, two million dollars ($2,000,000) product/completed operations aggregate. Coverage shall be primary and non-contributory to any insurance or self-insurance maintained by Owner,
the University, the Trustee, the Authority or the University. A waiver of subrogation shall also apply in favor of the foregoing parties. A “per location or project endorsement” shall be included, so that the general aggregate limit applies separately to the location or project that is the subject of this contract.

(ii) Comprehensive automobile liability covering owned, non-owned, and hired vehicles. The limits of liability shall not be less than a combined single limit of one million dollars ($1,000,000) per occurrence.

(iii) Worker’s compensation insurance applicable to the laws of the State of New Jersey and other State or Federal jurisdiction required to protect the employees of the contracting party and any subcontractor who will be engaged in the performance of this contract. The certificate must so indicate that no proprietor, partner, executive officer or member is excluded. This insurance shall include employers’ liability protection with a limit of liability not less than one million dollars ($1,000,000) bodily injury, each occurrence, one million dollars ($1,000,000) disease, each employee, and one million dollars ($1,000,000) disease, aggregate limit. Lower primary limits will be accepted if employer’s liability insurance is included under the umbrella insurance and the umbrella limit exceeds the employer’s liability limit requirements.

(iv) Excess liability, umbrella insurance – follow form, applying excess of primary to the commercial general liability, commercial automobile liability and employer’s liability insurance shall be provided with minimum limits of twenty million dollars ($20,000,000) per occurrence, twenty million dollars ($20,000,000) general aggregate, and twenty million dollars ($20,000,000) products/completed operations, with deductible provisions not to exceed twenty-five thousand dollars ($25,000) per occurrence.

(v) Employee dishonesty insurance including theft of client property coverage in an amount not less than five million dollars ($5,000,000), with deductible provisions not to exceed twenty-five thousand dollars ($25,000) per occurrence, wire transfer insurance in an amount not less than five hundred thousand dollars ($500,000), with deductible provisions not to exceed ten thousand dollars ($10,000) per occurrence, theft/destruction insurance in an amount not less than five hundred thousand dollars ($500,000), with deductible provisions not to exceed ten thousand dollars ($10,000) per occurrence, and computer fraud insurance in an amount not less than five million dollars ($5,000,000), with deductible provisions not to exceed twenty-five thousand dollars ($25,000) per occurrence, all in form and substance and with an insurer reasonably approved by the Owner and the University.

(c) Manager shall require all subcontractors to comply with all of the insurance requirements described subsections (i), (ii), (iii) and (iv) of Subsection 8.1(b) above. Manager shall determine the amount of excess liability it will require its subcontractors to carry. Manager shall be responsible for obtaining certificates of insurance for all coverage and renewals thereof for each subcontractor prior to the subcontractor’s beginning work on a Student Housing Facility. Manager shall provide copies of all subcontractor certificates of insurance to the Owner, the Trustee and the University upon request. In any event, the premiums and deductibles associated with the provision of insurance shall be a cost of the Student Housing Facilities with no liability on the Manager’s part for such cost.

(Section 8.1)
Coverage Required Under the Ground Lease and Bond Documents. In addition to the coverages required under Section 8.1, unless directed otherwise by Owner, with the consent of the University and the Trustee, Manager shall obtain and maintain the insurance coverages required of Owner under the Ground Lease and the Bond Documents. The loss payable provisions and other terms and conditions of such coverages shall comply with the requirements of the Ground Lease and the Bond Documents and shall provide that no act or omission by the Manager or Owner shall in any way prejudice the rights of the Trustee or University under the property and business income coverage or any other required policies. Manager shall be named as an additional insured on all liability policies procured under the Ground Lease or the Bond Documents except for workers compensation policies. (Section 8.2)

Fees to Manager.

(a) Manager’s sole compensation for the Management Services shall be the annual Management Fee.

(b) The amount of the Management Fee shall be as follows:

(i) From June 1, 2015 until Substantial Completion of the West Campus Student Housing Facility the Management Fee shall be in the amount of Fifty-Five Thousand Dollars ($55,000) per annum, pro rated as applicable

(ii) From Substantial Completion of the West Campus Student Housing Facility until the first anniversary thereof the Management Fee shall be in the amount of Two Hundred Sixteen Thousand Dollars ($216,000) per annum.

(iii) Commencing on the first anniversary of the Substantial Completion of the West Campus Student Housing Facility and on each subsequent anniversary thereof, the amount of the annual Management Fee shall adjusted to reflect the Applicable CPI Adjustment.

(c) The Management Fee shall be paid annually in installments follows:

(i) Fifty percent (50%) of the Management Fee shall be paid in equal monthly installments, in arrears, out of the Operating Account as an Operating Expense, commencing on July 1, 2015. The remaining fifty percent (50%) of the Management Fee (the “Subordinated Management Fees”) shall be paid on a subordinated basis at the end of each Annual Period or otherwise as provided in the Project Management Agreement.

(d) The Management Fee is intended to meet the requirements of section 5.03(1) of Revenue Procedure 97-13.

(Section 9.2)

Manager Compliance. The Manager and its employees, agents and contractors shall comply with all applicable local, University, state and federal laws, ordinances and regulations applicable to the performance of its duties under the Project Management Agreement. (Section 10.1)
**Owner Compliance.** The Owner and its employees, agents and contractors shall comply with all applicable local, University, state and federal laws, ordinances and regulations applicable to the performance of its duties under the Project Management Agreement. (Section 10.2)

**University Compliance.** The University and its employees, agents and contractors shall comply with all applicable local, University, state and federal laws, ordinances and regulations applicable to the performance of its duties under the Project Management Agreement. (Section 10.3)

**Limitations.** Notwithstanding the authority granted to the Manager in the foregoing provisions of the Project Management Agreement, Manager shall not have the authority and shall not do any of the following without the prior written consent of Owner and University in each instance:

(a) Enter into any contract which is not cancelable on ninety (90) days notice or immediately for cause; or

(b) Enter into any contract that is not in accordance with the Annual Operating Budget; or

(c) Institute any legal action without the Owner’s and the University’s consent; or

(d) Expend, incur or commit any funds other than in accordance with the Annual Operating Budget (other than Emergency Repairs); or

(e) Execute any deed, note, mortgage or security agreement binding on the Owner or the University or affecting the Student Housing Facilities; or

(f) Commit or allow any act or omission which results in the imposition of any lien or encumbrance on the Student Housing Facilities, provided that Manager shall not be responsible for liens filed by vendors as a result of insufficient Project revenues; or

(g) Sell, transfer or otherwise dispose of all or any portion of the Student Housing Facilities (other than dispositions of minor property in the ordinary course of business); or

(h) Commit or permit waste of the Student Housing Facilities; or

(i) Engage in or take any other actions or activities that Manager is precluded from undertaking pursuant to the Project Management Agreement, the Bond Documents or the Ground Lease.

(Section 11.1)

**Events of Default.** The occurrence of any of the following shall constitute an “Event of Default”:

(a) Manager fails to pay any amount required to be paid hereunder when and as the same become due and payable and such default shall continue for a period of five (5) days after receipt by Manager of written notice thereof by Owner to Manager;
(b) Manager misappropriates any funds (including, without limitation, student housing fees, deposits, charges, other amounts receivable, insurance proceeds or condemnation awards) or other property of Owner or the University or commits fraud, bad faith, willful misconduct or is convicted of a felony;

(c) Manager shall commit or suffer material and intentional waste of a Student Housing Facility or any portion thereof which shall not have been cured within five (5) days’ notice thereof;

(d) Manager or any principal of Manager is charged with any criminal conduct involving moral turpitude, whether or not associated with the management of the Student Housing Facilities;

(e) If a receiver, liquidator or trustee of Manager is appointed by court order or if a petition is filed by or against Manager under any bankruptcy, reorganization or insolvency laws and if such petition is involuntary, or if Manager makes an assignment for the benefit of creditors or is adjudicated bankrupt under the federal bankruptcy laws, or if Manager becomes insolvent or admits in writing its inability to pay its debts generally as they become due;

(f) If any act or omission of Manager would result in the occurrence of a default under any Bond Documents; or

(g) Other than as set forth in (a) through (f) above, Manager fails to keep, observe or perform any covenant, agreement, term or provision of the Project Management Agreement to be kept, observed or performed by Manager and such default shall continue for a period of thirty (30) days after receipt by Manager of written notice thereof by Owner or the University to Manager, provided that the Project Management Agreement will not terminate if the breach is not reasonably curable within thirty (30) days and the Manager has proceeded within such period to actively, diligently and in good faith begin to cure such breach and continues thereafter to do so, and provided further that such default is cured no more than ninety (90) days after the Manager’s receipt of the written notice described above.

(Section 12.1)

Remedies.

(a) Upon the occurrence and continuance of an Event of Default, Owner or the University may exercise one or more of the following remedies:

(i) Terminate the Project Management Agreement by written notice stating a date certain upon which the Project Management Agreement shall terminate, in which case the Project Management Agreement shall expire and terminate upon such date as fully and completely as if such date were the stated expiration date of the Project Management Agreement;

(ii) Offset any amounts payable by Owner or the University to Manager against any amounts payable to Manager hereunder;
(iii) With or without terminating the Project Management Agreement bring an action for damages, specific performance or other injunctive relief; and/or

(iv) Exercise or seek such other rights or remedies as may be available under the Project Management Agreement, at law or in equity.

(b) In lieu of terminating the Project Management Agreement, the Project Management Agreement shall, at the sole option of the University, be assigned by the Owner to the University or its designee, whereupon the Manager shall be deemed to have withdrawn as manager hereunder.

(c) The remedies provided for in the Project Management Agreement shall be cumulative and the exercise of any particular remedy shall not preclude the simultaneous or subsequent exercise of any other rights or remedies or be deemed to be an exclusive election of remedies.

(d) Manager acknowledges that the retention by Owner or the University of a new manager for the Student Housing Facilities following the termination or expiration of the Project Management Agreement shall not relieve Manager of any obligations or liabilities accruing prior to, or stated to survive, such termination or expiration.

(Section 12.2)

Termination For Convenience. Notwithstanding any other provision of the Project Management Agreement, the Company may, with the consent of the University and shall, at the direction of the University, terminate the Project Management Agreement on thirty (30) days’ written notice for any of the following reasons:

(a) In the event the Owner is not recognized by the IRS as an organization exempt from Federal income tax under Section 501(c)(3) of the Code;

(b) In the event the Management Fee fails to meet the requirements of section 5.03(1) of Revenue Procedure 97-13;

(c) In the event the Bonds are discharged or defeased in full and the Ground Lease is terminated; or

(d) For any other reason determined by Owner or the University in its sole discretion.

(Section 13.1)

Termination Fee. In the event the Project Management Agreement is terminated pursuant to by the Owner for convenience then the Owner shall pay to the Manager a termination fee in an amount equal to the Management Fee to the date of termination, including any Subordinated Management Fees accrued to such date.  (Section 13.2)

Manager Termination Rights. Provided that Manager shall have complied with all of its obligations under the Project Management Agreement, in the event that:
(a) Any Management Fees that are due and payable and not in dispute shall not have been paid following thirty (30) days written notice to Owner and the University; or

(b) Other than as set forth in (a), Owner or the University fails to keep, observe or perform any covenant, agreement, term or provision of the Project Management Agreement to be kept, observed or performed by Owner or the University, as the case may be, and such default shall continue for a period of thirty (30) days after receipt by Owner and the University of written notice thereof by Manager (provided that if the breach is not reasonably curable within thirty (30) days and Owner or the University has proceeded within such period to actively, diligently and in good faith begin to cure such breach and continues thereafter to do so then such cure period shall be automatically extended until such cure is complete);

then, Manager may terminate the Project Management Agreement by not less than thirty (30) days’ written notice to Owner and the University stating a date certain upon which the Project Management Agreement shall terminate, in which case the Project Management Agreement shall expire and terminate upon such date as fully and completely as if such date were the stated expiration date of the Project Management Agreement, provided that if Owner or the University cures the asserted default before the stated termination date occurs then the termination notice shall be deemed withdrawn and the Project Management Agreement will remain in full force and effect. (Section 13.3)

Termination of Manager’s Right to Act. Upon termination of the Project Management Agreement for any reason or the expiration of the term hereof (or earlier expiration of the engagement and term of the Manager) according to the terms of the Project Management Agreement, the relationship created hereby shall immediately cease and Manager shall have no further right to act for Owner or the University or pursue any of the activities described in the Project Management Agreement. In the event of such termination or expiration, Manager agrees to fulfill all reporting, bookkeeping and related functions hereunder relating to the period prior to such termination or expiration. (Section 14.1)

Delivery of Materials. Upon termination or expiration of the Project Management Agreement, Manager forthwith (i) surrender and deliver to Owner possession of the Student Housing Facilities (it being acknowledged that no possessory right in respect of the Student Housing Facilities has been conveyed to Manager hereby), (ii) deliver to Owner all student housing fees, deposits and income in Manager’s possession or control in connection with any Student Housing Agreements and other monies of Owner on hand and in any bank account controlled solely by Manager, (iii) deliver to Owner, as received, any monies due Owner under the Project Management Agreement but received after such termination, (iv) deliver to Owner (or in accordance with Owner’s reasonable instructions) all materials and supplies, keys, copies of contracts, agreements and documents, and copies of such other accounting papers, books and records pertaining to the operation of the Student Housing Facilities as Owner may request, (v) assign any right Manager may have in and to any existing contracts and guarantees relating to the operation and maintenance of the Student Housing Facilities as Owner may request, (vi) deliver to Owner or Owner’s duly appointed agent all records, contracts, Student Housing Agreements, receipts for deposits and unpaid bills in existence at the time of termination and all other papers or documents that pertain to the Student Housing Facilities, and (vii) perform any other actions, or deliver any other documents, reasonably required hereunder upon termination of the Project
Management Agreement, including facilitating an orderly transition of management to a new manager of the Student Housing Facilities. (*Section 14.2*)

**Assignment by Owner.** The Owner shall not transfer, assign, pledge or hypothecate the Project Management Agreement or its rights, duties and obligations under the Project Management Agreement without the prior written approval of the University, in its sole and absolute discretion. Notwithstanding the foregoing, Owner may collaterally assign its interest in the Project Management Agreement to the Trustee as a condition of the Bond Financing without notice or approval from Manager or the University. (*Section 15.1*)

**Assignment by Manager.** The Manager shall not transfer, assign, pledge or hypothecate the Project Management Agreement or its rights, duties or obligations under the Project Management Agreement without the prior written approval of the Owner and the University, in their sole and absolute discretion. Manager is not prohibited from collaterally assigning to its lender Manager’s interest in any amounts actually paid to Manager under the Project Management Agreement, provided that no such assignment shall result in any such lender having any rights or remedies against Owner, the University or otherwise under the Project Management Agreement. (*Section 15.2*)

**General University Responsibility.** The University will provide or cause to be provided resident life services and staffing, housing fee collections, housing contract contracting services, front desk operations, security personnel and mail/package/delivery to (but not within) the Student Housing Facility, which shall be paid as Operating Expenses in accordance with the Annual Operating Budget. (*Section 16.1*)

**University Employees.** All matters pertaining to the employment, supervision, promotion and discharge of University employees are the responsibility of the University. The University may treat the gross salary and wages, payroll taxes, insurance, workers’ compensation and other benefits and costs of any of the University’s employees who are directly involved in the management or operation of the Student Housing Facilities as an Operating Expense (as such term is hereinafter defined) of the Student Housing Facilities, provided that (i) the number of employees shall not exceed that which is provided for in the Staffing Plan, (ii) such expenses shall have been identified in the Annual Operating Budget, and (iii) such costs do not exceed the budgeted amounts shown on the current Annual Operating Budget. (*Section 16.2*)

**Student Housing Agreements; Room Assignments.** The University will have full responsibility for entering into Student Housing Agreements on the then-current form of agreement in use by the University, as agent for and on behalf of the Owner, and for assignment of each student to a room within the Student Housing Facilities in accordance with the University’s then-applicable student housing policies. Following execution of any Student Housing Agreements and promptly after the University has issued a room assignment for a student with respect to the Student Housing Facilities (or, to the extent a Student Housing Facility is not Substantially Complete on or before the Outside Completion Date, the other housing to which such students are temporarily assigned as provided under the Ground Lease for Displaced Students (as such term is defined in the Project Development Agreement)), the University shall send a list of those students assigned to the Student Housing Facilities to the Owner and the Manager, together with their room assignments. (*Section 16.3*)
**Enforcement of Student Housing Agreements.** Owner delegates to the University, on behalf of the Owner, the responsibility for securing compliance by each resident with the terms of its Student Housing Agreement and the University agrees to use commercially reasonable efforts in accordance with then-applicable University policies to secure full compliance by each resident with the terms of its Student Housing Agreement. The University may, with prior notification to the Owner, lawfully terminate any resident when, in its judgment, sufficient cause (including but not limited to nonpayment of student housing fees and charges) for such termination occurs under the terms of such Student Housing Agreement or then-applicable University policies. For this purpose, the University is authorized to consult with legal counsel, to bring actions for removal and to execute notices to vacate and bring judicial proceedings incident to such actions in the name of and on behalf of the Owner, and the Owner shall cooperate with the University in connection therewith. Further, the University is authorized to sue for a recovery of student housing fees and charges and when expedient, to settle, compromise and release such actions or suits, or reinstate such licensees. The University shall keep the Owner and Manager informed of such actions and consult with the Owner with respect to the conduct of any such action. Attorney’s fees and other reasonable, customary and necessary costs incurred in connection with such actions will be paid as collection and billing services out of the Operating Account as Operating Expenses. *(Section 16.4)*

**Additional University Services.** In addition to the foregoing, the University shall (a) provide landscaping and grounds keeping services (including snow removal), and (b) advance, on Owner’s behalf, the cost of utility services to the Student Housing Facilities (that are not directly billed to the residents), provided that the University shall be repaid such amounts as Operating Expenses, subject to Section 5.2. *(Section 16.5)*

**No Discrimination.** Owner and Manager agree not to discriminate in employment and agrees to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A.10:5-1 et seq. and N.J.S.A.10:5-31 through 10:5-38, and all rules and regulations issued there under. *(Section 18.3)*

**Prevailing Wage.** Owner and Manager acknowledge and agree that the Prevailing Wage Rate regulations apply to the Project Management Agreement, and each agrees that it shall cause each lessee or entity that uses the Student Housing Facility to insert in any lease, management agreement and any other agreement relating to the use of the Student Housing Facility, the requirement that the Prevailing Wage Rate regulations apply; provided, however, this provision shall not apply to the students, faculty and staff of the University or to Student Housing Agreements. Owner and Manager represent and warrant that neither they nor any subcontractor they might employ to perform the work has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act. *(Section 18.4)*

**Americans With Disabilities Act Compliance.** Manager shall comply with all applicable provisions of the Americans With Disabilities Act (ADA), P.L. 101-336, in accordance with 42 U.S.C. 12101 et seq. 1.4, provided that the foregoing shall not be construed as making Manager responsible for the initial design or construction of the Student Housing Facilities, provided further, however, that in the event the initial design or construction of any Student Housing Facility does not comply with ADA then Manager shall, subject to and in accordance with the
terms of the Project Management Agreement, cause such non-compliance to be cured. (Section 18.5)

**Limitation on Claims.** The Owner and Manager acknowledge that University is an agency of the State of New Jersey and all claims must be resolved in accordance with New Jersey State law. Any agreement or arrangement signed or entered into on behalf of the State of New Jersey by a State official or employee shall be subject to all of the provisions of the New Jersey Torts 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. The State of New Jersey does not carry public liability insurance, but the liability of the State and the obligations of the State to be responsible for tort claims against its agencies and employees are covered under the terms and provisions of the New Jersey Tort Claims Act. The New Jersey Tort Claims Act also creates a special self-insurance fund and provides for payment and claims against the State of New Jersey against its employees for which the State of New Jersey is obligated to indemnify against tort claims which arise out of the performance of their duties. Claims against the University or its employees must be referred for handling to the Attorney General, Division of Law, Claims Service Section, Richard Hughes Complex, Trenton, New Jersey 08625. Furthermore, the State of New Jersey self funds for Workers Compensation and Disability. In addition, any claims against or liabilities of the University are limited as provided for in the Ground Lease, which limitations are incorporated in the Project Management Agreement. (Section 18.6)

**Maintenance of Records.** Manager shall maintain records for products and/or services delivered to the University and pursuant to the Agreement for a period commencing on the Effective Date and ending the later of the date that is (i) six (6) years after termination of the Project Management Agreement, (ii) three (3) years after the Bonds shall have been paid and discharged and the Indenture shall have been terminated, and (iii) the date the books and records are required to be retained under the regulations and rulings promulgated under the Internal Revenue Code of 1986, as amended. Such records shall be made available to the University upon request for purposes of conducting an audit or for ascertaining information regarding dollar volume or number of transactions or, at the election of either Party, shall be delivered to the University upon termination of the Project Management Agreement. (Section 18.7)

**Standards Prohibiting Conflicts of Interest.** The following prohibitions on Manager’s activities shall apply to all contracts or purchase agreements made with the University, pursuant to Executive Order No. 189 (1988):

(a) Manager shall not pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any University officer or employee or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such University officer or employee, or partnership, firm or corporation with which they are employed or associated, or in which such University officer or employee has an interest within the meaning of N.J.S.A. 52:13D-13g.

(b) The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any University officer or employee from Manager shall be reported in writing forthwith by the contractor to the Attorney General and the Executive Commission on Ethical Standards.
(c) Manager may not, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in Manager to any University officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the University, or with any person, firm or entity with which he or she is employed or associated or in which he or she has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the University officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

(d) Manager shall not influence, or attempt to influence or cause to be influenced, any University officer or employee in his or her official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.

(e) Manager shall not cause or influence, or attempt to cause or influence, any University officer or employee to use, or attempt to use, his or her official position to secure unwarranted privileges or advantages for Manager or any other person.

(f) The provisions cited above in sections (a) through (e) shall not be construed to prohibit a University officer or employee from receiving gifts from or contracting with Manager under the same terms and conditions as are offered or made available to members of the general public promulgate under paragraph (iii) above.

(Section 18.8)

Compliance with the New Jersey Economic Stimulus Act. Manager shall comply with the New Jersey Economic Stimulus Act, P.L. 2009, Ch. 90, Section 43.c, as amended, which, among other things, requires each worker employed in building maintenance services by a private entity that has entered into a public-private partnership agreement with a State college or university to be paid not less than the prevailing wage rate for the worker’s craft or trade as determined by the Commissioner of Labor and Workforce development pursuant to N.J.S.A. 34:11-56.25. et. seq. and 56.58, et. seq.; and to enter into a project labor agreement. Manager agrees the project labor agreement shall be subject to N.J.S.A. 52:38-1, et. seq. and be in a manner that to the greatest extent possible enhances employment opportunities for the individuals residing in Hudson County. Without limiting the foregoing, to the extent and during such periods as may be required pursuant to the Act, Manager shall also obtain and maintain, or cause to be obtained and maintained, any bond required pursuant to the Act, provided that the cost of such bond shall be an Operating Expense. (Section 18.9)

Limitation on Liability of Owner and Its Sole Member.

(a) Notwithstanding any provision of the Project Management Agreement or applicable law to the contrary, in exercising or enforcing any and all rights and remedies against Owner or otherwise in connection with or with respect to the Project Management Agreement or any of the matters described in the Project Management Agreement, and regardless of any
default or Event of Default, Manager and the University shall under all circumstances (a) have recourse to Owner’s interest in the Project Management Agreement, the Premises, the Lease, the Contract Documents, the Deliverable Documents, the Design Agreements, the Project Documents, the Approvals, the Development Agreement, the Subleases, the Student Housing Agreements, the rent under the Subleases not yet paid to or received by Owner, the Student Housing Fees not yet paid to or received by Owner and any other revenue from any of the foregoing not yet paid to or received by Owner, and (b) not seek to exercise or enforce any rights or remedies against Owner personally or Owner’s other assets. The provisions of this Section 18.10 shall survive any termination of the Project Management Agreement.

(b) Notwithstanding any provision of the Project Management Agreement or applicable law to the contrary, under all circumstances and regardless of any default or Event of Default, (a) no direct or indirect Affiliate, member, manager, partner, shareholder, trustee, beneficiary, other owner, organizer, director, officer, employee, representative or agent of Owner (including New Jersey City University Foundation, Inc., also known as NJCU Foundation or NJCU Foundation, Inc.) or of an Affiliate of Owner shall have any liability or obligation to Manager or the University or any other Person in connection with or with respect to Owner, the Project Management Agreement, the Premises, the Project, the Act, the RFP, the Proposal, the Project Financing, the Project Financing Documents, the Indenture, the Bonds, the Bond Documents, the Lease, the Contract Documents, the Deliverable Documents, the Design Agreements, the Project Documents, the Approvals, the Development Agreement, the Student Housing Facilities, the Subleases, the Student Housing Agreements, any rent under the Subleases, any Student Housing Fees, any other revenue from any of the foregoing, the Consent Decree, the NFA, the Remediation Requirements, any Environmental Laws or Hazardous Materials, or any other matters described in the Project Management Agreement, or any acts or omissions in connection with any of the foregoing, (b) Developer and the University hereby irrevocably release all such Persons from any and all such liability or obligation, and (c) Developer and the University shall have no recourse to, and agrees not to seek to exercise or enforce any rights or remedies against, any such Persons in connection with or with respect to any of the foregoing. The provisions of this Section 18.10 are also for the benefit of and enforceable by all such Persons and shall survive any termination of the Project Management Agreement.

(c) Capitalized terms used in this Section 18.10 that are not defined in the Project Management Agreement shall have the respective meanings ascribed to such terms in the Development Agreement.

(Section 18.10)

Manager’s Inability to Perform Due to Revenue Shortfall. Manager shall not be in default under the Project Management Agreement for failure to perform the Management Services to the extent that such failure is due to the insufficiency of available funds, provided that (i) Manager is otherwise complying with the terms of the Project Management Agreement, including adherence to the expense limitations provided for in the applicable Annual Operating Budget, as they may be reallocated in accordance with the Project Management Agreement, and in the applicable Plans, (ii) Manager shall have notified the University and Owner promptly upon learning of, or reasonably anticipating, such insufficiency, (iii) Manager shall be making commercially
reasonable efforts to mitigate the effect of such deficiency in available funds, including making recommendations to the Project Operations Committee for modifications to the applicable Annual Operating Budget and applicable Plans, and (iv) the need for the affected Management Service is not due to a failure of the Manager to perform previously required Management Services in accordance with the requirements of the Project Management Agreement or otherwise due to the negligence, breach or misconduct of the Manager. *(Section 18.14)*
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TRUST INDENTURE

This TRUST INDENTURE, dated as of March 1, 2015 (together with any amendments hereto, the “Indenture”), is between the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic constituted as an instrumentality of the State of New Jersey (the “Authority”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, with fiduciary and trust powers in the State of New Jersey, having a corporate trust office in Morristown, New Jersey and duly authorized to accept and execute documents governing trusts, as trustee (the “Trustee”).

WHEREAS, the Authority, to accomplish the purposes of the Act, is empowered to develop, encourage, and promote business and commerce in New Jersey; to aid in the renovation, furnishing and equipping of student housing, food service, and certain utilities and services in support thereof, to locate, remain or expand within the State; and otherwise contribute to the economic prosperity, health and general welfare of the State and its inhabitants by inducing manufacturing, industrial, commercial, recreational, retail, and service and other employment promoting enterprises by making available financial assistance, to locate, remain or expand within the State; and

WHEREAS, the Authority was created to aid in addressing the foregoing and further to implement the purposes of the Act, and the Legislature has determined and declared as a matter of express legislative determination that the authority and powers conferred upon the Authority hereunder, the “Indenture”), is between the Authority, to accomplish the purposes of the Act, to be located on a portion of the campus of the New Jersey City University located in the City of Jersey City, Hudson County, New Jersey; and

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Schedule 1 Payments from the Capitalized Interest Fund

Schedule 2 Replacement Fund Requirement

WHEREAS, the Authority has determined to loan the Company $50,645,000 and to issue $50,320,000 aggregate principal amount of its Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project) Series 2015A (the “Series 2015A Bonds”) and $325,000 aggregate principal amount of its Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project) Series 2015B (Federally Taxable) (the “Series 2015B Bonds”); the Series 2015A Bonds and the Series 2015B Bonds shall be referred to collectively herein as the “Series 2015 Bonds”) in order to: (a) finance the Costs of the Facilities (as defined herein); (b) fund a deposit to the Debt Service Reserve Fund for the Bonds; (c) pay capitalized interest on the Series 2015 Bonds; and (d) pay costs of issuance of the Series 2015 Bonds (collectively, the “Project”); and

WHEREAS, the Authority at a meeting thereof duly convened and held on January 13, 2015 has duly authorized the execution and delivery of this Indenture and the issuance thereunder of the Series 2015 Bonds upon and subject to the terms and conditions hereinafter set forth; and

WHEREAS, all acts and things have been done and performed, which are necessary to make the Bonds, when executed and issued by the Authority, authenticated by the Trustee and delivered, the valid and binding legal obligations of the Authority in accordance with their terms and to make this Indenture a valid and binding agreement for the security of the Bonds authenticated and delivered under this Indenture;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Authority and the Trustee hereby covenant and agree as follows:

ARTICLE I.

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions

All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the preamble hereto or in the Agreement. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

“Act” shall have the meaning assigned and ascribed to such term as set forth in the preamble to this Indenture;

“Additional Bonds” means any additional Bonds authorized to be issued by the Authority, subsequent to the date of issuance of the Series 2015 Bonds, pursuant to the terms and conditions of this Indenture;

“Affirmative Action Program” shall mean the provisions of the Act, and the resolutions, rules and regulations of the Authority, as adopted, amended and supplemented from time to time, requiring that the Company and all contractors make every effort to hire minority workers or to cause minority workers to be hired for employment in performance of Construction
Contracts in fulfillment of the minority employment goals fixed by the Authority, and that the Company and all contractors file such certificates, reports and records and do other prescribed acts as are necessary to demonstrate or assure compliance.

"Agreement" means the Loan Agreement dated as of March 1, 2015, by and between the Company and the Authority, including any amendments and supplements thereof and thereto as permitted thereunder.

"Annual Audit" means the annual audit of the Company prepared by a certified public accountant, which shall include, but not be limited to, the operations of the Facilities, as set forth in Section 6.8 of the Agreement.

"Annual Debt Service Requirements" means, as of the date of calculation, the total amount of Debt Service during each Annual Period.

"Annual Ground Rent" means the periodic amount of rent payable by the Company to the University on each Surplus Cash Flow Application Date, as calculated pursuant to the terms and provisions of the Lease.

"Annual Operating Budget" means the annual operating budget of the Facilities, which has been approved as provided in the Management Agreement. To the extent the Facilities are not Substantially Complete by the Outside Completion Date, the Annual Operating Budget for the first Annual Period shall be adjusted (and if necessary readjusted) to take into account such delayed opening.

"Annual Period" means the period of twelve consecutive months beginning on July 1 and ending on the next succeeding June 30 of each year.

"Arbitrage Certificate" means the Arbitrage Certificate of the Authority, dated the Closing Date, and acknowledged as to receipt of a copy of the Trustee.

"Assignment" means the Assignment of Leases from the Company to the Trustee, dated as of March 1, 2015.

"Assignment of Contract Documents" means the Assignment of Contract Documents, from the Company, the Manager and the Developer to the Trustee, dated as of March 1, 2015.

"Authority" shall have the meaning assigned and ascribed to such term as set forth in the preamble to this Indenture, including its successors and assigns.

"Authorized Authority Representative" means the person(s) at the time designated to act under the Agreement and this Indenture on behalf of the Authority by a written certificate furnished to the Company and the Trustee containing the specimen signature of such person(s) and signed on behalf of the Authority by the Chairman, Vice Chairman, Executive Director or such other officers as authorized by resolution of the Authority. Such certificate may designate an alternate or alternates.

"Certificate of Substantial Completion" means the certificate filed by the Company with the Trustee upon Substantial Completion of the Facilities, in the form attached as Exhibit E-1 to the Agreement.

"Closing Date" means the date on which the Bonds were delivered and payment therefor was received by the Authority.


"Company" shall have the meaning assigned and ascribed to such term as set forth in the recitals to this Agreement and also includes every successor company and assign of the Company until payment or provision for the payment of all Bonds.

"Construction Account" means the account established within the Project Fund under Section 4.1.

"Construction Contract" shall mean, for purposes of the Prevailing Wage Provision, the Facilities Construction Contract and any other contract or subcontract in the amount of $2,000 or more for construction, reconstruction, demolition, alteration, repair, or maintenance work, including painting and decorating, undertaken in connection with the Project and shall mean, for purposes of the Affirmative Action Program and the Facilities Construction Contract any other contract or subcontract for construction, reconstruction, renovation or rehabilitation undertaken in connection with the Project.

"Contractor" shall mean the principal or general contractor or contractors engaged by the Developer in the performance of a Construction Contract.

"Costs of Issuance Account" means the account so designated which is established pursuant to Section 4.1 of the Indenture.

"Costs of the Facilities" means those costs incurred in connection with the design, construction, furnishing and equipping of the Facilities, including pre-opening expenses, Start Up Expenses and working capital (to the extent permitted by or with respect to the Series 2015A Bonds), the Authority project fee and, without intending thereby to limit or restrict any other contract or subcontract for construction, recreation, demolition, alteration, repair, or maintenance work, including painting and decorating, undertaken in connection with the Project and shall mean, for purposes of the Affirmative Action Program and the Facilities Construction Contract any other contract or subcontract for construction, reconstruction, renovation or rehabilitation undertaken in connection with the Project.

"Debt Service" means the principal or general contractor or contractors engaged by the Developer in the performance of a Construction Contract.

"Debt Service" means the sum of: (1) the amount required to pay the interest on the Series 2015 Bonds and any Additional Bonds and (2) the amount required to pay the principal of or sinking fund installment on the Series 2015 Bonds and any Additional Bonds.

"Authorized Company Representative" means any officer of the Member, or any other person designated as such by an instrument in writing signed by any officer of the Member.

"Authorized Denomination" means $5,000 and integral multiples thereof.

"Beneficial Owner" means, so long as a book-entry system of registration is in effect pursuant to Section 3.16 hereof, the actual purchaser of the Bonds.

"Bond Counsel" means McCarter & English, LLP, or any attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds that is acceptable to the Authority.

"Bond Documents" shall have the meaning set forth in Section 3.12 of this Indenture.

"Bond Proceeds Fund" means the fund of that name created in Section 4.1 of this Indenture.

"Bond Purchase Agreement" means the bond purchase agreement executed among the Authority, the Company and the Underwriter, relating to the purchase by the Underwriter of the Series 2015 Bonds.

"Bond Register" means, when used with respect to the Bonds, the registration books maintained by the Trustee pursuant to Section 3.8 of this Indenture.

"Bondholder" or "owner", when used with reference to a Bond or Bonds, means the registered owner of any outstanding Bond or Bonds.

"Bonds" means, collectively, the Series 2015 Bonds and any Additional Bonds issued pursuant to a supplemental Indenture as authorized hereby.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or the principal office of the Trustee are authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

"Capitalized Interest Fund" means the fund of that name created in Section 4.1 of this Indenture.

"Casualty" means the risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion, or otherwise.

"Certificate of Final Completion" means the certificate filed by the Company with the Trustee upon Final Completion of the Facilities, in the form attached as Exhibit E-2 to the Agreement.


"Company" means the person(s) and signed on behalf of the Authority by the Chairman, Vice Chairman, Executive Director or such other officers as authorized by resolution of the Authority. Such certificate may designate an alternate or alternates.

"Costs of Relocation" means the costs of acquiring by purchase, if deemed expedient, or leasing such lands, property, rights, rights-of-way, servitudes, easements, franchises and other interests as may be deemed necessary or convenient by the Authorized Company Representative for the construction, furnishing and equipping of the Facilities as described on Exhibit A to the Agreement, the cost of options and partial payments thereon, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved and the amount of any damages incurred or to consequent upon the construction of the Facilities; and

(c) the reasonable fees and expenses, including counsel fees of the Trustee for its services prior to and during construction, and premiums on insurance, if any, in connection with the Facilities;

(d) the cost of biddings and other preliminary investigations, if any, to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the Facilities and fees and expenses of engineers, architects, management consultants for making studies, surveys and estimates of cost and of revenues and other estimates, costs of environmental surveys, reports and remediation, and fees and expenses of engineers and architects for preparing plans and specifications and supervising construction as well as for the performance of all other duties of engineers and architects set forth herein in relation to the acquisition and construction of the Facilities and the issuance of the Bonds therefor;

(e) all other items of expense not elsewhere in this Section specified incident to the lease of the Land and the construction and equipping of the Facilities and the financing thereof, including professional fees of the Company and the University, moving expenses, the acquisition of lands, property, rights, rights-of-way, easements, franchises and interest in or relating to lands, including title insurance, cost of demand surveys, other surveys and other expenses in connection with such acquisition, legal fees and expenses, and expenses of administration and overhead, all properly chargeable, in the opinion of the Authorized Company Representative, to Costs of the Facilities;

(f) that portion of the development fee (including reimbursable expenses) payable to the Developer from proceeds of the Series 2015 Bonds, in accordance with the terms of the Project Development Agreement, including, without limitation, any performance bonus that may be payable upon completion of the Facilities; and

(g) any obligation or expense hereof or hereinafter incurred or paid by or on behalf of the Company for or in connection with any of the foregoing purposes.

"Debt Service" means the sum of: (1) the amount required to pay the interest on the Series 2015 Bonds and any Additional Bonds and (2) the amount required to pay the principal of or sinking fund installment on the Series 2015 Bonds and any Additional Bonds.

"Department" means the person(s) designated to act under the Agreement and this Indenture on behalf of the Authority by a written certificate furnished to the Company and the Trustee containing the specimen signature of such person(s) and signed on behalf of the Authority by the Chairman, Vice Chairman, Executive Director or such other officers as authorized by resolution of the Authority.
"Debt Service Coverage Ratio" means, for any Annual Period, the ratio determined by dividing the amount of Net Revenues of the Facilities for such period by the Annual Debt Service Requirements.

"Debt Service Fund" means the fund of that name created in Section 4.1 of this Indenture.

"Debt Service Reserve Fund" means the fund of that name created in Section 4.1 of this Indenture.

"Debt Service Reserve Fund Requirement" means, with respect to the Series 2015 Bonds, the lowest of (i) 10% of the proceeds of the Series 2015 Bonds and any Additional Bonds, (ii) 125% of the average Debt Service on the Series 2015 Bonds and any Additional Bonds during each Annual Period, or (iii) the maximum Annual Debt Service Requirement with respect to the Series 2015 Bonds and any Additional Bonds during any current or future Annual Period.

"Deference Obligations" means noncallable direct obligations of the United States of America (including direct obligations of the United States of America which have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities) or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

"Developer" means AUDG Jersey City, LLC, a Georgia limited liability company, and its successors and assigns.

"Displaced Student" means a student of the University who has been assigned housing in the Facilities but who has been displaced into alternative housing (either within other housing on the University’s campus or at local hotels) due to the failure to complete any of the Facilities by the applicable Outside Completion Date.

"Event of Taxability" with respect to the Series 2015A Bonds and any Additional Bonds that are Tax-Exempt Bonds, means the final determination by the Internal Revenue Service, including any appeals and judicial proceeding, that concludes that interest on such Tax-Exempt Bonds or on any portion thereof is includable in the gross income of the owner thereof for Federal income tax purposes.

"Excess Development Funds" shall have the meaning set forth in the Project Development Agreement.

"Expropriation" means the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings.

"Facilities" means the housing and dining facilities and certain utilities and other related facilities described in Exhibit A to the Agreement, which are to be financed with the proceeds of the Bonds, and any other facilities that may be financed with the proceeds of Additional Bonds as described in the supplemental Indenture relating thereto.

"Management Company" means initially, AUDG Management, LLC, a Georgia limited liability company, and its successors and assigns, or such other entity as may be party to a subsequent Management Agreement.

"Management Fee" means the fee(s) payable to the Management Company pursuant to Section 9.2 of the Management Agreement.

"Member" means New Jersey City University Foundation, Incorporated, an organization exempt from the payment of federal income tax under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code, organized and existing under the laws of the State, or its successors or assigns, and the sole member of the Company.

" Moody’s " means Moody’s Investors Services, Inc., a New York corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “ Moody’s ” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with the approval of the Company.

"Mortgage" means the Leasehold Mortgage, Security Agreement and Fixture Filing, dated as of March 1, 2015, by the Company in favor of the Trustee, to secure the Series 2015 Bonds and any Additional Bonds, mortgaging the Company’s leasehold interest in and to the Land and ownership interest in and to the Facilities, granting a security interest in certain moveable property and assigning the Leases and Rentals (each as defined in the Mortgage).

"Net Revenues of the Facilities" means, with respect to each Annual Period, the excess of the Revenues over the sum of (i) the Operating Expenses (before extraordinary items) of the Facilities, and (ii) the Robute Amount, all determined in accordance with generally accepted accounting principles, and excluding: (a) any profits or losses on the sale or disposition, not in the ordinary course of business, of investments or fixed or capital assets or resulting from the early extinguishment of debt; (b) gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of Debt Service; and (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards.

"Net Surplus Cash Flow" means the Surplus Cash Flow for each Annual Period, less the amounts payable under Sections 4.12(a) (b) and (c) herein. Such sum shall also include any amounts retained in the Surplus Cash Flow Fund from a prior Annual Period due to the failure to meet a Debt Service Coverage Ratio under Section 4.12 of this Indenture provided the required Debt Service Coverage Ratio has then been met.

"Operating Account" means an account established by the Management Company pursuant to the Management Agreement.

"Operating Expenses" means the current expenses of operation, maintenance and current repair of the Facilities with respect to an Annual Period, as calculated in accordance with generally accepted accounting principles, and includes, without limiting the generality of the foregoing, the cost of housing Displaced Students in local hotels that is payable by the Company, the Management Fee, insurance premiums, reasonable accounting and legal fees and expenses relating to the Facilities and the ownership thereof by the Company, payments with respect to worker’s compensation claims not otherwise covered by insurance, amounts payable by the Company under the Agreement or the Mortgage (other than the principal of, premium, if any, and interest on the Bonds); any expenses of the Authority (including fees, expenses and indemnification, and counsel fees and expenses); any expenses of the Trustee (including fees and expenses) any other expenses relating solely to the Facilities, and the cost of materials and supplies used for current operations, taxes and charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in the operation of the Facilities in accordance with sound accounting practice. “Operating Expenses” will not include (1) the principal of and interest on the Bonds or any redemption premium; (2) any allowance for depreciation or replacements of capital assets of the Facilities; (3) any required deposits under Sections 4.6(e) through (h) herein; (4) amortization of financing costs; (5) any Subordinated Management Fee; (6) any required payments or deposits under Section 4.12, including Subordinated University Expenses, University Temporary Housing Expenses, Operating Reserve Account deposits, and Annual Ground Rent payments.

"Operating Reserve Account" means the fund by that name created in Section 4.1 of this Indenture.

"Operating Reserve Requirement" means an amount equal to 25% of the Operating Expenses as set forth in the operating budget with respect to the Facilities for the applicable Annual Period.

"Outside Completion Date" shall have the meaning set forth in the Project Development Agreement.

"Outstanding" or "outstanding", when used with reference to Bonds, means all Bonds which have been authenticated and issued under this Indenture except:

(a) Bonds canceled by the Trustee pursuant to this Indenture;

(b) Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of this Indenture;

(c) Bonds which have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in this Indenture; and

(d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in this Indenture; and

(e) for all purposes regarding consents and approvals or directions of Bondholders under the Agreement or this Indenture, Bonds held by or for the Authority, the Company or any person controlling, controlled by or under common control with either of them
obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually.

(g) Investment agreements and repurchase agreements rated by a Rating Agency in the “A” category without regard to qualifications.

“Principal Account” means the Principal Account within the Debt Service Fund created in Section 4.1 of this Indenture.

“Principal Payment Date” means July 1 of each year.

“Project Development Agreement” means the Project Development Agreement dated as of March 1, 2015, by and between the Developer and the Company for the benefit of the University relating to the development of the Facilities, in the form attached as Exhibit D hereto.

Any amendment to the defined terms in the Project Development Agreement, in the event such amendment affects the use of defined terms in this Indenture, shall require the notice to and consent of the Authority.

“Project Fund” means the fund of that name created in Section 4.1 of this Indenture.

“Ratings Confirmations” means a confirmation from all of the Rating Agencies then rating the Series 2015 Bonds that the then current rating of the Series 2015 Bonds has not declined or will not decline as of the issuance of Additional Bonds then being issued.

“Rating Agency” means Moody’s, if the Bonds are rated by Moody’s at the time, Standard & Poor’s Ratings Services (“S&P”), if the Bonds are rated by S&P at the time, and Fitch Investors Service, Inc. (“Fitch”), if the Bonds are rated by Fitch at the time, and, if such corporations shall for any reason no longer perform the functions of a securities rating agency, “Rating Agency” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with the approval of the Company.

“Rebutable Arbitrage” means the excess of the future value, as of a date, of all receipts on nonpurpose investments over the future value, as of that date, of all payments on nonpurpose investments, as more fully described in Code Section 148(f) and Regulations Section 1.148-3.

“Rebate Fund” means the fund of that name created in Section 4.1 of this Indenture.

“Record Date” means the fifteenth (15th) calendar day of the month prior to the month which contains an Interest Payment Date, or, if such day shall not be a Business Day, the next preceding Business Day.

“Replacement Fund Requirement” means the amount set forth in Schedule 2 attached hereto, or such greater amount that may be set forth in the Annual Operating Budget, as determined pursuant to the Management Agreement.

“Reserved Rights” shall have the meaning assigned and ascribed to such term as set forth in the Indenture.

“Residential License Agreements” shall mean the “Student Housing Agreements” as such term is defined in the Lease.

“Revenues” means all revenues actually received by or on behalf of the Company pursuant to Residential License Agreements and with respect to the operation of the Housing Facilities, including, without limitation, all receipts resulting from the operation of the Housing Facilities, and all income from unassigned funds, as well as any and all revenues from the ownership and operation of the Housing Facilities, including all revenues from on and off-campus lease arrangements, and all revenues from student facility services.


“Series 2015B Bonds” shall have the meaning assigned and ascribed to such term as set forth in the recitals to this Indenture, including such Series 2015A Bonds issued in exchange for the Series 2015A Bonds pursuant to the Indenture or in replacement for multifamily, destroyed, lost or stolen Series 2015A Bonds pursuant to the Indenture.

“Series 2015A Bonds Interest Rate” shall mean the rate payable on the Series 2015A Bonds, as specified in Section 5.2 and on such other amounts, as specified in Section 4.12 of this Indenture.

“Series 2015B Bonds” shall have the meaning assigned and ascribed to such term as set forth in the recitals to this Indenture, including such Series 2015B Bonds issued in exchange for other such Series 2015B Bonds pursuant to the Indenture or in replacement for multifamily, destroyed, lost or stolen Series 2015B Bonds pursuant to the Indenture.
“Series 2015B Bonds Interest Rate” shall mean the rate payable on the Series 2015B Bonds, as specified in Section 3.2 and on such other amounts, as specified in Section 4.12 of this Indenture.

“Start Up Expenses” shall include the start up and preopening expenses payable to the Manager from an amount not to exceed $500,000.

“State” means the State of New Jersey.

“Stimulus Act” shall have the meaning assigned and ascribed to such term as set forth in the recitals to this Indenture.

“Subordinated Management Fee” means the Management Fee or any portion thereof for each Annual Period, to the extent payment thereof is subordinated pursuant to the Management Agreement.

“Subordinated University Expenses” means the operating expenses relating to the provision of utilities, landscape maintenance, including snow removal, security, and/or any other service or Operating Expenses with respect to the Facilities that are incurred by the University during an Annual Period, to the extent payment thereof is subordinated pursuant to the Management Agreement.

“Substantial Completion” shall have the meaning set forth in the Project Development Agreement.

“Substantial Completion Date” means the date specified in the Certificate of Substantial Completion.

“Surplus Cash Flow” means the amount deposited each year into the Surplus Cash Flow Fund in accordance with Section 4.6.

“Surplus Cash Flow Application Date” means the date three (3) Business Days after the date the Company certifies the annual Debt Service Coverage Ratio for the immediately preceding Annual Period pursuant to the Form of Certificate attached as Exhibit C hereto to facilitate certain disbursements from the Surplus Cash Flow Fund in accordance with Section 4.12, which certification of the annual Debt Service Coverage Ratio must be provided no later than thirty (30) days after receipt by the Company of the Annual Audit for the immediately preceding Annual Period.

“Surplus Cash Flow Fund” means the fund of that name created in Section 4.1 of this Indenture.

“Tax-Exempt Bonds” means the Series 2015A Bonds and any Additional Bonds, the interest on which is intended to be excluded from the gross income of the owners thereof for federal income tax purposes.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement and No Arbitrage Certificate of the Company dated the Closing Date, executed by the Member, the Company, the University and the Manager.

“Trust Estate” means all the property assigned to the Authority by the Trustee pursuant to this Indenture as security for the Bonds and any Additional Bonds issued hereunder.

“Trustee” shall have the meaning assigned and ascribed to such term as set forth in the preamble to this Agreement, including its successors and assigns.

“Underwriter” shall mean RBC Capital Markets, LLC, as underwriter with respect to the Series 2015 Bonds.

“University” shall have the meaning assigned and ascribed to such term as set forth in the recitals to this Indenture.

“University Temporary Housing Expenses” means the current expenses of operation incurred by the University to provide temporary housing to Displaced Students and staff (whether within existing University housing or local hotels) after the applicable Outside Completion Date and until all students have moved into the applicable Facilities following Substantial Completion, net of the amount of Liquidated Damages paid to the University.

Section 1.2 Rules of Construction

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

Unless the context shall otherwise indicate, the word “person” shall include the plural as well as the singular number, and “person” shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

All references in this Indenture to designated “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections and other subdivisions of this Indenture. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

ARTICLE II. GRANTING CLAUSES

Section 2.1 Granting Clauses

In consideration of the acceptance by the Trustee of the trusts and duties set forth in this Indenture on behalf of the owners of all Bonds that have been or will be issued and secured hereunder; of the purchase and acceptance of the Bonds that have been or will be issued and secured hereunder by the Authority by the owners thereof; of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of, and all of the foregoing. as Trustee hereunder; and To the extent not covered by the clauses above, all proceeds of any revenues, income, receipts and other payments (including, without limitation, grants, and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments, issues, benefits and other moneys received or derived by the Authority or the Trustee with respect to their fees, expenses or indemnification or in the Rebate Fund, provided, however, that nothing in this Indenture shall be construed to affect any property held by the Trustee in any capacity other than as Trustee hereunder; and To the extent not covered by the clauses above, all proceeds of any and all of the foregoing.

hereunder; of the purchase and acceptance of the Bonds that have been or will be issued and secured hereunder; of the purchase and acceptance of the Bonds that have been or will be issued and secured hereunder by the Trustee by the owners thereof; of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of, and all of the foregoing.

hereunder; of the purchase and acceptance of the Bonds that have been or will be issued and secured hereunder by the Trustee by the owners thereof; of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of, and all of the foregoing.

hereunder; of the purchase and acceptance of the Bonds that have been or will be issued and secured hereunder by the Trustee by the owners thereof; of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of, and all of the foregoing.

hereunder; of the purchase and acceptance of the Bonds that have been or will be issued and secured hereunder by the Trustee by the owners thereof; of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of, and all of the foregoing.
The Authority hereby covenants and agrees with, and does hereby covenant unto the Trustee, that to the extent received from the Company, it has good, right and lawful authority to transfer and assign the Trust Estate and the use thereof, as set forth in the Trust Agreement, provided that subject to its Reserved Rights, the Authority will not create any encumbrance to exist upon the Trust Estate, or any part thereof, superior to the security or lien to accrue or be created under this Indenture, or do any act or thing whereby its obligations under the Trust Agreement may be diminished or impaired.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds that have been or will be issued and secured hereunder are to be or have been issued, authenticated and delivered and all of said Trust Estate hereby conveyed, transferred, assigned, confirmed, pledged and encumbered to be dealt with and disposed of, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinbefore expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners, from time to time, of the Bonds, or any part thereof as follows:

ARTICLE III.
AUTHORIZATION, TERMS AND CONDITIONS OF BONDS

Section 3.1 Bonds Issuable Under this Article Only.

No Bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article and Article V, Section 5.1.

Section 3.2 Authorization of Bonds

(a) There is hereby authorized and issued under this Indenture $50,320,000 aggregate principal amount of Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project) Series 2015A and $325,000 aggregate principal amount of Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project) Series 2015B (Federally Taxable), in order to make the Loan to the Company to: (i) finance the Costs of the Facilities, (ii) fund a deposit to the Debt Service Reserve Fund for the Series 2015 Bonds; (iii) pay capitalized interest on the Series 2015 Bonds; and (iv) pay costs of issuance of the Series 2015 Bonds.

(b) The Series 2015 Bonds shall be dated the Closing Date, shall bear interest from such date, payable on each Interest Payment Date and shall mature (subject to prior redemption), on July 1 of each year as follows:

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,345,000</td>
<td>5.000%</td>
</tr>
<tr>
<td>$5,215,000</td>
<td>4.125%</td>
</tr>
<tr>
<td>$7,950,000</td>
<td>5.000%</td>
</tr>
<tr>
<td>$5,795,000</td>
<td>5.000%</td>
</tr>
<tr>
<td>$6,675,000</td>
<td>4.500%</td>
</tr>
<tr>
<td>$16,515,000</td>
<td>5.000%</td>
</tr>
</tbody>
</table>

(iii) With respect to the Series 2015B Bonds:

- $325,000
- 3.000%

(ii) With respect to the Series 2015A Bonds:

- $6,675,000
- 4.500%

The Series 2015 Bonds which have been or will be issued under this Indenture shall be substantially in the form set forth in Exhibit A, attached hereto and made a part hereof, with CUSIP numbers, but any failure to include such numbers or any error in any CUSIP number so included shall not in any way affect the validity of the Bonds.

Section 3.3 Form of Bonds

The Series 2015 Bonds which have been or will be issued under this Indenture shall be substantially in the form set forth in Exhibit A, attached hereto and made a part hereof, with such appropriate variations, additions, omissions and insertions as are permitted or required by this Indenture. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto. All Bonds shall bear such designation or title, including the words “Revenue Bond”, or such name as may be approved by an Authorized Authority Representative, with a series designation as may be fixed hereafter by supplemental indenture prior to its authentication on original issuance by the Trustee. All Series 2015 Bonds may bear identifying CUSIP numbers, but any failure to include such numbers or any error in any CUSIP number so included shall not in any way affect the validity of the Bonds.

Section 3.4 Redemption of Bonds

(a) Optional Redemption.

The Series 2015 Bonds maturing on or after July 1, 2026 are subject to redemption prior to maturity at the option of the Authority, upon written direction from the Company, upon the request of the University, as a whole or in part at 100% of the par amount thereof, plus accrued and unpaid interest to the date of redemption, as long as such principal amount or redemption thereof is paid into the Reserve Fund for the Series 2015 Bonds; (i) in the case of the Series 2015A Bonds, to be deposited with the Trustee and held by the Trustee in trust for the Benefit of the Authority or (ii) in the case of the Series 2015B Bonds, to be deposited with the Trustee and held by the Trustee in trust for the Benefit of the Authority or (c) any representation or warranty of the Company in the Agreement proves to have been false or misleading in any material respect when made (the “Authority

(b) Extraordinary Mandatory Redemption.

(ii) The Series 2015 Bonds are subject to mandatory redemption prior to maturity in part at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts and on the dates set forth below:

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>July 1 of the Year</th>
<th>July 1 of the Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,675,000</td>
<td>2025</td>
<td>$11,100,000</td>
</tr>
<tr>
<td>$1,600,000</td>
<td>2024</td>
<td>$1,165,000</td>
</tr>
</tbody>
</table>

(c) Mandatory Sinking Fund Redemption.

The Series 2015A Bonds shall be subject to mandatory sinking fund redemption prior to maturity in part at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts and on the dates set forth below:

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>July 1 of the Year</th>
<th>July 1 of the Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>$325,000</td>
<td>2026</td>
<td>$1,165,000</td>
</tr>
</tbody>
</table>

(i) The Series 2015 Bonds are subject to mandatory redemption prior to maturity in whole at any time, within ninety (90) days notice from the Authority, without premium, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date, if the Authority has notified, in writing, the Trustee, the Company and the University that (a) the Company has ceased to operate the Facilities or to cause the Facilities to be operated as an authorized project under the Act for twelve (12) consecutive months, without first obtaining the written consent of the Authority or (b) any representation or warranty of the Company in the Agreement or in any document furnished in connection with the Agreement proves to have been false or misleading in any material respect when made (the “Authority

(i) Public Purpose Provisions”). The failure to redeem any of the outstanding Series 2015 Bonds pursuant to this subsection (c) shall be an Event of Default under this Indenture.
*Final Maturity*  
**Series 2015A Term Bonds Due on July 1, 2038**  
<table>
<thead>
<tr>
<th>July 1 of the Year</th>
<th>Principal Amount</th>
<th>July 1 of the Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,665,000</td>
<td>2034</td>
<td>$1,665,000</td>
</tr>
<tr>
<td>2020</td>
<td>1,510,000</td>
<td>2035</td>
<td>1,510,000</td>
</tr>
<tr>
<td>2021</td>
<td>1,585,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Final Maturity*  
**Series 2015A Term Bonds Due on July 1, 2041**  
<table>
<thead>
<tr>
<th>July 1 of the Year</th>
<th>Principal Amount</th>
<th>July 1 of the Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$2,325,000</td>
<td>2041*</td>
<td>$2,325,000</td>
</tr>
<tr>
<td>2020</td>
<td>2,225,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Final Maturity*  
**Series 2015A Term Bonds Due on July 1, 2047**  
<table>
<thead>
<tr>
<th>July 1 of the Year</th>
<th>Principal Amount</th>
<th>July 1 of the Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2042</td>
<td>$2,810,000</td>
<td>2045</td>
<td>$2,810,000</td>
</tr>
<tr>
<td>2043</td>
<td>2,850,000</td>
<td>2046</td>
<td>2,850,000</td>
</tr>
<tr>
<td>2044</td>
<td>2,875,000</td>
<td>2047</td>
<td>3,100,000</td>
</tr>
</tbody>
</table>

---

**Section 3.5 Execution; Limitation of Liability**

The Bonds shall be executed on behalf of the Authority with the manual or facsimile signatures of the Chairman, Vice Chairman, Chief Executive Officer, Chief Operating Officer, Director of Bonds and Incentives or other Authorized Authority Representative including the Secretary/Treasurer or Assistant Secretary of the Authority, and shall have impressed or imprinted thereon the official seal of the Authority or a facsimile thereof.

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**Section 3.6 Authentication.**

No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication substantially in the form set forth in Exhibit A attached hereto and made a part hereof shall have been duly executed by a duly authorized representative of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee’s certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized representative of the Trustee, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder.

---

**Section 3.7 Mutilated, Lost, Stolen or Destroyed Bonds.**

In the event any outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and of like tenor as the mutilated, lost or stolen or destroyed Bond, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Authority and the Trustee evidence of such loss, theft or destruction in form satisfactory to the Authority and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond the Trustee may authorize the payment of the same. The Authority and the Trustee may charge and recover from the owner of such Bond with their reasonable fees and expenses in connection with the issuance of any Bond alleged to be destroyed, lost or stolen; or constituted as original additional contractual obligation on the part of the Authority, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture together with all other Bonds in substitution for which such Bonds were issued.

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**Section 3.8 Registration of Bonds.**

The Trustee shall be the bond registrar for the Bonds. So long as any of the Bonds shall remain outstanding, the Trustee shall be the bond registrar for the Bonds. The Trustee shall act as the bank or trust company trust office of the Trustee, the Bond Register for the registration and transfer of the Bonds and, upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond.

Each Bond shall be transferable only upon the Bond Register at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any such Bond, the Trustee shall issue in the name of the transferee, in authorized denominations, one or more Bonds of the same aggregate principal amount as the surrendered Bonds.

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**Section 3.9 Persons Treated as Owners.**

The Trustee may, for the purpose of receiving payment of, or on account of, the principal of, sinking fund installment, premium, if any, and interest on any Bond and for all other purposes, deem and treat the person in whose name such Bond shall be registered as the absolute owner of such Bond, whether or not such Bond is overdue, and neither...
the Authority nor the Trustee shall be affected by any notice to the contrary. Should any Series 2015 Bond be transferred, such transfer shall only be recognized if the provisions of Section 3.10 are satisfied. If such provisions are not satisfied, the prior owner of the Bond shall be treated as the owner for all purposes. Payment made to the person deemed to be the owner of any Bond for the purpose of such payment in accordance with the provisions of this Section 3.9 shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Bond in respect of which such payment was made.

Section 3.10 Exchange and Transfer of Bonds.

As long as any of the Bonds remain outstanding, there shall be permitted the exchange of Bonds at the corporate trust office of the Trustee. Any Bond or Bonds upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Bonds, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The Trustee shall not be required to register the transfer or exchange of (a) any Bonds during the fifteen (15) day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (b) any Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

Section 3.11 Cancellation and Destruction of Surrendered Bonds.

Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Authority, the same shall forthwith be canceled and destroyed by the Trustee, and the Trustee, upon the request of the Authority, shall deliver its certificate of such destruction to the Authority.

Section 3.12 Delivery of Bonds.

Upon the execution and delivery of this Indenture, the Authority shall execute and deliver to the Trustee the Series 2015 Bonds, and the Trustee shall authenticate the Series 2015 Bonds, and deliver them to the purchasers thereof as shall be directed by the Authority as hereinafter in this Section provided. Upon the execution and delivery of a supplemental Indenture relating to the issuance of Additional Bonds, the Authority shall execute and deliver to the Trustee such Additional Bonds, and the Trustee shall authenticate such Additional Bonds, and deliver them to the purchasers thereof as shall be directed by the Authority as hereinafter in this Section provided.

Section 3.13 Book-Entry Registration of Series 2015 Bonds.

The Series 2015 Bonds have been or shall be initially issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Series 2015 Bonds, and held in the custody of DTC. The Authority and the Trustee acknowledge that the Authority has executed and delivered a Blanket Letter of Representations with DTC and that the terms and provisions of said Letter of Representations shall govern in the event of any inconsistency between the provisions of this Indenture and said Letter of Representations. A single bond certificate for each maturity of Series 2015 Bonds has been or will be issued and delivered to DTC. The Beneficial Owners will not receive physical delivery of Series 2015 Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Series 2015 Bond acquired. For so long as DTC shall continue to serve as securities depository for the Series 2015 Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2015 Bonds is to receive, hold or deliver any Series 2015 Bond certificate.

For every transfer and exchange of the Series 2015 Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner’s allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

The Authority, the Company and the Trustee will recognize DTC or its nominee as the registered owner of the Series 2015 Bond and the Trustee will accept evidences of Beneficial Ownership interest in such Series 2015 Bond transferred or exchanged for other Bonds, or Bonds paid at maturity by the Authority, as the evidence of such Beneficial Ownership interest.

Neither the Authority, the Trustee nor the Company are responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of money required by DTC by forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

Whenever during the term of the Series 2015 Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Indenture of holding, delivering or transferring Series 2015 Bonds shall be deemed met by the person holding such bonds as a beneficial owner as described in this Indenture, and the Series 2015 Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names holders transferring or exchanging Series 2015 Bonds shall designate in accordance with the provisions of this Indenture.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2015 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2015 Bond and all notices with respect to such Series 2015 Bond shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations of the Authority dated March 17, 1995, and delivered to DTC.

If at any time DTC ceases to hold the Series 2015 Bonds, all references herein to DTC shall be of no further force or effect.

Section 3.14 Non-Presentation of Bonds; Escheats.

If any Bond or evidence of beneficial ownership of such Bond shall not be presented for payment when the principal thereof becomes due (whether at maturity, by acceleration, upon call for redemption, upon purchase or otherwise), all liability of the Authority to the Bondholder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged if funds sufficient to pay such Bond and interest due thereon, if any, are held by the Trustee uninvested for the benefit of the Bondholder thereof. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq. with respect to such funds.

ARTICLE IV.

Funds and Accounts; Flow of Funds; Investments; Deposits; Arbitrage

Section 4.1 Creation and Use of Funds and Accounts.

Upon delivery of and payment for the Series 2015 Bonds, the following special trust funds and accounts have been or shall be established and maintained with the Trustee as long as any Bonds issued under this Indenture are outstanding, all of which, excluding the Rebate Fund, shall be pledged to the Trustee for the benefit of holders of the Series 2015 Bonds and any Additional Bonds.
(ii) Project Fund, and the following accounts therein:

(1) Project Account;

(2) Construction Account;

(3) Retainage Account;

(iii) Capitalized Interest Fund, and separate accounts therein for the Series 2015 Bonds and any Additional Bonds;

(iv) Receipts Fund;

(v) Debt Service Fund, and the following separate accounts therein for the Series 2015 Bonds and any Additional Bonds:

(1) Interest Account

(2) Principal Account

(3) Redemption Account

(vii) Debt Service Reserve Fund;

(vii) Operating Reserve Account;

(viii) Replacement Fund;

(ix) Surplus Cash Flow Fund; and

(x) Rebate Fund.

In addition, one or more Operating Accounts may be established under the Management Agreement, which are not held by the Trustee.

In the event Additional Bonds are issued under a supplemental indenture, such supplemental indenture may provide for the establishment of other such funds and accounts as may be deemed necessary.

Section 4.2 Bond Proceeds Fund.

The Bond Proceeds Fund shall be used to receive the proceeds of the Series 2015 Bonds and, to the extent provided in the applicable supplemental Indenture, any Additional Bonds. On the Closing Date, the Trustee shall disburse amounts held in the Bond Proceeds Fund as follows:

(1) Project Account that exceeds $100,000 as of the end of the prior Annual Period, as reflected in the Project Account statement; and

(b) Earnings on amounts in the Project Fund and each account therein shall be retained in such fund.

(c) Moneys in the Project Fund shall be applied to the payment of the Costs of the Facilities pursuant to the procedure established in Section 4.16 hereof.

(d) The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all such payments therefrom.

There shall be deposited and retained in the Retainage Account of the Project Fund (i) if the Construction Contract that is the subject of the disbursement is less than fifty percent (50%) complete, ten per cent (10%), and (ii) if the Construction Contract that is the subject of the disbursement is at least fifty percent (50%) complete but less than ninety percent (90%) complete, five per cent (5%), of each sum requisitioned for payment or reimbursement of a Construction Contract for purposes of the Affirmative Action Program (a "holdback"); provided, however, if any such requisitioned sum is for payment or reimbursement of a payment by the Company, which payment itself was for only ninety per cent (90%) or ninety-five per cent (95%), as applicable, when requisitioned by the Company, shall only be disbursed upon the satisfaction of the holdback conditions hereinafter set forth. Said holdback shall be disbursed from the Retainage Account upon compliance with the Affirmative Action and Prevailing Wage provisions of the Agreement and (ii) the execution and filing of the Contractor’s and Developer’s Completion Certificates as required pursuant to the Agreement, (iii) receipt by the Company of a written notice issued by the Authority’s Office of Affirmative Action that the Company and the Contractor have complied with the requirements of the Affirmative Action Program and (iv) certification to the Trustee by an Authorized Company Representative of compliance with the conditions stated in clauses (i) through (iii) above.

Upon the written request of the Authority, the Trustee shall furnish the Authority with a record of the requisitions and disbursements from the Project Fund.

Section 4.5 Capitalized Interest Fund.

(a) There shall be paid into the Capitalized Interest Fund the amounts required to be so paid from the Series 2015 Bonds proceeds pursuant to Section 4.2(b) of this Indenture.

(b) The amounts on deposit in the Capitalized Interest Fund shall be transferred by the Trustee for deposit to the Debt Service Reserve Fund to be used to pay interest on the Series 2015 Bonds when due, as set forth in Schedule 1, credited to the Trustee. Earnings on amounts in the Capitalized Interest Fund shall be transferred to the Project Account. To the extent that any amounts remain in the Capitalized Interest Fund after the Project Account has been closed then the earnings in the Capitalized Interest Fund shall be transferred to the Bond Proceeds Fund.

Section 4.6 Receipts Fund.

There shall be deposited into the Receipts Fund all Revenues received by or on behalf of the Company. Moneys on deposit in the Receipts Fund will be transferred by the Trustee on the dates indicated below in the following priority:

(a) At such time as may be required by the Arbitrage Certificate and the Tax Regulatory Agreement, to the Rebate Fund, the amount required to be deposited thereunder;

(b) Monthly, on the twenty-fifth (25th) day of each month, to the Operating Account of the Company, an amount equal to the Operating Expenses of the Facilities for the immediately following month, in accordance with the Annual Operating Budget for the current Annual Period (or in the case of each June 25 payment, the Annual Operating Budget for the next Annual Period); provided, however, the deposits to the Operating Account shall be reduced after the Surplus Cash Flow Application Date by any balance remaining in the Operating Account that exceeds $100,000 as of the end of the prior Annual Period, as reflected in the Annual Audit. Such amount shall be specified in a certificate to be delivered to the Trustee under Section 4.12 of this Indenture;

(c) Monthly, on the twenty-fifth (25th) day of each month, to the applicable Interest Account within the Debt Service Fund, a sum equal to one-twelfth (1/12th) of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2015 Bonds and any Additional Bonds, or such lesser amount that, together with amounts already on deposit in the Interest Account of the Debt Service Fund and available therefor, will be sufficient to pay interest on the Series 2015 Bonds and any Additional Bonds to become due on the immediately succeeding Interest Payment Date, except to the extent such amounts are payable from the Capitalized Interest Fund;

(d) Monthly, on the twenty-fifth (25th) day of each month commencing July 25, 2017, to the applicable Principal Account within the Debt Service Fund, a sum equal to one-twelfth (1/12th) of the amount payable on the immediately succeeding Principal Payment Date as principal of or sinking fund installment on the Series 2015 Bonds and any Additional Bonds, or such lesser amount that, together with amounts already on deposit in the Principal Account of the Debt Service Fund and available therefor, will be sufficient to pay principal of on
sinking fund installment on the Series 2015 Bonds and any Additional Bonds to become due on the immediately succeeding Principal Payment Date;

(e) Monthly, on the twenty-fifth (25th) day of each month, to the Debt Service Reserve Fund, the amount necessary to cure any shortfalls in the Debt Service Reserve Requirement arising from the annual valuation thereof plus the amount necessary in twelve (12) equal installments to restore any amounts withdrawn from the Debt Service Reserve Fund to pay Debt Service;

(f) [Reserved]

(g) Monthly on the twenty-fifth (25th) day of each month, to the Replacement Fund, an amount equal to one-twelfth (1/12) of the Replacement Fund Requirement, plus the amount, if any, as may be necessary in twelve (12) equal monthly payments, to restore the amount of any draws from the Replacement Fund to pay Debt Service; and

(h) Annually, on June 30 of each Annual Period, any amounts remaining in the Receipts Fund shall be transferred to the Surplus Cash Flow Fund.

Each month, the Trustee shall make each transfer for which there are sufficient funds in the Receipts Fund in accordance with the monthly priority of transfers set forth above in an amount necessary first to pay the amount required to be transferred to such transferee or fund in the current month and second to pay any amounts owed to such transferee or fund and not paid in any prior month.

Section 4.7 Debt Service Fund.

(a) The Trustee shall deposit (i) from the Receipts Fund into the applicable account of the Debt Service Fund the amounts required to pay the principal of, sinking fund installments on, redemption of and interest on the Series 2015 Bonds and any Additional Bonds in accordance with sections 4.6(c) and (d), from the Surplus Cash Flow Fund the amounts required to pay the principal of, sinking fund installments on, redemption of and interest on the Series 2015 Bonds, as provided in Section 4.12(e).

(b) Earnings on the Debt Service Fund shall be credited to the respective accounts in the Debt Service Fund. Except as provided herein, each account of the Debt Service Fund and the moneys and Permitted Investments therein shall be used solely and exclusively for the payment of Debt Service on the respective series of Bonds as it falls due at stated maturity or by redemption or upon acceleration, as provided herein.

(c) Moneys in the accounts of the Debt Service Fund shall be used to pay Debt Service on the applicable series of Bonds and for the redemption of the Bonds prior to maturity and as otherwise provided in this Indenture.

(d) Whenever the amount in the Series 2015 Bond Accounts of the Debt Service Fund are insufficient to pay principal of, sinking fund installments or interest on the Series 2015 Bonds on a Principal Payment Date, the Trustee shall transfer funds to such Accounts from the following funds and accounts in the order specified: Surplus Cash Flow Fund, Operating Reserve Fund, Replacement Fund and Debt Service Reserve Fund.

Section 4.8 Debt Service Reserve Fund.

(a) There shall be paid into the Debt Service Reserve Fund from the Bond Proceeds Fund the amounts required to be so paid from the Series 2015 Bonds proceeds pursuant to Section 4.2(a) of this Indenture and any amounts required to be deposited into the Debt Service Reserve Fund from the Receipts Fund under Section 4.6(e).

(b) Moneys on deposit in the Debt Service Reserve Fund shall be maintained in an amount equal to the Debt Service Reserve Fund Requirement, and shall be transferred to the Debt Service Fund to the extent there are not sufficient moneys in the Debt Service Reserve Fund to pay principal, sinking fund installments or interest on the Series 2015 Bonds when due (after transfers from other funds described above).

(c) Subject to clause (b) below, if as of the last day of any Annual Period the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement, such excess shall be transferred to the Series 2015 Bonds Interest Account of the Debt Service Fund.

(d) In the event that Additional Bonds are issued pursuant to Section 5.1 hereof, the Authority shall, from the proceeds of such Additional Bonds, deposit such additional amount as may be necessary to satisfy any increase in the Debt Service Reserve Fund Requirement.

(e) On the last day of each Annual Period, to the extent the balance therein exceeds the Debt Service Reserve Requirement, investment earnings on amounts in the Debt Service Reserve Fund shall be transferred as follows: prior to completion of the Facilities, to the Project Account, and thereafter to the Series 2015 Bonds Interest Account of the Debt Service Fund.

(f) Whenever the amount in the Debt Service Reserve Fund, together with the amount in the Debt Service Fund is sufficient to pay in full and in all outstanding Series 2015 Bonds, in accordance with their terms, the funds on deposit in the Debt Service Reserve Fund shall be transferred to the Debt Service Fund and shall be available to pay all outstanding Series 2015 Bonds, in accordance with their terms. Any excess shall thereafter be paid to the University.

Section 4.9 [Reserved]

Section 4.10 Operating Reserve Account

(a) The Trustee shall transfer moneys from the Surplus Cash Flow Fund to the Operating Reserve Account so that the balance therein equals the Operating Reserve Requirement.

Section 4.11 Replacement Fund.

(a) The Trustee shall, in accordance with Section 4.6(h) hereof, deposit into the Replacement Fund, an amount equal to the Replacement Fund Requirement.

(b) Moneys in the Replacement Fund may be drawn on and used by the Company to (i) replace any worn out, obsolete, inadequate or undesirable property, furniture, equipment, fixtures and other property owned by the Company and that are part of the Facilities, (ii) maintain the Facilities and to make all alterations, repairs, restorations and replacements to the Facilities as and when needed to preserve such Facilities in good working order, condition and repair, as each required by the Lease or (iii) make any payment to the Debt Service Fund necessary to prevent a default on the Series 2015 Bonds and any Additional Bonds. Withdrawals from the Replacement Fund shall be made by the Trustee upon receipt of a requisition from the Company substantially in the form attached hereto as Exhibit B.

(c) Any moneys remaining in the Replacement Fund after all of the Bonds are paid, or provision for their payment is made in accordance with Article XIII hereof, shall be paid to the University.

(d) Investment earnings on amounts in the Replacement Fund shall be retained therein.

Section 4.12 Surplus Cash Flow Fund.

The Trustee shall transfer moneys from the Receipts Fund to the Surplus Cash Flow Fund in accordance with the provisions of Section 4.6(h) hereof. Amounts held in the Surplus Cash Flow Fund shall be applied in the following priority:

(a) To cure any shortfalls in the amounts required to be deposited under Sections 4.6(a) through 4.6(h) to the extent the amounts in the Receipts Fund are insufficient therefor.

(b) To reimburse the University for University Temporary Housing Expenses. If there are still any amounts due for University Temporary Housing Expenses after the related Surplus Cash Flow Application Date, such amounts shall accrue interest from the Surplus Cash Flow Application Date and shall be due and payable on the immediately following Surplus Cash Flow Application Date pursuant to this Section 4.12(b).

(c) On each Surplus Cash Flow Application Date, the amount necessary to cause the amount on deposit in the Operating Reserve Account to equal the Operating Reserve Requirement.

(d) On each Surplus Cash Flow Application Date, provided that (x) all amounts outstanding have been paid in full under clauses (a), (b), (c) and (d) above, (y) the Debt Service Coverage Ratio is not less than 1.10 to 1.00 for the most recently ended Annual Period and (z) no Event of Default has occurred and continues to exist, as follows:

(i) First, to the University, in an amount equal to the Subordinated University Operating Expenses for the most recently ended Annual Period, and any unpaid and outstanding Subordinated University Operating Expenses, including accrued interest thereon, for prior Annual Periods, and

(ii) Second, to the Management Company, in an amount equal to the Subordinated Management Fee for the most recently ended Annual Period, and any unpaid and outstanding Subordinated Management Fees, including accrued interest thereon, for prior Annual Periods.

(e) On each Surplus Cash Flow Application Date, provided that (x) all amounts outstanding have been paid in full under clauses (a), (b), (c) and (d) above, (y) the Debt Service Coverage Ratio is not less than 1.20 to 1.00 for the most recently ended Annual Period and (z) no Event of Default has occurred and continues to exist, to the University, (i) first, an amount equal to the Annual Ground Rent for the most recently ended Annual Period, including any unpaid and outstanding Annual Ground Rent, including accrued interest thereon, for prior Annual Periods, and (ii) second, at the written direction of the Company at the request of the University, an amount to redeem or defease Bonds pursuant to Section 3.4(a) or Section 13.2, respectively, of this Indenture.

(f) Any deferred amounts payable under this Section 4.12 that are reflected as bearing interest shall bear interest at a rate equal to the Series 2015 Bonds Interest Rate.

(g) No later than thirty (30) days after receipt by the Company of its Annual Audit for the immediately preceding Annual Period, the Company shall provide the
Section 4.14 Trustee Statements.

The Trustee shall provide monthly statements of all Funds and Accounts to the Company, the University and, upon its request, to the Authority.

Section 4.15 Payments From Project Fund.

Payment of the Costs of the Facilities described in Exhibit A to the Agreement shall be made from the Project Fund. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article, and the Trustee covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

Moneys in the Project Fund shall be used to pay the Costs of the Facilities described in Exhibit A to the Agreement, provided that if an Event of Default under the Agreement or Indenture has occurred and is continuing, the Trustee shall transfer moneys in the Project Fund to the Debt Service Fund for the purpose of paying the principal of, and interest on, the Series 2015 Bonds.

Section 4.16 Requisitions from the Project Fund.

Payments from the Project Fund shall be made in accordance with the provisions of this Section. In connection with a payment from the Project Fund, there shall be filed with the Trustee a requisition, substantially in the form of Exhibit D to the Agreement, signed by an Authorized Company Representative and the University. Requisitions shall include the following and any other information reasonably required by the Company and the University:

(a) the item number of each such payment,

(b) the name and address of the person, firm or corporation to whom each such payment is due, or, if such payment has been made by the Company, that the Trustee is to reimburse the Company directly for such payment;

(c) any respective amounts payable, any amounts relating to construction contracts that must be retained and the amounts to be paid;

(d) the purpose by general classification for which each obligation to be paid was incurred and whether it is payable from the Construction Account or the Project Account;

(e) a certification that such obligations in the stated amounts have been incurred by or on behalf of the Company for the Facilities and are either (i) presently due and payable or (ii) have been paid by the Company or the University and that each item thereof is a proper charge against the Project Fund, as applicable, and has not been the subject of any prior requisition.

Section 4.17 Reserved.

Section 4.18 Reliance Upon Requisitions.

All requisitions and opinions received by the Trustee as conditions of payment from the Project Fund may be relied conclusively upon by the Trustee and shall be retained by the Trustee, subject at all reasonable times to examination by the Authority, the University and the Company.

Section 4.19 Completion of the Facilities and Disposition of the Project Fund Balances.

(a) When the construction of the Facilities shall have been Substantially Completed, the Company shall deliver to the Trustee a Certificate of Substantial Completion pursuant to Section 3.7 of the Agreement. The Trustee shall make such payments, deposits and transfers as specified in such certificate. Except as provided in the Project Development Agreement, the amount constituting the Final Completion Budgeted Amount shall be expended prior to the Excess Development Funds to attain Final Completion.

(b) When the construction of the Facilities shall have been Finally Completed, the Company shall deliver to the Trustee a Certificate of Final Completion pursuant to Section 3.7 of the Agreement. Such certificate shall specify the amount in the Project Fund that constitutes the balance of Final Completion Budgeted Amount (if any) that shall be applied as directed by the Company at the request of the University to (i) pay or reimburse any additional expenses that are capital expenditures related to the Facilities, (ii) pay Ground Rent and/or working capital expenses related to the operation of the Facilities to the extent the total amount of working capital expenses financed by the Series 2015 Bonds does not exceed 5% of the sales proceeds thereof, or (iii) be transferred by the Trustee to the applicable Redemption Account of the Debt Service Fund (subject to the provisions of Section 4.3 hereof), to redeem the Bonds in accordance with the provisions of Sections 3.4(a) hereof. The Trustee shall make such payments, deposits and transfers as specified in such certificate. The allocation of such amounts, as provided for in this Section, must be done not later than five (5) years after the issue date of the Series 2015 Bonds, or such later date as permitted in an opinion of Bond Counsel that such use is proper.

Section 4.20 Investments.

Moneys contained in the funds and accounts held by the Trustee shall be continuously invested and reinvested by the Trustee at the written direction of the Company in Permitted Investments, to the extent practicable, that shall mature (or be readily convertible to cash) not later than the respective dates, when the moneys in said Funds and Accounts shall be required for the purposes intended.
(a) No such investment shall be required to be made unless the cash at the time available therefor is at least equal to $1,000;

(b) The Trustee shall be authorized, to the extent necessary to enable the Trustee to discharge or perform its obligations hereunder, at any one or more times to sell any part or all of the investments whenever it may, for any reason or purpose whatsoever, deem any such sale to be desirable;

(c) Any income derived from and any profit or loss on any such investment of moneys on deposit in any such fund or account shall be credited or debited, as the case may be, as specified above;

(d) No Permitted Investments in any fund or account may mature beyond the latest maturity date of any Bonds outstanding at that time such Permitted Investments are deposited. For the purposes of this section, the maturity date of a replacement agreement for obligations is the maturity date of such replacement agreement and not the maturity date of the underlying obligation; and

(e) An Authorized Company Representative shall give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article and Article V of the Agreement, and the Trustee shall then invest such money under this Section as so directed. The Trustee shall in no event have any liability for any loss resulting from the investment of moneys in accordance with the directions of the Authorized Company Representative. The Trustee shall furnish the Authority annually with a written copy and the Company and the University with a written copy, on at least a monthly basis, of the types, amounts, rates and maturities of all such investments.

Investments shall be valued by the Trustee annually, at the market value thereof. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored by the Company no later than the succeeding valuation date.

Section 4.21 Depositary of Moneys and Security for Deposits.

All of the funds and accounts established hereunder shall be special trust accounts held by the Trustee in trust for the benefit of the owners of the Bonds and shall not be subject to lien or attachment by any creditors of the Trustee, the Authority, the Company, the Management Company or the University.

Section 4.22 Arbitrage.

Notwithstanding all the provisions hereof, the Authority shall not direct the investment of moneys in the various funds and accounts created hereunder in a manner which would result in the loss of exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes or in such manner which would result in the Tax-Exempt Bonds becoming “arbitrage bonds” within the meaning of Section 148 of the Code.

ARTICLE V.

ADDITIONAL BONDS

Section 5.1 Additional Bonds.

Additional Bonds may, in the sole discretion of the Authority, be issued in one or more series by the Authority at the request of the Company, as directed by the Authority, under a supplement to this Indenture for additional costs to complete the Facilities or renovate, rehabilitate, improve or expand the Facilities, or to refund all or any portion of the Series 2015 Bonds and any Additional Bonds in order to achieve debt service savings so long as:

(a) no Event of Default under this Indenture has occurred and is then continuing and the Authority shall have approved the issuance of such Bonds;

(b) a Rating Confirmation has been received from the Rating Agency; and

(c) in the case of Additional Bonds, the proceeds of which are used to renovate, rehabilitate, improve or expand the Facilities (but excluding Additional Bonds to be used to complete the Facilities or to refund any of the Bonds), the Borrower delivers to the University and the Trustee a housing study (based on assumptions reasonably acceptable to the Authority) within forty-five (45) days after the date of the Notice of Sale, and the Authority determines by written request and in its sole discretion that such study is acceptable; provided that the Authority may not approve any additional Bonds to be issued solely for the purpose of refunding any other series of Bonds unless the Authority has first determined that the proceeds of such refunding will be used for the purpose of extending the term of the Bonds, and any such refunding shall be subject to the provisions of this article and Article V of the Agreement, and the Authority has determined that such refunding will result in an increase in the maximum allowable debt service coverage ratio for the Authority; and

Such series of Additional Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities, provisions for payment and redemption provisions, all as may be provided in the supplement to this Indenture or the separate indenture authorizing the issuance of such series of any Additional Bonds.

ARTICLE VI.

GENERAL COVENANTS AND PROVISIONS

Section 6.1 Organization; Authority to Issue Bonds.

The Authority is a public body corporate and politic constituting an instrumentality of the State, duly organized, established and existing under the laws of the State, particularly the Act. The Authority is authorized to issue the Bonds in accordance with the Act and to use the proceeds thereof to make the loan to the Company.

Section 4.23 Amounts Remaining in Funds; Releases.

It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to this Indenture upon the expiration or sooner cancellation or termination of the Agreement, as provided therein, after payment in full of all Bonds then outstanding under this Indenture (or provisions for the payment thereof having been made in accordance with Article XIII of this Indenture), and the fees, charges and expenses of the Authority and the Trustee, and all other amounts required to be paid under the Agreement and under this Indenture, other than amounts payable as arbitrage rebate under Section 148(f) of the Code, shall belong to and be paid as directed by the Company at the request of the University to pay the Subordinated University Expenses.

Section 4.24 Application of Insurance Proceeds; Condemnation Award.

(a) If all or any portion of the Facilities is damaged or destroyed by a Casualty or is taken by Expropriation proceedings, the Company shall, upon receipt of notice from the University and/or the University instructing the Company to do so, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof, substantially in accordance with the terms of the Lease, provided however, that the Company shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction, or taking of all or any portion of the Facilities shall be delivered to the Trustee and held by the Trustee in a special account to be established upon receipt of any such funds and written direction of the Company and held by the Trustee, as set forth in paragraph (b) below; and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement, as provided in the Lease. Any amounts that are disbursed to pay the costs of restoration, repair and replacement of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Company as directed by the University stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In the event that the Authority shall be liabll for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section. Any proceeds remaining on deposit with the Trustee following completion of the repairs, restoration or replacement of the Facilities shall be applied by the Trustee in accordance with the provisions of Section 8.5 herein.

(b) In the event the Company and the University decide not to repair, restore or replace the Facilities for any reason or excess insurance proceeds remain after repair, restoration or replacement of the Facilities, such insurance proceeds (or excess insurance proceeds) received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to and be applied by the Trustee in accordance with the provisions of Section 8.5 herein.

Section 6.2 Authorization for Financing.

The Authority has complied with the provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated to be performed by the Authority by this Indenture, the Bonds, any and all agreements relating thereto and to perform its obligations hereunder and to issue, sell and deliver the Bonds to the holders to be provided herein. The Authority has duly authorized the execution, delivery and due performance of this Indenture and the Bonds, and the Authority has duly authorized the taking of all actions in accordance with the provisions of this Indenture, the Bonds, any and all agreements relating thereto and to the authorities of, and in each case as required for the payment of the Bonds under this Indenture, and nothing in the Bonds or this Indenture shall be construed as assigning or pledging therefor any other funds or assets of the Authority.


The Act provides that neither the members of the Authority nor any person executing bonds for the Authority shall be liable personally on said bonds by reason of the issuance thereof.

Section 6.4 No Conflict or Violation.

The execution and delivery of this Indenture and the Bonds, and compliance with the provisions thereof, will not, in any event, result in conflict with or constitute on the part of the Authority a violation of the Constitution of the State or a violation, breach of or default under By-Laws or any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound, or to the knowledge of the Authority, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties, and to the knowledge of the Authority, any consents, approvals, authorizations and orders of governmental or regulatory authorities which
are required to be obtained by the Authority for the consummation of the transactions contemplated hereby have been obtained. No authority or proceedings for issuance of the Bonds or documents executed in connection therewith have been repealed, revoked, rescinded or superseded.

Section 6.5 Litigation.

To the best knowledge of the Authority, as of this date, there is no action, suit or proceeding, at law or in equity, pending or threatened against the Authority to restrain or enjoin the issuance or sale of the Bonds or in any way contesting the validity of the Indenture or in any way precluding the issuance or sale of the Bonds or the documents or instruments executed by the Authority in connection therewith or the existence of the Authority or the right or power of the Authority to finance the Project.

Section 6.6 Reserved.

Section 6.7 Signed Certificates.

Any Certificate signed by the Chairperson, Vice-Chairperson, Executive Director, Manager, Director of Investments or any other officer of the Authority, which may be required to be signed, filed or recorded in such manner and at such places as may be required by law fully to protect the security of the registered owners and the right, title and interest of the Trustee in and to any moneys or securities held hereunder or any part thereof (including any refinings, continuation statements or such other documents as may be required).

Section 6.8 Limitations on the Representation and Warranties of the Authority.

The Authority makes no representation as to (i) the financial position or business condition of the Company or (ii) the correctness, completeness or accuracy of any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made by the Company in connection with the sale or transfer of the Bonds, the execution and delivery of the Agreement or the consummation of the transactions contemplated hereby.

Section 6.9 Filing and Recording.

The Authority agrees that it will cooperate with the Company in connection with the Company’s obligation to cause all documents, statements, memoranda or other instruments to be registered, filed or recorded in such manner and at such places as may be required by law fully to protect the security of the registered owners and the right, title and interest of the Trustee in and to any moneys or securities held hereunder or any part thereof (including any refinings, continuation statements or such other documents as may be required).

Section 6.10 Federal Tax Covenants.

Pursuant to Section 6.4 of the Agreement, the Company has covenanted to comply with the provisions of Sections 103 and 141 through 150 of the Code with respect to the Tax-Exempt Bonds. The Authority hereby covenants not to take or omit to take any action so as to cause interest on any Tax-Exempt Bonds to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of the Tax-Exempt Bonds.

ARTICLE VII.
ENFORCEMENT OF AGREEMENT

Section 7.1 Assignment of Agreement.

The Authority has assigned all of its right, title and interest in, to and under the Agreement (subject to the Reserved Rights) to the Trustee for the Bonds, and any Additional Bonds and hereby agrees that the Agreement may be enforced by the Trustee and/or the owners of the Bonds issued hereunder in accordance with the terms hereof and thereof.

Section 7.2 Trustee or Bondholders to Enforce Agreement.

The Trustee may, and upon request of the owners of a majority in aggregate principal amount of the Series 2015 Bonds and any Additional Bonds then outstanding, subject to the provisions of Section 8.11 and Article X hereof, strictly and promptly enforce the provisions of this Indenture so long as any Bonds remain outstanding under this Indenture. All rights of action (including the right to file proof of claim) to enforce the provisions of this Indenture or under any of the Bonds and any Additional Bonds may be enforced by the Trustee without the possession of the Bonds and any Additional Bonds and without their production in any trial or other proceeding relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the Bondholders without the necessity of joining as plaintiffs or defendants any of the Bondholders.

ARTICLE VIII.
EVENTS OF DEFAULT; REMEDIES

Section 8.1 No Extension of Time for Payment of Principal, Premium or Interest.

The Trustee shall not be authorized to extend the time for any payment of principal, premium or interest without the prior written consent of the owner of the Bonds so affected.

Section 8.2 Events of Default.

Each of the following events is hereby declared to be an “Event of Default”:

(a) The payment of any installment of interest on any of the Series 2015 Bonds and any Additional Bonds shall not be made when due and payable;

(b) The payment of the principal of, sinking fund payment or premium, if any, on any of the Series 2015 Bonds and any Additional Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or by acceleration or otherwise;

Notwithstanding anything in the Indenture or in any of the other Bond Documents to the contrary, neither the Trustee nor the registered owners shall have the right to waive an Event of Default under any of the Bond Documents which arises out of a violation of a Reserved Right without the prior written consent of the Authority, which it shall give in its sole and complete discretion. Notwithstanding anything herein or in any other Bond Document to the contrary, nothing herein shall affect the Authority’s unconditional right to enforce its Reserved Rights.

Upon receipt of notice by or actual knowledge of any officer of the Trustee responsible for the administration of the Project Fund, the Trustee shall report immediately to the Authority any breach of any covenant or any Event of Default by the Company under the Agreement or any fact or circumstance which, except for any grace period permitted by the Agreement, would result in any breach of a covenant or Event of Default by the Company thereunder.

Section 8.3 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Authority, the Trustee and, subject to Sections 8.10 and 8.11, the Bondholders shall have all the rights and remedies as may be allowed by law, this Indenture, the Mortgage or pursuant to the provisions of the Agreement by virtue of its assignment hereunder, including but not limited to, acceleration of the maturity of all Bonds, or suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions of this Indenture or the Agreement. Notwithstanding anything in the Indenture or in any of the other Bond Documents to the contrary, the sole remedies for a default under Sections 9.16(d) or (g) of the Agreement shall be pursuant to Section 9.8 of the Agreement, which may include the extraordinary mandatory redemption of Bonds pursuant to Section 3.1.4(e)(x) hereof.

The Authority agrees that the Trustee, subject to the provisions of the Agreement and this Indenture reserving the Reserved Rights to the Authority and respecting actions by the Trustee in its name or where necessary to validly assert the rights of the Bondholders, as assignee of the Authority (but not in the name of the Authority), may enforce all rights of the Authority and all obligations of the Company under and pursuant to the Agreement for and on behalf of the registered owners whether or not the Authority is in default hereunder.

Section 8.4 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence and during the continuance of an Event of Default described in Section 8.2 of this Indenture, the Trustee shall, with the consent of the Holders of the majority of the Bonds (except consent shall not be required in those instances where the acceleration is due to an extraordinary mandatory redemption under Section 3.16(b)), by notice in writing to the Authority (the “Acceleration Notice”), declare the Bonds, and such Bonds shall become and be, immediately due and payable, any such Bonds or in the Agreement or this Indenture to the contrary notwithstanding, and, subject to this Article VIII, the Trustee may exercise any remedies granted to it herein. In such event, there shall be due and payable on the Bonds an amount equal to the principal amount of all the Bonds then outstanding plus all interest accrued thereon and which will accrue thereon to the date one day prior to the
date of payment (which date of payment shall be one Business Day following the Acceleration Notice declaring the Bonds due and payable); and

(b) At any time after the principal of any of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture or the Agreement, the Trustee may annul such declaration and its consequences with respect to the Bonds if (i) moneys shall have been deposited in the Debt Service Fund sufficient to pay all matured installments of principal (other than principal due solely because of acceleration), sinking fund installments and interest; (ii) moneys shall have been available sufficient to pay such compensation, expenses, disbursements, advances and liabilities of the Authority and the Trustee; (iii) all other amounts then payable by the Authority under this Indenture or the Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Authority or the Trustee (other than a default in the payment of the principal of the Bonds due only because of such declaration) shall have been remedied to the satisfaction of the Authority and the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 8.5 Application of Moneys.

Anything in this Indenture to the contrary notwithstanding, if at any time, the principal of the Bonds shall become due and payable (either by their terms or by acceleration of maturities), all moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, including, without limitation, moneys paid by the Company to the Trustee pursuant to the Mortgage, shall be paid and applied toward the payment of the fees and expenses of the Trustee and the Authority, including reasonable attorney’s fees and expenses, and any disbursements of the Trustee and the Authority, subject to the provisions of Sections 8.2 and 8.4 hereof, be applied as follows:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds in the order in which such installments become due and payable and, if the amount available shall not be sufficient to pay any particular installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds, then

SECOND, to the payment to the persons entitled thereto of the unpaid principal of and sinking fund installments on any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, with interest on the principal amount of such Bonds due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and their interest thereon, then to the payment thereof ratably, according to the amount of the interest due on such date, and next to the payment of the principal and sinking fund installments, ratably, according to the amount of such principal and sinking fund installments due on such date, to the persons entitled thereto without any discrimination or preference;

THIRD, to the payment of the interest on, the principal of and sinking fund installments on the Bonds, to the extent of funds available therefore, to any Bondholder for retirement of the Bonds and to the redemption of the Bonds, all in accordance with the provisions of this Indenture;

FOURTH, in the same manner as under Section 4.12(b), to the University for amounts owed for unpaid University Temporary Housing Expenses (including interest on such amounts);

FIFTH, in the same manner as under Section 4.12(d)(i), to the Management Company for the payment of amounts owed for unpaid Subordinated Management Fees;

SIXTH, in the same manner (and pursuant to the same proviso) as under Section 4.12(d)(ii), to the University for amounts owed for unpaid Unsubordinated Management Fees; and

SEVENTH, in the same manner as under Section 4.12(e)(ii), to the University for the payment of amounts owed pursuant to the Lease.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times, subject to the provisions of Section 8.4 hereof, and from time to time as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for application in the future; the deposit of such money or otherwise setting aside such money in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever, to any Bondholder or to any other person for any delay in applying any such money so long as the Trustee has not been negligent. Whenever the Trustee shall exercise such discretion in applying such money, it shall not be deemed to have fixed an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the owner of any Bond until such Bond shall be surrendered to the Trustee for proper endorsement or for cancellation if fully paid.

Section 8.6 Discontinuance of Proceedings.

In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Section 8.7 Appointment of Receiver

Upon the occurrence and during the continuance of an Event of Default, and upon filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or keeper with respect to the Company or the Project (but not of the Authority), pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.8 Remedies Not Exclusive.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or on or after the date of adoption of this Indenture.

Section 8.9 Remedies Vested in Trustee.

All rights of action under this Indenture, the Agreement or under any of the Bonds may be enforced by the Trustee without possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds.

Section 8.10 Majority of Bondholders Control Proceedings.

If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Indenture to the contrary, the owners of at least a majority of the aggregate outstanding principal amount of Bonds then outstanding shall have the right, at any time by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Indenture, provided the direction is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction, and provided further, that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with the direction by Bondholders.

Section 8.11 Individual Bondholder Action Restricted.

(a) No owner of any Bond shall have any right to institute any suit, action or proceeding for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

(i) An Event of Default has occurred (other than under Sections 8.2(a) or 8.2(b)) as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing.

(ii) The owners of at least a majority of the aggregate outstanding principal amount of Bonds outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name; and these Bondholders shall have offered the Trustee such indemnity as may be satisfactory to the Trustee, and the Trustee shall have failed or refused to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name for a period of sixty (60) days after receipt of the request and offer of indemnity; and

(b) No one or more owners of Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided and then only for the equal benefit of all owners of outstanding Bonds.

Section 8.12 Waiver and Non-Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any owner of Bonds to exercise any right or power accruing upon any Event of Default shall impair the right or power or shall be construed to be a waiver of an Event of Default or an acquiescence therein. Every exercise of any right or power accruing upon any Event of Default shall impair the right or power accruing upon any other Event of Default.

(b) No one or more owners of Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided and then only for the equal benefit of all owners of outstanding Bonds.
(d) In case of a waiver by the Trustee of any Event of Default, the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights under this Indenture but no waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section, subject to subparagraph (e) below.

(e) Notwithstanding anything in the Indenture or in any of the other Bond Documents to the contrary, the Trustee nor the registered owners shall have the right to waive an Event of Default under any of the Bond Documents which arises out of a violation of any of a Reserved Right, without the prior written consent of the Authority, which it shall give in its sole and complete discretion. Notwithstanding anything herein or in any other Bond Document to the contrary, nothing herein shall affect the Authority’s unconditional right to enforce its Reserved Rights.

Section 8.13 Notice of Defaults.

(a) Within thirty (30) days after the receipt of written notice of an Event of Default or the occurrence of an Event of Default of which the Trustee is deemed to have notice, the Trustee shall (unless the Event of Default has already been cured) give written notice of the Event of Default to the owners of all Bond Documents hereunder in the manner provided in Section 14.14 of this Indenture, provided that, except in the case of a default in the payment of principal, sinking fund installment, redemption price, or interest on any of the Bonds, the Trustee may withhold the notice to the Bondholders if, in its sole judgment, it determines that the withholding of notice is not detrimental to the best interest of the Bondholders.

(b) The Trustee shall immediately notify, in writing, the Authority of any Event of Default actually known to the Trustee.

ARTICLE IX. RESERVED

ARTICLE X. CONCERNING THE TRUSTEE

Section 10.1 Acceptance of Trusts.

The Trustee hereby represents and warrants to the Authority (for the benefit of the Bondholders as well as the Authority) that it is a national banking association duly organized and existing under the laws of the United States of America, with fiduciary and trust powers in the State of New York. The Company shall be a national banking association duly organized and existing under the laws of the United States of America, with fiduciary and trust powers in the State of New York that it is duly authorized under such laws to accept and execute trusts of the character herein set out. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture including the following express terms and conditions, to all of which the parties hereto and the respective Owners of the Bonds agree.

(vi) The Trustee shall not be deemed to have knowledge of any Event of Default, unless and until an officer of the Trustee who customarily handles corporate trusts and is assigned to supervise this Indenture shall have actual knowledge thereof or the Trustee shall have received written advice thereof from any Bondholder.

(vii) Anything in any of the Bond Documents to the contrary notwithstanding, whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture that may involve it in any expense or liability, the payment of which is not, in its opinion, assured to it by the security afforded to it by the terms of this Indenture, unless it is requested in writing to do so by one or more owners of the Bonds outstanding hereunder and furnished, from time to time as it may require, with security and indemnity satisfactory to it; and

(viii) The Trustee need not take any action or follow any direction from any one or more Bondholders if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to Bondholders not parties to such direction, or the Trustee in good faith believes following such direction would involve the Trustee in personal liability; and

(ix) In no event shall the Trustee be liable to any person for special, indirect or consequential damages, lost profits or loss of business arising under or in connection with this Indenture, even if previously informed of the possibility of such damages and regardless of the form of action; and

(x) Anything to the contrary in the Bond Documents notwithstanding, the permissive right of the Trustee to do anything enumerated or set forth in any of the Bond Documents shall not be construed as a duty, and the Trustee shall not be held responsible or liable for other than its negligence or willful misconduct.

(c) In case an Event of Default within the purview of Section 8.2 hereof has occurred and is continuing, and the Trustee has actual knowledge of such Event of Default or is deemed to have knowledge pursuant to (v)(i)(a) above, subject to the provisions of this Article X, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the degree of care and skill in their exercise as a prudent man would exercise under the circumstances.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability, or of affording protection to the Trustee, including without limitation Sections 8.3 and 8.4 hereof, shall be subject to the provisions of this Section 10.1. The Trustee also accepts, and agrees to do and perform, the duties and obligations imposed upon it by and under the Agreement, and the Mortgage, but only upon the terms and conditions set forth in the Agreement, the Mortgages, and this Indenture. The rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(e) The Trustee may perform any of its duties and obligations or execute its powers hereunder or by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed with due care, and may in all cases pay such reasonable compensation to all such attorneys, agents and receivers as may reasonably be employed in connection with its duties, obligations and powers hereunder. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken or not taken, as the case may be, in good faith in reliance upon such advice or opinion of counsel; and

(v) The Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless the Trustee is negligent in ascertaining the pertinent facts, and

Notwithstanding anything herein to the contrary, the liability of the Company hereunder and each obligation of the Company (including, but not limited to its indemnity obligations) and the Trustee hereunder shall be a “general obligation” and, notwithstanding anything herein to the contrary, the source of satisfaction of such obligations shall be solely from the assets of the Company, and from no other person or entity.

Subject to Section 10.13 of the Agreement, the Trustee shall be under no obligation to institute any suit, or to take any remedial action under this Indenture or under the Agreement, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant (except in the case of the Trustee’s own negligence or willful misconduct), or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under the Agreement, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability, the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as Trustee, without indemnity, and in such case the Company shall reimburse the Trustee from funds available therefor under the Agreement for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Company shall fail to make reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture, other than from funds held in the Robute Fund, and shall be entitled to a preference over any of the Bonds.
the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having unimpaired capital and surplus of at least $100,000,000, and subject to supervision or examination by federal or state authority. If such trust company or bank publishes reports of condition at least annually, pursuant to law or to the requirements of the federal or state authority to which it is subject, the Authority, the Company and the Bondholders, in their respective capacities, may at any time, after consultation with the University, or (2) any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

The Trustee shall not be under any obligation to see that any duties herein imposed upon any party other than itself, or any covenants herein contained upon the part of any other party to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

The Trustee shall not be liable or responsible because of the failure of the Authority or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Authority or because of the loss of any moneys arising through the insolvency of the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture.

The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee shall not be under any responsibility for the correctness of the same, except for its certificate of authentication of the Bonds.

The Trustee shall be entitled to reasonable compensation for its ordinary services hereunder and any extraordinary services rendered hereunder and to reimbursement for all expenses incurred in good faith hereunder, including the compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers. Subject to the provisions of any contract relating to the compensation of the Trustee, the Company shall pay to the Trustee, as administrative expenses, reasonable notice fees and expenses hereunder for its services including, but not limited to, reasonable attorneys’ fees and all costs of issuing, marketing, collecting payment on and redeeming the Bonds, upon the written request of the Trustee. The Authority shall not be responsible for payment of any such fees and expenses.

If the Company shall fail to make any payment required by this Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture, other than from funds held in the Rebate Fund, and the Trustee shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

If the Company shall fail to make any payment required by this Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture, other than from funds held in the Rebate Fund, and the Trustee shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

If the Company shall fail to make any payment required by this Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture, other than from funds held in the Rebate Fund, and the Trustee shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

If the Company shall fail to make any payment required by this Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture, other than from funds held in the Rebate Fund, and the Trustee shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.
Representative upon the written request of the Trustee and provided the Authority shall be furnished with sufficient funds to pay all costs and expenses (including attorneys’ fees) reasonably incurred by the Authority in connection therewith as such costs and expenses accrue.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the corporate trust assets and corporate trust business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

Section 10.13 Co-Trustee.

It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Trustee appoint an additional individual or institution as a separate Trustee or Co-Trustee. The following provisions of this Section are adapted to these ends.

Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee or to hold title to the trust estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in a separate Trustee or Co-Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co-Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co-Trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Authority be required by the separate Trustee or Co-Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged, delivered by the Authority upon the written request of the Trustee and provided the Authority shall be furnished with sufficient funds to pay all costs and expenses (including attorneys’ fees reasonably incurred by the Authority in connection therewith as such costs and expenses accrue). In case any separate Trustee or Co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co-Trustee.

Section 11.2 Supplemental Indentures Requiring Consent of Bondholders.

Anything contained in this Indenture to the contrary notwithstanding, except for indentures supplemental hereto authorized by Section 11.1 of this Indenture and subject to the terms and conditions contained in this Section 11.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Series 2015 Bonds and any Additional Bonds shall, whenever and so often as reasonably required to do so by the Trustee, upon being suitably indemnified by the Company with respect to expenses, cause notice of the proposed execution by the Authority of any supplemental indenture, or the execution by the Authority of any indenture supplemental hereto, to be given to the Bondholders in the manner provided in Section 11.1(e) of this Indenture; provided, however, that nothing contained in this Section 11.2 shall prohibit, or be construed as permitting, the Authority, with the approval of the Trustee in certain events, to enter into any supplemental loan agreements for the purposes and in the manner provided in Article VIII of the Agreement and the Trustee agrees that it shall take the actions required of it as provided thereunder.

If at any time the Authority shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 11.2, the Trustee shall, upon being suitably indemnified by the Company with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the manner provided in Section 14.13 of this Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If within ninety (90) days or such longer period as shall be prescribed by the Authority following the giving of such notice, the owners of not less than a majority in aggregate principal amount of the Series 2015 Bonds and any Additional Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and conditions contained therein, or to require the Trustee to accept the indenture as herein provided.

The Company and the Authority shall be entitled to the full protection of such supplemental indenture and all rights, powers and privileges granted to the Company and the Authority, the Trustee and the Bondholders by this Indenture, as amended and supplemented, and no provision hereof or thereof shall be invalid or ineffective for any reason or cause whatsoever.

Section 11.4 Repeal of Prior Indentures.

Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be deemed to have been superseded and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee, the Authority and the owners of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment.

Section 11.5 Supplemental Agreement.

The Authority and the Trustee shall, whenever and so often as reasonably required to do so by the Trustee, promptly to execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other
in this Indenture against any past, present or future officer, director, member, employee or agent of the Authority, and all such liability of any such officers, directors, members, employees, or agents as is hereby expressly waived or released as a condition and consideration for the execution of this Indenture and the issuance of such Bonds. In the exercise of the powers of the Authority and its members, employees or agents under this Indenture and this Agreement, and including without limitation the application of moneys, the investment of funds, the assignment or other disposition of the Trust Estate in the event of default by the Company, neither the Authority nor its members, officers, employees or agents shall be accountable to the registered owners of the Bonds, the Trustee or the Company for any action taken or omitted by it or them in good faith and believed by it or them to be authorized or within the discretion or right of such officers conferred. The Authority and its members, officers, employees and agents shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it and they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

Section 12.8 Authority and Trustee Entitled to Indemnity.

(a) Pursuant to Section 6.17 of the Agreement, the Company has agreed to indemnify the Authority, the State and the Trustee and any person who “controls” the Authority, the State or the Trustee within the meaning of Section 13 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, and any member, director, officer, official, agent, attorney or employee of the Authority, the Trustee or the State (hereinafter, the “Indemnified Parties”).

(b) The Company shall not be obligated to reimburse any expense or to indemnify against any loss or liability incurred by an Indemnified Party through its own gross negligence or willful misconduct.

(c) To secure the Company’s indemnification payment obligation, the Indemnified Parties shall have a lien prior to the lien created by this Indenture for the benefit of the owners of the Bonds on all money or property held or collected by the Trustee other than money in the Rebate Fund and money held for the payment of the principal or Redemption Price of any Bonds and interest on any Bonds previously matured or called for redemption in accordance with this Indenture, which shall be held for the benefit of the registered owners of such Bonds only, provided, however, that the lien of the Authority shall be superior to the lien of any other Indemnified Party. Such obligations shall survive the satisfaction and discharge of this Indenture and resignation or removal of the Trustee.

(d) When an Indemnified Party incurs expenses or renders services after an Event of Default, the expenses and compensation for the services are intended to constitute expenses of administration under any applicable bankruptcy law.

Section 12.9 Neither Authority Nor Trustee Responsible for Insurance, Taxes, Sufficiency of Security, Performance or Application of Moneys_collected in Accordance with this Indenture.

(a) Neither the Authority nor the Trustee shall be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Company, or to report, or make or file claims or proof of loss for, any loss or damage arising or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Neither the Authority nor the Trustee shall have responsibility in respect of the sufficiency of the security provided by this Indenture or the validity, priority, perfection, refunding, re-recording, filing or filing of this Indenture, the security thereunder, any instrument of further assurance or any financing statements, amendments thereto or continuation statements. Neither the Authority nor the Trustee shall be under any obligation to see that any duties herein imposed upon any party other than itself, or any covenants herein contained on the part of any of the parties other than itself to be performed, shall be done or performed, and neither the Authority nor the Trustee shall be under any liability for failure to see that any such duties or covenants are so done or performed.

(b) Neither the Authority nor the Trustee shall be liable or responsible because of the failure of the Authority or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Authority or the Trustee or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depositary in which such moneys shall have been deposited under the provisions of this Indenture. Neither the Authority nor the Trustee shall be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture.

(c) The immunities and exceptions from liability of the Authority and the Trustee hereunder shall extend to their respective directors, members, attorneys, officers, employees and agents.

Section 12.10 Authority and Trustee May Rely on Certificates.

The Authority and the Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Agreement or this Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter; and neither the Authority nor the Trustee shall be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

Section 12.11 Role of Authority.

The Authority shall not be required to take any action not expressly provided for herein. The Authority shall have no obligation to review, control or oversee the activities of Trustee in collecting any amounts payable pursuant to the Agreement, the Indenture or the Mortgage, or in making any payments on the Bonds. Furthermore, the Authority shall not be obligated to take any action or execute any documents which might in its reasonable judgment involve it in any expense or liability unless it shall have been furnished with assurance of payment or reimbursement for any expense and with reasonable indemnity for liability of the Authority, its incorporators, directors, officers and counsel.

Section 12.12 No Superior Pledge.

The Authority shall grant no security interest or lien of any type in the Payments that is superior to the pledge set forth in Article II hereof and shall issue no debt or obligation that is to be paid from the Payments prior to payment of principal of and interest on the Bonds and the other payments required hereunder. The Authority shall grant no security interest or lien or encumbrance of any type on the Payments that is on a parity with the pledge made by Article II hereof.

ARTICLE XIII
DEFEASANCE

Section 13.1 Payment.

At the request of the Company upon direction from the University, the Bonds may be defeased by complying with the provisions of this Article XIII.

Any series of Bonds will be deemed paid for all purposes of this Indenture when (i) payment in full of the principal or Redemption Price of and interest on the Bonds to the due date of such principal and interest (whether at maturity, upon redemption or otherwise) (ii) (A) has been made in accordance with the terms of the Indenture for by depositing with the Trustee (1) money sufficient to make such payment and or Defeasance Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of such money to make such payment and (2) all compensation and expenses of and indemnities due to the Trustee pertaining to such series of Bonds in respect of which such deposits are made have been paid or provided for to the Trustee's satisfaction.

When all of the Bonds shall have been paid and discharged, and all payments and obligations under the Loan Agreement and hereunder are satisfied and there shall have been paid all fees and charges of the Trustee due or to become due through the date on which the last of the Bonds is retired, then this Indenture shall cease, terminate and become null and void, and thereupon the Trustee shall release this Indenture including the cancellation and discharge of the lien hereof, and execute and deliver to the Authority such instruments in writing as shall be requisite to satisfy the lien hereof and to enter on the records such satisfaction and discharge and to re-convey to the Authority any property or interest therein or other rights hereby.
agreement or obligation shall be deemed to be the agreement or obligation of the Authority, the Company or the University, as the case may be, only to the extent permitted by law.

Section 14.6 Consents and Approvals.

Whenever the written consent or approval of the Authority, the Trustee or the Company shall be required under the provisions of this indenture, such consent or approval shall, except as may otherwise be specifically set forth herein, not be unreasonably withheld, conditioned or delayed.

Section 14.7 Notices.

All notices, demands and requests to be given or made hereunder to or by the Authority, the Trustee or the Company, or their designated successors, shall be in writing and shall be properly made if hand delivered or sent by United States mail, postage prepaid, and addressed as follows:

If to the Authority: New Jersey Economic Development Authority 36 West State Street P.O. Box 990 Trenton, New Jersey 08625 Attention: Director - Bonds and Incentives

If to the Company: West Campus Housing, LLC e/o New Jersey City University Foundation, Inc. 2039 John F. Kennedy Boulevard Jersey City, New Jersey 07305 Attention: Executive Director

If to the University: New Jersey City University 2039 Kennedy Boulevard Jersey City, New Jersey 07305 Attention: Dr. Aaron Aska, Vice President for Administration & Finance

If to the Trustee: U.S. Bank National Association 21 South Street, 3rd Floor Morristown, New Jersey 07960 Attention: Corporate Trust Services

If to the Rating Agencies: Standard & Poor's Ratings Services 225 Liberty Street, 27th Floor Boston, Massachusetts 02110

Section 13.4 Notification to Authority of Payment of Bonds.

The Trustee shall notify the Authority in writing of the final maturity and payment of some or all of the Bonds or of the redemption and payment of some or all of the Bonds upon such payment or prepayment.

ARTICLE XIV. MISCELLANEOUS

Section 14.1 Covenants of Authority Binds its Successors.

In the event of the dissolution of the Authority, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor or successors of the Authority from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word “Authority” as used in this Indenture shall include such successor or successors, to the extent provided by law.

Section 14.2 Preservation and Inspection of Documents.

All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Company, the University and any Bondholder and their agents and their representatives, of any whom may make copies thereof.

Section 14.3 Parties Interest Herein.

Nothing in this Indenture expressed or implied, is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Authority, the University, the Trustee, the Company and the Bondholders, any right, remedy or claim or by reason of this Indenture or any covenant, agreement, condition or stipulation therein.

Section 14.4 No Recourse on the Bonds.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereunder or under this Indenture against any trustee, director, officer, employee or agent of the Authority or of the Trustee.

Section 14.5 Severability.

If any clause, provision or Section of this Indenture be held invalid or illegal by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Indenture shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Indenture be held to be in violation of law, then such

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IN WITNESS WHEREOF, the Authority and the Trustee have caused these presents to be signed by their respective officers thereunto duly authorized and this Indenture to be dated as of the day and year first above written.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: John J. Rosensfeld
Director - Bonds and Incentives

SEAL

ATTEST:

By: Richard T. LoCascio
Assistant Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: Paul O'Brien
Vice President

[Signature Page to Trust Indenture]
and private debts. For so long as the bonds of this series of this issue are in registered form, payments of principal and redemption price of and premium, if any, of and interest on the bonds shall be made as provided in the accordance with the operational arrangements of The Depository Trust Company referred to in the Blanket Issuer Letter of Representation from the Authority to The Depository Trust Company.

This Bond is one of a duly authorized series of bonds of the Authority designated as “New Jersey Economic Development Authority Revenue Bonds (West Campus Housing, LLC - New Jersey City University Student Housing Project) Series 2015[A][B (Federally Taxable)]” (the “Series 2015[A][B Bonds”), issued in the aggregate principal amount of $5,000,000 pursuant to the Indenture.

The Series 2015 Bonds, the Authority’s “New Jersey Economic Development Authority Revenue Bonds (West Campus Housing, LLC - New Jersey City University Student Housing Project) Series 2015[A][B (Federally Taxable)]”, dated the date hereof, (collectively with the Series 2015 Bonds, the “Series 2015 Bonds”), and any Additional Bonds issued in accordance with the terms of the Indenture are all parity obligations that rank equally, without privilege, priority or distinction as to the lien on, or claim of any of such bonds to, the property pledged under the Indenture, the Leasehold Mortgage, Security Agreement and Fixture Filing, dated as of March 1, 2015, from the Company (defined below) to the Trustee, and the Assignment of Leases, dated as of March 1, 2015, from the Company to the Trustee, and any other related security documents, over any other of such bonds.

The proceeds of the Series 2015 Bonds will be used to make the Loan to West Campus Housing, LLC (the “Company”) to: (a) finance the costs of designing, constructing, renovating and equipping student housing and dining facilities (the “Facilities”) on the campus of New Jersey City University (the “University”); (b) fund a deposit to the Debt Service Reserve Fund for the Series 2015 Bonds; (c) pay capitalized interest on the Series 2015 Bonds; and (d) pay costs of issuance of the Series 2015 Bonds (the “Project”).

Capitalized terms used in this Bond, not otherwise defined, shall have the meanings given to such terms in the Indenture. Reference is hereby made to the Indenture (a copy of which is on file at the principal corporate trust office of the Trustee in Morristown, New Jersey) and all indentures supplemental thereto for a description of the rights thereunder of the Registered Owners, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, and all the provisions of which Indenture the Registered Owners, by acceptance hereof, assents and agrees.

The Bonds and the interest thereon are payable from payments to be made by the Company under the terms of the Loan Agreement, dated as of March 1, 2015 between the Authority and the Company, as and to the extent provided in the Indenture.

The Bonds of this series of this issue are subject to optional redemption, extraordinary mandatory redemption and mandatory redemption (including mandatory sinking fund redemption) as provided in the Indenture. The Indenture and the rights and obligations of the Authority and of the Registered Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture.

This Bond shall not be entitled to the benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

Pursuant to the Act, neither the members of the Authority nor any person executing bonds for the Authority shall be personally liable on said bonds by reason of the issuance thereof.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and in its behalf by the manual or facsimile signature of its Executive Director and its seal to be impressed or reproduced hereon by facsimile and attested by the manual or facsimile signature of its Secretary, initially all as of the date of original issuance and thereafter as provided in the Indenture.

THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By

Name:

Title:

(SEAL)

ATTEST:

By

Name:

Title: Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This is one of the Bonds described in the within-mentioned Indenture, and is one of the Authority’s Revenue Bonds (West Campus Housing, LLC - New Jersey City University Student Housing Project) Series 2015[A][B (Federally Taxable)].

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By

Authorized Signature
ASSIGNMENT

The following abbreviations, when used in the inscription on this bond or in the Assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

- **TEN COM** as tenants in common
- **TEN ENT** as tenants by the entireties
- **JT TEN** as joint tenants with right of survivorship and not as tenants in common and not as community property
- **UNIF TRANS** under Uniform Transfer to Minors Act
- **MIN ACT** Custodian (Custodian) (Minor) (State)

Additional abbreviations may be used although not in the above list.

**FOR VALUE RECEIVED**, the undersigned, ________________________________, hereby sells, assigns, and transfers unto _______________________ (Tax Identification or Social Security No. ______________) the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _________________________ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed

NOTICE: The signature to this Assignment must be guaranteed by an institution that is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

---

EXHIBIT B

FORM OF REPLACEMENT FUND REQUISITION

$50,645,000
New Jersey Economic Development Authority
Revenue Bonds
(West Campus Housing, LLC – New Jersey City University Student Housing Project)
Series 2015A and Series 2015B (Federally Taxable)

U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960

Date: ____________
Requisition Number: ____________

The undersigned Authorized Company Representative, acting for and on behalf of West Campus Housing, LLC pursuant to a Trust Indenture dated as of March 1, 2015 (the “Indenture”) by and between the New Jersey Economic Development Authority (the “Authority”) and U.S. Bank National Association, as Trustee, relating to the above captioned issue of Bonds (the “Bonds”) hereby requests payment be made from amounts on deposit in the Replacement Fund held by the Trustee pursuant to Section 4.11 of the Indenture to be used by the Company in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Amount of Payment: ____________
Purpose of Payment

---

[END OF FORM OF SERIES 2015 BOND]
EXHIBIT C
CERTIFICATE OF COMPANY UNDER SECTION 4.12(H) OF INDENTURE

$50,645,000
New Jersey Economic Development Authority Revenue Bonds
(West Campus Housing, LLC - New Jersey City University Student Housing Project)
Series 2015A and Series 2015B (Federally Taxable)

Date:____________________

U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960

The undersigned Authorized Company Representative, acting for and on behalf of West Campus Housing, LLC pursuant to a Trust Indenture dated as of March 1, 2015 (the “Indenture”) by and between the New Jersey Economic Development Authority (the “Authority”) and U.S. Bank National Association, as Trustee, relating to the above-captioned issue of Bonds (the “Bonds”) hereby makes the following certifications and directions to the Trustee. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

1. The Trustee is hereby directed to pay to the University from the Surplus Cash Flow Fund University Temporary Housing Expenses in the amount of $____________pursuant to Section 4.12(b) of the Indenture.

2. As of the end of the Annual Period ended June 30, 20__, the Debt Service Coverage Ratio was ______to 1.00.

3. Check (a) or (b).
   (a) As the Debt Service Coverage Ratio did not exceed 1.10 to 1.00 as of the end of such Annual Period, you are hereby directed to make no payments from the Surplus Cash Flow Fund pursuant to Section 4.12(d) of the Indenture;
   (b) As the Debt Service Coverage Ratio exceeded 1.10 to 1.00 as of the end of such Annual Period and all amounts were paid under Sections 4.12 (a), (b), and (c) of the Indenture, you are hereby directed to make the following payments from the Surplus Cash Flow Fund pursuant to Section 4.12(e) of the Indenture:
      (i) $_________ to the University, pursuant to Section 4.12(e) of the Indenture, as reflected on Schedule 1 attached hereto; and
      (ii) $__________ to the Series [2015A][2015B] Bonds Redemption Account in the Debt Service Fund pursuant to Section 4.12(e) of the Indenture to redeem or defease such bonds as described below on the next optional redemption date.

4. Check (a) or (b).
   (a) As the Debt Service Coverage Ratio did not exceed 1.20 to 1.00 as of the end of such Annual Period, you are hereby directed to make no payments from the Surplus Cash Flow Fund pursuant to Section 4.12(e) of the Indenture;
   (b) As the Debt Service Coverage Ratio exceeded 1.20 to 1.00 as of the end of such Annual Period and all amounts were paid under Sections 4.12 (a), (b), (c) and (d) of the Indenture, you are hereby directed to make the following payments from the Surplus Cash Flow Fund pursuant to Section 4.12(e) of the Indenture:
      (i) $_________ to the University, pursuant to Section 4.12(e) of the Indenture, as reflected on Schedule 1 attached hereto; and
      (ii) $__________ to the Series [2015A][2015B] Bonds Redemption Account in the Debt Service Fund pursuant to Section 4.12(e) of the Indenture to redeem or defease such bonds as described below on the next optional redemption date.

5. Based on the Annual Audit of the Company for the Annual Period ended June 30, 20__, the amount in the Company’s Operating Account in excess of $100,000 was $_________ as of such date. Accordingly, future deposits to the Operating Account after this date shall be reduced by such amount until such reductions equal such excess.

WEST CAMPUS HOUSING, LLC
By: New Jersey City University Foundation, Incorporated, a New Jersey Nonprofit Corporation, as Sole Member
By: ____________________________
   Name: ____________________________
   Title: ____________________________

Schedule 1 to Exhibit C

C-1
C-2
C-3
C-4
## EXHIBIT D
FORM OF PROJECT DEVELOPMENT AGREEMENT

### Schedule 1
CAPITALIZED INTEREST FUND DISBURSEMENTS

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<th>Amount</th>
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<td>January 1, 2016</td>
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<td>July 1, 2016</td>
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<td>January 1, 2017</td>
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<td>July 1, 2017</td>
<td>$196,595.31</td>
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### Schedule 2
REPLACEMENT FUND REQUIREMENT

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<td>274,321</td>
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LOAN AGREEMENT

This LOAN AGREEMENT, dated as of March 1, 2015 (together with any amendments hereto, the “Agreement”), is between the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic constituting an instrumentality of the State (this term and certain other terms used herein are defined in Section 1.1 of this Agreement) (the “Authority”), and WEST CAMPUS HOUSING, LLC, a New Jersey limited liability company (the “Company” or the “Borrower”), whose sole member is New Jersey City University Foundation, Incorporated, a New Jersey nonprofit corporation, exempt from the payment of federal income tax under Section 501(a)(1) of the Code, as an organization described in Section 501(c)(3) of the Code (the “Member”).

WITNESSETH:

WHEREAS, the Act declares it to be in the public interest and to be the policy of the State to foster and promote the economy of the State, increase opportunities for gainful employment and improve living conditions, assist in the economic development or redevelopment of political subdivisions within the State, and otherwise contribute to the prosperity, health and general welfare of the State and its inhabitants by inducing manufacturing, industrial, commercial, recreational, retail, service and other employment promoting enterprises to locate, remain or expand within the State by making available financial assistance; and

WHEREAS, the Authority is authorized and empowered under the laws of the State, including the Act, to issue economic development bonds and to enter into loan agreements, contracts and other instruments and documents necessary or convenient to obtain loans for the purpose of facilitating the financing of certain projects as described in the Act; and

WHEREAS, pursuant to the New Jersey Stimulus Act of 2009, Section 43 of P.L. 2009, c.90 (C.52:11B-54A), as amended (the “Stimulus Act”), the Company will be engaging in a form of public-private partnership with New Jersey City University (the “University”) and has engaged AUDG Jersey City, LLC to provide the design, construction, renovation, furnishing and equipping of student housing, food service, and certain utilities and other related facilities (the “Facilities”) for the Company, to be located on a portion of the campus of the University, located in the City of Jersey City, Hudson County, New Jersey; and

WHEREAS, the Company has applied to the Authority for financial assistance to finance the Project (as hereinafter defined); and

WHEREAS, the Authority has determined to issue $58,320,000 aggregate principal amount of its Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project) Series 2015A (the “Series 2015A Bonds”) and $325,000 aggregate principal amount of its Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project) Series 2015B (Federally Taxable) (the “Series 2015B Bonds”); the Series 2015A Bonds and the Series 2015B Bonds shall be referred to collectively herein as the “Series 2015 Bonds” in order to make the Loan to the Company to (a) finance the Costs of the Facilities, (b) fund a deposit to the Debt Service Reserve Fund for the Series 2015 Bonds; (c) pay capitalized interest on the Series 2015 Bonds; and (d) pay costs of issuance of the Series 2015 Bonds (collectively, the “Project”); and

WHEREAS, the University and the Company have entered into an Indenture of Lease dated as of March 1, 2015 (the “Lease”), whereby the University has leased to the Company the real property more particularly described on Exhibit A attached to the Lease upon which the Facilities are to be designed, constructed, furnished, equipped, operated and located (the “Land”); and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the Authority, and all conditions, acts and things necessary and required by the Constitution or statutes of the State or otherwise, to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Agreement do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the Company and the Authority are empowered to consummate the transactions contemplated hereunder and to do all acts and exercise all powers and assume all obligations necessary or incident thereto; and

WHEREAS, in consideration of the issuance of the Bonds by the Authority, the Company will assign its rights to all Revenues received from the Facilities to the Authority, as security for repayment of the Bonds and agrees to make payments solely from such Revenues in an amount sufficient to make timely payments of principal of, sinking fund installment, premium, if any, and interest on the Bonds and to pay such other amounts as are required by this Agreement; and

WHEREAS, in consideration of the representative agreements and agreements contained herein, the parties hereto, recognizing that under the Act this Agreement shall not in any way obligate the State or any public corporation thereof, including, without limitation, the Authority, to raise any money by taxation or use other public moneys for any purpose in relation to the Bonds and that neither the State nor the Authority, shall pay or promise to pay any debt or meet any financial obligation to any person at any time in relation to the Bonds except from moneys received or to be received under the provisions of this Agreement and pledged under the Indenture to pay debt service on the Bonds or derived from the exercise of the rights of the Authority hereunder;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Authority and the Company agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions.

All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the preamble hereof or in the Indenture. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended:

“Act” means the New Jersey Economic Development Authority Act, constituting Chapter 80 of the Preamble Laws of 1974 of the State, approved on August 7, 1974, as amended and supplemented.

“Additional Bonds” means any additional Bonds authorized to be issued by the Authority pursuant to the terms and conditions of the Indenture.

“Affirmative Action Program” shall mean the provisions of the Act, and the resolutions, rules and regulations of the Authority, as adopted, amended and supplemented from time to time, requiring that the Company and all contractors make every effort to hire minority workers or to cause minority workers to be hired for employment in performance of Construction Contracts, in fulfillment of the minority employment goals fixed by the Authority, and that the Company and all Contractors file such certificates, reports and records and do other prescribed acts as are necessary to demonstrate or assure compliance:

“Agreement” means this Loan Agreement, dated as of March 1, 2015, between the Company and the Authority, including any amendments and supplements hereof and hereto as permitted hereunder.

“Annual Audit” means the annual audit of the Company prepared by a certified public accountant, which shall include, but not be limited to, the operations of the Facilities, as set forth in Section 6.8 hereto.

“Annual Debt Service Requirements” means, as of the date of calculation, the total amount of Debt Service payable during each Annual Period.

“Annual Ground Rent” means the periodic amount of rent payable by the Company to the University on each Sarphis Cash Flow Application Date, as calculated pursuant to the terms and provisions of the Lease.

“Annual Operating Budget” means the annual operating budget of the Facilities, which has been approved as provided in the Management Agreement. To the extent the Facilities are not Substantially Complete by the Outside Completion Date, the Annual Operating Budget for the first Annual Period shall be adjusted (and if necessary readjusted) to take into account such delayed opening.

“Annual Period” means the period of twelve consecutive months beginning on July 1 of each year and ending on June 30 of the following year.

“Application” shall mean the Company’s application to the Authority dated January 5, 2015, as hereafter amended, seeking financial assistance for the Project, and all attachments, exhibits, correspondence and modifications submitted in writing to the Authority in connection therewith.

“Arbitrage Certificate” means the Arbitrage Certificate of the Authority, dated the Closing Date, relating to the Series 2015A Bonds, and acknowledged as to receipt of a copy by the Trustee.

“Assignment” means the Assignment of Leases from the Company to the Trustee, dated as of March 1, 2015.

“Assignment of Contract Documents” means the Assignment of Contract Documents, from the Company, the Manager and the Developer to the Trustee, dated as of March 1, 2015.

“Authority” shall have the meaning assigned and ascribed to such term as set forth in the preamble to this Agreement, including its successors and assigns, to the extent provided by State law.

“Authorized Authority Representative” means the person(s) at the time designated to act under this Agreement and the Indenture on behalf of the Authority by a written certificate furnished to the Company and the Trustee containing the signatures of such person(s) and signed on behalf of the Authority by the Chairman, Vice Chairman, Executive Director or such other officers as authorized by resolution of the Authority. Such certificate may designate an alternate or alternates.

“Authorized Company Representative” means any officer of the Member, or any other person designated as such pursuant to the Management Agreement by or by an instrument in writing signed by any officer of the Member.

“Bond Counsel” means McCarter & English, LLP, or any attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds that is acceptable to the Authority.

“Bond Documents” shall have the meaning set forth in Section 3.12 of the Indenture.

“Bond Purchase Agreement” means the bond purchase agreement executed among the Authority, the Company and the Underwriter, relating to the purchase by the Underwriter of the Series 2015 Bonds.

“Bond Proceeds Fund” shall have the meaning set forth in Section 4.1 of the Indenture.

“Bondholder” or “Owner”, when used with reference to a Bond or Bonds, means the registered owner of any outstanding Bond or Bonds.

“Bonds” means, collectively, the Series 2015 Bonds and any Additional Bonds issued pursuant to a supplemental Indenture as authorized under the Indenture.

“Business Day” means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or the principal office of the Trustee are authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

“Capitalized Interest Fund” means the fund of that name created in Section 4.1 of the Indenture.

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with such acquisition, legal fees and expenses, and expenses of administration and overhead, all properly chargeable, in the opinion of the Authorized Company Representative, to Costs of the Facilities; (f) that portion of the development fee (including reimbursable expenses) payable to the Developer from proceeds of the Series 2015 Bonds, in accordance with the terms of the Project Development Agreement, including without limitation any performance bonus that may be deemed necessary or convenient by the Authorized Company Representative for the construction, financing and operation of the Facilities.  

"Construction Contract" shall mean, for purposes of the Prevailing Wage Provision, the Facilities Construction Contract and any other contract or subcontract in the amount of $2,000 or more for construction, reconstruction, demolition, alteration, repair, or maintenance work, including painting and decorating, undertaken in connection with the Project and shall mean, for purposes of the Affirmative Action Program, the Facilities Construction Contract any other contract or subcontract for construction, reconstruction, renovation or rehabilitation undertaken in connection with the Project.  

"Continuing Disclosure Agreement" shall mean the continuing disclosure agreement dated as of March 1, 2015 between the Company and the Trustee, as dissemination agent.  

"Contractor" shall mean the principal or general contractor or contractors engaged by the Developer in the performance of a Construction Contract.  

"Contractor Certificate" shall mean the instrument executed by the Contractor in form and substance acceptable to the Authority and the Company, a current form of which is attached as Exhibit F hereto.  

"Contractor Completion Certificate" shall mean the certificate or certificates executed by the Contractor and any subcontractors, upon substantial completion of construction of the Facilities, in the form attached Exhibit F hereto.  

"Closing Date" means the date on which the Bonds were delivered and payment therefor was received by the Authority.  


"Collateral" means the Trust Estate.  

"Company" or "Borrower" shall have the meaning assigned and ascribed to such term as set forth in the preamble to this Agreement and also includes every successor company and assign of the Company until payment or provision for the payment of all the Bonds.  

"Company Documents" means this Agreement, the Lease, the Mortgage, the Assignment, the Assignment of Contract Documents, the Series 2015 Note, the Bond Purchase Agreement, the Tax Certificates, the Project Development Agreement, the Management Agreement, and any other contract or agreement entered into by the Company with respect to the financing, construction and operation of the Facilities.  

"Construction Contract" shall mean, for purposes of the Prevailing Wage Provision, the Facilities Construction Contract and any other contract or subcontract in the amount of $2,000 or more for construction, reconstruction, demolition, alteration, repair, or maintenance work, including painting and decorating, undertaken in connection with the Project and shall mean, for purposes of the Affirmative Action Program, the Facilities Construction Contract any other contract or subcontract for construction, reconstruction, renovation or rehabilitation undertaken in connection with the Project.  

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"Certificate of Substantial Completion" means the certificate filed by the Company with the Trustee upon Final Completion of the Facilities, in the form attached as Exhibit E-2 hereto.  

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"Construction Contract" shall mean, for purposes of the Prevailing Wage Provision, the Facilities Construction Contract and any other contract or subcontract in the amount of $2,000 or more for construction, reconstruction, demolition, alteration, repair, or maintenance work, including painting and decorating, undertaken in connection with the Project and shall mean, for purposes of the Affirmative Action Program, the Facilities Construction Contract any other contract or subcontract for construction, reconstruction, renovation or rehabilitation undertaken in connection with the Project.  

"Continuing Disclosure Agreement" shall mean the continuing disclosure agreement dated as of March 1, 2015 between the Company and the Trustee, as dissemination agent.  

"Contractor" shall mean the principal or general contractor or contractors engaged by the Developer in the performance of a Construction Contract.  

"Contractor Certificate" shall mean the instrument executed by the Contractor in form and substance acceptable to the Authority and the Company, a current form of which is attached as Exhibit F hereto.  

"Certificate of Substantial Completion" means the certificate filed by the Company with the Trustee upon Final Completion of the Facilities, in the form attached as Exhibit E-2 hereto.
"Governmental Corporation" shall mean any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions or of pertaining to government.

"Guaranteed Maximum Price" means the price set forth in the Project Development Agreement.

"Hazardous Substances" shall mean dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances as defined in Environmental Regulations, and also any urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos-containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner or mortgagee or any Bondholder to any damages, penalties or liabilities under any applicable Environmental Regulation.

"Indemnified Parties" means the Authority, the Trustee, and the State and any person who "controls" the same (within the meaning Section 15 of the Securities Act of 1933, as amended) and their respective trustees, members, directors, officers, employees, attorneys and agents.

"Indenture" means the Trust Indenture dated as of March 1, 2015 between the Authority and the Trustee, as amended or supplemented from time to time by supplemental indentures in accordance with the provisions thereof.

"Independent Architect(s)" means any architect, engineer, or consultant selected and retained by the Developer to inspect any portion of the Facilities.

"Interest Payment Date" or "interest payment date", means each January 1 and July 1, commencing July 1, 2015.

"Land" means, collectively, the real property and improvements thereon more particularly described on Exhibit A attached to the Lease upon which the Facilities are to be designed, constructed, renovated, furnished, equipped, operated and located.

"Liabilities and Costs" shall mean all liabilities, obligations, responsibilities, losses, damages, costs and expenses (including, without limitation, reasonable attorney, expert and consulting fees and costs of investigation and feasibility studies), fines, penalties, monetary sanctions and interest.

"Liquidated Damages" shall mean the amounts payable as liquidated damages pursuant to Section 17.2 of the Project Development Agreement.

"Loan" means the aggregate amount of the moneys loaned to the Company pursuant to this Agreement.

"Management Agreement" means the Project Management Agreement dated as of March 1, 2015, among the Management Company, the University and the Company relating to the management of the Facilities, as it may be amended or supplemented from time to time, and any successor contract for the management of the Facilities.

"Management Company" means initially, AUDG Management, LLC, a Georgia limited liability company, and its successors and assigns, or such other entity as may be party to a subsequent Management Agreement.

"Management Fee" means the fee(s) payable to the Management Company pursuant to Section 9.2 of the Management Agreement.

"Mortgage" means the Leashold Mortgage, Security Agreement and Fixture Filing, dated the Closing Date, by the Company in favor of the Authority to secure the Series 2015 Bonds and any Additional Bonds, mortgaging the Company’s leasehold interest in and to the Land and ownership interest in and to the Facilities, granting a security interest in certain movable property and assigning the Leases and Rents (each as defined in the Mortgage).

"Net Revenues of the Facilities" means, with respect to each Annual Period, the excess of the Revenues less the sum of (i) the Operating Expenses for extraordinary items of the Facilities, and (ii) the Rebate Amount, all determined in accordance with generally accepted accounting principles, and excluding: (a) any profits or losses on the sale or disposition, not in the ordinary course of business, of investments or fixed or capital assets or resulting from the early extinguishment of debt; (b) gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purposes inconsistent with their use for the payment of Debt Service; and (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards.

"Net Surplus Cash Flow" means the Surplus Cash Flow for each Annual Period, less the amounts payable under Sections 4.12(a) (b) and (c) of the Indenture. Such term shall also include any additional retained in the Surplus Cash Flow Fund from a prior Annual Period due to the failure to meet a Debt Service Coverage Ratio under Section 4.12 of the Indenture provided the required Debt Service Coverage Ratio has then been met.

"Operating Expenses" means the current expenses of operation, maintenance and current repair of the Facilities with respect to an Annual Period, as calculated in accordance with generally accepted accounting principles, and includes, without limiting the generality of the foregoing, the cost of housing Displaced Students in local hotels that is payable by the Company, the Management Fee, insurance premiums, reasonable accounting and legal fees and expenses relating to the Facilities and the ownership thereof by the Company, payments with respect to worker’s compensation claims not otherwise covered by insurance, amounts payable by the Company under the Agreement or the Mortgage (other than the principal of, premium, if any, and interest on the Bonds); any expenses of the Authority (including fees, expenses and indemnification, and counsel fees and expenses), any expenses of the Trustee (including fees and expenses) any other expenses relating solely to the Facilities, and the cost of materials and supplies used for current operations, taxes and charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in the operation of the Facilities in accordance with sound accounting practice. “Operating Expenses” will not include: (1) the principal of and interest on the Bonds or any redemption premium; (2) any allowance for depreciation or replacements of capital assets of the Facilities; (3) any required deposits under Sections 4.6(e) through (h) herein; (4) amortization of financing costs; (5) any Subordinated Management Fee; (6) any required payments or deposits under Section 4.12, including Subordinated University Expenses, University Temporary Housing Expenses, Operating Reserve Account deposits, and Annual Ground Rent payments.

"Operating Reserve Account" means the fund by that name created in Section 4.1 of the Indenture.

"Operating Reserve Requirement" means an amount equal to 25% of the Operating Expenses as set forth in the operating budget with respect to the Facilities for the applicable Annual Period.

"Outside Completion Date" shall have the meaning set forth in the Project Development Agreement.

"Outstanding" or "outstanding", when used with reference to Bonds, means all Bonds which have been authenticated and issued under the Indenture except:

(a) Bonds canceled by the Trustee pursuant to the Indenture;

(b) Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of said Indenture;

(c) Bonds which have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in the Indenture;

(d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in the Indenture;

(e) for all purposes regarding consents and approvals or directions of Bondholders under this Agreement or the Indenture, Bonds held by or for the Authority, or the Company, or any person controlling, controlled by or under common control with either of them.

"Payments" means the amounts of payments under this Agreement to be made by the Company as provided in Article IV of this Agreement.

"Permitted Encumbrances" means:

(f) any lien arising by reason of any good faith deposit with the Company in connection with any lease of real estate, bid or contract (other than any contract for the payment of money);

(g) any lien arising by reason of any deposit with or giving of security to any governmental agency as a condition to the transaction of any business or the participation by the Company in any funds established to cover insurance risk or in connection with worker’s compensation, unemployment insurance, pension plans or other social security;

(h) any right reserved to any municipality or other public authority by the terms of any franchise, grant, license or provision of law affecting any property of the Company and any lien on any property of the Company for taxes, assessments or other municipal charges so long as such charges are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(i) any mechanics’ and materialman’s lien in connection with any property of the Company in which the amount or validity of the charges is being contested in good faith with due diligence and execution of any such lien is stayed;

(j) the Indenture, the Agreement, the Mortgage and the Lease;

(k) any lien on property received by the Company through a gift, grant or bequest constituting a restriction imposed by the donor, grantor or testator on such gift, grant or bequest (or the income therefrom), provided that any such lien may not be extended, renewed or modified in any way or applied to any additional property of the Company unless it would otherwise qualify as a Permitted Encumbrance; and

(l) such easements, rights-of-way, servitudes, restrictions and other defenses, liens and encumbrances as are determined not to materially impair the use of the Facilities for their intended purposes or the value of such facilities, such determination to be made in a certificate of an Authorized Company Representative supported by an opinion of independent counsel or a report or opinion of an independent management consultant; and

(m) any Additional Bonds.

In addition, encumbrances in existence as of the date of issuance of the Bonds as set forth in Exhibit B are hereby qualified as Permitted Encumbrances. Any such existing encumbrance may not be extended, renewed or modified in any way or applied to any additional Properties of the Company unless it would otherwise qualify as a Permitted Encumbrance.

"Rebate Amount" means (i) any mechanics’ and materialman’s lien in connection with any property of the Company which has been authenticated and issued under the Indenture and which have been authenticated and issued under the Indenture except:

(a) Bonds canceled by the Trustee pursuant to the Indenture;

(b) Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of said Indenture;

(c) Bonds which have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in the Indenture;

(d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in the Indenture; and

(e) for all purposes regarding consents and approvals or directions of Bondholders under this Agreement or the Indenture, Bonds held by or for the Authority, or the Company, or any person controlling, controlled by or under common control with either of them.
"Permitted Subleasing" means the Residential License Agreements, the provision of dwelling units for the use of the University and the Management Company pursuant to the Management Agreement and any subleases to the University.

"Plans and Specifications" as described in Exhibit 3 to the Project Development Agreement, means the plans and specifications prepared for the Facilities, as implemented and detailed from time to time, and as the same may be revised from time to time, in connection with the completion of the Facilities in accordance with this Agreement, the Lease and the Project Development Agreement.

"Prevailing Wage Provision" shall mean the provisions of the Act and the resolutions, rules and regulations of the Authority, as adopted, amended and supplemented from time to time, requiring that workers engaged in Construction Contracts be paid a wage rate not less than the Prevailing Wage Rate, and that the Company and all Contractors submit to the Authority such certificates, reports and records and do other prescribed acts as are necessary to demonstrate or assure compliance.

"Prevailing Wage Rate" shall mean the prevailing wage rate established by the Commissioner of the State Department of Labor and Workforce Development from time to time, and as the same may be revised from time to time, in accordance with the provisions of N.J.A.C. 13:41.96.01 for the Project Municipalities.

"Principal Account" means the Principal Account within the Debt Service Fund created pursuant to Section 4.1 of the Indenture.

"Project" shall have the meaning assigned and ascribed to such term as set forth in the recitals to this Agreement.

"Project Development Agreement" means the Project Development Agreement dated as of March 1, 2015 by and between the Developer and the Company for the benefit of the University relating to the development of the Facilities, in the form attached as Exhibit D to the Indenture.

"Project Fund" means the fund of that name created under Section 4.1 of the Indenture.

"Proper Charge" means (i) those costs which are incurred after the date which is sixty (60) days prior to January 13, 2015, the date on which the Authority adopted its resolution which declared the intention to pay a portion of the Project in the face of issuance of the Debt (subject to any limitations in the Tax Certificates), (ii) costs of the Project paid prior to such date which may be reimbursed pursuant to the Tax Certificates, and (iii) costs of issuance of the Bond Certificates, attorneys’ fees, printing costs, Authority’s fees, agents’ fees and other similar expenses (subject to the limitations hereinafter set forth) or (iv) any expenditure which when added to all previous expenditures from the Project Certificates, will not result in more than five percent (5%) of the aggregate amount of the moneys theretofore disbursed from proceeds of the Series 2015 Bonds (after deducting from that amount the costs related to the tax certificate referred to in clause (ii) above) being expended for the purposes other than those permitted by clauses (i) or (ii) above, provided that any expenditure of Bond Proceeds that, when added to all previous expenditures of Bond Proceeds for the payment of costs, as in clause (ii) above, would cause the total amount of such costs to exceed 25% of the proceeds of each issue of Tax-Exempt Bonds, shall not be considered a Proper Charge for purposes of this definition.

"Reserve Rights" means the concurrent rights expressly reserved and retained by the Authority and, whether or not the Trustee shall have exercised or shall have purported to exercise such rights and remedies, without limiting the obligation of the Trustee to do so, and shall include those rights of the Authority: (a) to receive amounts under the Indenture and this Agreement; (b) to consent to amendments, modifications or supplements to the Indenture and the Agreement; (c) to receive amounts from the Authority (excluding amounts assigned and payable to the Trustee under the Indenture for the benefit of Bondholders) and enforce pursuant to Article 9 all provisions or covenants in the Agreement under the following sections: (i) Section 2.4(i) regarding operating the Project as an authority project; (ii) Section 2.4(a) regarding indemnification; (iii) Section 2.4(b) regarding no untrue statements; (iv) Section 2.4(c) regarding Project Users; (v) Section 2.4(d) regarding the use of proceeds of the Company and its ability to merge, sell or transfer; (vi) Section 2.4(e) regarding relocation of the Project; (vii) Section 2.4(f) regarding Company’s agreement to acquire, construct, renovate, equip and operate the Project; (viii) Section 2.4(g) regarding the submission of an annual certificate; (ix) Section 2.4(h) regarding affirmative action and prevailing wage; (x) Section 2.4(i) regarding disbursements from the Project Fund; (xi) Section 2.4(j) regarding preservation of the Project and payment of taxes; (xii) Section 2.4(k) regarding access to the Facilities and inspection; (xiii) Section 2.4(l) regarding additional information; (xiv) Section 2.4(m) regarding costs and expenses; (xv) Section 2.4(n) regarding filing of other documents; (xvi) Section 2.4(o) regarding environmental representations; (xvii) Section 3.5 regarding disbursements from the Project Fund; (xviii) Section 3.6 regarding completion of payment of costs of the Facilities; (xix) Section 5.2 regarding warranty of condition or suitability by the Authority; (xx) Section 5.4 regarding the obligation of the Company to prepay the Note in whole under certain circumstances; (xxi) Section 5.4 regarding assignment of this Agreement; (xxii) Section 5.5 regarding arbitration; (xxiii) Section 6.1 regarding payment in default; (xxiv) Section 6.2 regarding payment in default; (xxv) Section 6.3 regarding maintenance of insurance; (xxvi) Section 6.4 regarding compliance with tax covenants and the calculation and remittance of interest; (xxvii) Section 6.5 regarding compliance with applicable laws; (xxviii) Section 6.6 regarding compliance with the Department of Environmental Protection; (xxix) Section 6.7 regarding indemnity against claims; (xxx) Section 6.8 regarding allocations; (xxxi) Section 6.9 regarding finance charges; (xxxii) Section 6.10 regarding default; (xxxiii) Section 6.11 regarding compliance with the Department of Labor; (xxxiv) Section 6.12 regarding maintenance; (xxxv) Section 6.13 regarding continuing disclosure undertaking; (xxxvi) Section 6.14 regarding compliance with applicable laws; (xxxvii) Section 6.15 regarding compliance with the Department of Environmental Protection; (xxxviii) Section 6.16 regarding compliance with the Department of Labor; (xxxix) Section 6.17 regarding indemnity against claims; (xl) Section 6.18 regarding recovery of the Project Fund under the Indenture.

"Property" shall mean any all and rights, title and interests in and to any and all of the Company’s property, whether real or personal tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired, including the Land and Facilities. The term “Properties,” without intending to limit the generality of the foregoing, as of any particular time, shall include all buildings, structures, fixtures, furnishings, equipment and other property, moveable and immovable, and all franchises, land, rights-of-way, privileges, servitudes, easements, licenses, patents, permits and other interest in or attributable to immovable property owned, leased, subleased or otherwise acquired by the Company and used in connection with the operation of such Properties.

"Qualified Management or Service Agreement" means any contract with respect to the Services that meets the requirements of IRS Revenue Procedure 97-13 (as amended), as described in the Tax Certificates.

"Rate Covenant Consultant" means an independent accounting or business consulting firm with recognized experience in student housing.

"Rating Agency" means Moody’s, if the Bonds are rated by Moody’s at the time, S&P, if the Bonds are rated by S&P at the time, and, if the Bonds are rated by Fitch at the time, and, if such corporations shall for any reason no longer perform the functions of a securities rating agency, the Rating Agency shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with the approval of the Company.

"Reimbutable Arbitrage" means the excess of the future value, as of a date, of all receipts on nonpurpose investments over the future value, as of that date, of all payments on nonpurpose investments, as more fully described in Code §148(f) and Regulations §1.148-3.

"Rebate Fund" means the fund so designated and established pursuant to Sections 4.1 and 4.15 of the Indenture.

"Rebate" shall mean any spilling, leaping, pouring, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing into the indoor or outdoor environment or into or out of the Properties, including but not limited to, the movement of Hazardous Substances through or in the air, water, ground water, the soil or the Properties and the abandonment or discard or barrels, containers, and other open or closed receptacles containing any Hazardous Substances.

"Replacement Fund" means the fund of that name created under Section 4.1 of the Indenture.

"Replacement Fund Requirement" means the amount required to be deposited into the Replacement Fund under the Indenture.

"Requiring of Law" means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, common law doctrine or theory, and any provision or condition of any permit or other binding determination of any Governmental Corporations.

"Residential License Agreements" shall mean the “Student Housing Agreements” as such term is defined in the Lease.

"Revenues" means all revenues actually received by or on behalf of the Company pursuant to Residential License Agreements and with respect to the operation of the Housing Facilities, including without limitation, all collected payments and other charges for the use or occupancy of the Facilities, license fees paid pursuant to Residential License Agreements with Displaced Students, utility charges, vending machine and laundry machine revenues and rental income. Proceeds actually received by or on behalf of the Company (net of the costs of collecting such proceeds not otherwise included in Operating Expenses), if any, and investment earnings thereon or on any accounts held by the Trustee pursuant to this Indenture, all issues, receipts and profits accruing and to accrue and due and to become due and payable and to be payable pursuant to any leases or licences relating to the Facilities, excluding any application fees or residents’ security deposits intact and until applied in satisfaction of residents’ obligations in connection with the Facilities, as provided for in the Management Agreement, and excluding refunds and reimburments due to students in accordance with generally applicable University housing policy, and excluding rents, issues, profits, revenues and other amounts reserved by the University pursuant to Section 6.4 of the Lease.

"Series 2015 Bonds" shall have the meaning assigned and ascribed to such term as set forth in the recitals to this Agreement. Bonds issued in exchange for other such Series 2015 Bonds pursuant to the Indenture or in replacement for mutilated, destroyed, lost or stolen Series 2015 Bonds pursuant to the Indenture.

"Series 2015 Note" means the note issued under this Agreement with respect to the portion of the Loan allocable to the Series 2015 Bonds.

"Start Up Expenses" shall include the start up and provisioning expenses payable to the Manager in an amount not to exceed $265,000.

"State" means the State of New Jersey.

"Stimulus Act" shall have the meaning assigned and ascribed to such term as set forth in the recitals to this Agreement.

"Subcontractor" means any Person engaged by a Contractor or a Subcontractor in the performance of any Construction Contract.

"Subordinated Management Fee" means the Management Fee for any portion thereof for each Annual Period, to the extent payment thereof is subordinated pursuant to the Management Agreement.
“Subordinated University Expenses” means the operating expenses relating to the provision of utilities, landscape maintenance, including snow removal, security, and any other service or Operating Expenses with respect to the Facilities that are incurred by the University during an Annual Period, to the extent payment thereof is subordinated pursuant to the Management Agreement.

“Substantial Completion” or “Substantially Complete” shall have the meaning set forth in the Project Development Agreement.

“Substantial Completion Date” means the date the Company has provided the Certificate of Substantial Completion.

“Summary Report” shall have the meaning set forth in the Project Development Agreement.

“Surplus Cash Flow” means the amount deposited each year into the Surplus Cash Flow Fund in accordance with Section 4.6 of the Indenture.

“Surplus Cash Flow Application Date” means the date three (3) Business Days after the date the Company certifies the annual Debt Service Coverage Ratio for the immediately preceding Annual Period pursuant to the form of Certificate attached as Exhibit C to the Indenture to facilitate certain disbursements from the Surplus Cash Flow Fund in accordance with Section 4.12 of the Indenture, which certification of the annual Debt Service Coverage Ratio must be provided no later than thirty (30) days after receipt by the Company of the Annual Audit for the immediately preceding Annual Period.

“Surplus Cash Flow Fund” means the fund of that name created under Section 4.1 of the Indenture.

“Tax Certificates” means the Arbitrage Certificate and the Tax Regulatory Agreement.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement and No Arbitrage Certificate of the Company dated the Closing Date, executed by the Member, the Company, the University and the Manager.

“Tax Covenants” means, collectively, the covenants of the Company and/or the Member contained in Sections 2.4(a), 2.5, 5.1 and 6.4 hereof.

“Tax-Exempt Bonds” means the Series 2015A Bonds and any Additional Bonds, the interest on which is intended to be excluded from the gross income of the owners thereof for Federal income tax purposes.

“Trust Estate” means all the property assigned by the Authority to the Trustee pursuant to the Indenture as security for the Bonds and any Additional Bonds issued thereunder.

“Trustee” means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under the Indenture which may be designated

ARTICLE II
REPRESENTATIONS AND CONDITIONS OF LENDING

Section 2.1 Representations by the Authority.

The Authority represents and warrants as follows:

(a) The Authority is a public body corporate and politic constituting an instrumentality of the State, duly organized, established and existing under the laws of the State, particularly the Act. The Authority is authorized to issue the Bonds in accordance with the Act and to use the proceeds thereof to make the Loan to the Company.

(b) The Authority has complied with the provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated to be performed by the Authority by this Agreement, and any and all agreements relating hereto and to perform its obligations hereunder and to issue, sell and deliver the Bonds to the holders as provided in the Indenture. The Authority has duly authorized the execution, delivery and due performance of this Agreement, and the Authority has duly authorized the taking of any and all action as may be required on the part of the Authority pursuant to the express provisions of this Agreement to perform, give effect to and consummate the transactions contemplated by this Agreement and all approvals necessary in connection with the foregoing have been received.

When the Bonds are issued, transferred and delivered in accordance with the provisions of the Indenture, the Bonds will have been duly authorized, executed, issued and delivered and will constitute the valid and binding obligations of the Authority, free and clear of any and all claims, liens, encumbrances, charges, equities, judgments, injunctions or similar claims, liens or other restrictions, charges or liabilities of any kind whatsoever, of the United States of America, its agencies and political subdivisions or of any other governmental authority or any other person, firm, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(c) The Authority represents and warrants as follows:

(1) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(2) Unless the context shall otherwise indicate, the word “person” shall include the plural as well as the singular number, and “person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(3) Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

(4) All references in this Agreement to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

(5) Any Certificate signed by the Chairperson, Vice-Chairperson, Executive Director, Managing Director of Investment Banking or any other Authorized Authority Representative shall be deemed a representation and warranty by the Authority to the respective parties as to the matters stated therein.

(6) The Authority makes no representation as to (i) the financial position or business condition of the Company or (ii) the correctness, completeness or accuracy of any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made by the Company in connection with the sale or transfer of the Bonds, the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

Section 2.2 Conditions of Lending.

The Authority’s obligation to lend hereunder is subject to the following conditions precedent:

(a) Opinion of Counsel for the Company. On or prior to the date of the borrowing hereunder, the Authority shall have received the opinion of Counsel for the Company, dated the Closing Date, addressed to the Authority, the Underwriter, the developer, the Manager, Bond Counsel and the Trustee, and satisfactory in form and substance to the Authority, Counsel for the Company, Local Counsel for the Company and Bond Counsel.

(b) Opinion of counsel to the Member. On or prior to the date of the borrowing hereunder, the Authority shall have received the opinion of counsel to the Member, dated the Closing Date, addressed to the Authority, the Underwriter, Bond Counsel and the Trustee, with a reliance letter addressed to the Developer, opening on the nonprofit status of the Member under Section 501(c)(3) of the Code and that the Company constitutes a disregarded entity for Federal income tax purposes, the effect of the financing and operation of the Facilities with respect to such status and other matters, and satisfactory in form and substance to the Authority, Counsel for the Company and Bond Counsel.
(c) Opinion of Bond Counsel. The Authority shall have received and delivered to the Trustee the opinion of Bond Counsel addressed to the Authority (with a reference letter addressed to the Trustee) that (i) interest on the Series 2015A Bonds is excludable from gross income under Section 103 of the Code and the Series 2015 Bonds are exempt from taxation under the New Jersey Gross Income Tax Act, (ii) the offering of the Series 2015A Bonds is not required to be registered under the Securities Act of 1933, as amended, or under the rules and regulations promulgated thereunder, (iii) the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended, that the Bonds have been duly authorized and issued under the provisions of the Act and the laws of the State; and (iv) opinions requested and satisfactory to the Authority relating to Rule 15c2-12 and Rule 10b-5.

(d) Loan and Other Documents. The Authority shall have received and shall have delivered to the Trustee:

(i) this Agreement duly executed by all parties thereto;
(ii) the Indenture duly executed by all parties thereto;
(iii) the Mortgage and Assignment of Leases executed by the Company;
(iv) the original Series 2015 Note executed by the Company;
(v) certificates, in form and substance reasonably acceptable to the Authority, evidencing the insurance required to be maintained by Section 6.02 hereof;
(vi) the Tax Certificates; and
(vii) all other documents reasonably required by the Authority and the Trustee.

(g) Opinion of University Counsel and certificate of the University that the University has complied with all public private partnership requirements of the Stimulus Act, as approved by the Authority with respect to the Project.

(h) Opinion of Counsel. The Authority shall have received and delivered to the Trustee (i) opinion of the Authority relating to Rule 15c2-12 and Rule 10b-5.

(i) Loan and Other Documents. The Authority shall have received and delivered to the Trustee:

(i) this Agreement duly executed by all parties thereto;
(ii) the Indenture duly executed by all parties thereto;
(iii) the Mortgage and Assignment of Leases executed by the Company;
(iv) the original Series 2015 Note executed by the Company;
(v) certificates, in form and substance reasonably acceptable to the Authority, evidencing the insurance required to be maintained by Section 6.02 hereof;
(vi) the Tax Certificates; and
(vii) all other documents reasonably required by the Authority and the Trustee.

(g) Legal Matters. Legal matters in connection with the making of the Loan shall be satisfactory to Bond Counsel.

(f) Bond Issuance Fee. The Authority shall have received from the Company the Bond issuance fee of $151,612.50.

(g) Opinion of University Counsel and certificate of the University that the University has complied with all public private partnership requirements of the Stimulus Act, as approved by the Authority with respect to the Project.

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(ii) The Company has obligated itself to design, construct, furnish and equip, or cause to be designed, constructed, furnished and equipped, the Facilities pursuant to this Agreement and the Lease, and the Company has the full power, right and authority to design, construct, furnish and equip, or cause to be designed, constructed, furnished and equipped, the Facilities pursuant to this Agreement and has obtained, or timely will obtain, or cause to be obtained, all permits, licenses and approvals of governmental agencies necessary to undertake and complete such construction and equipping in accordance with the Plans and Specifications.

Section 2.4 Representations and Certain Covenants of the Company to the Authority

In addition to the representations and covenants of the Company to the Authority hereunder, additional representations and covenants with respect to the Federal income tax status can be found in Section 6.4 of this Agreement.

The Company further represents, covenants and warrants to the Authority that:

(a) Inducement. The availability of financial assistance from the Authority as provided for herein has been an important inducement to the Company to undertake the Project and to build the Facilities in the State.

(b) No Untrue Statements. The Company covenants that the representations, statements and warranties of the Company set forth in the Application, this Agreement, or any other Company Document (1) are true, correct and complete in all material respects, (2) do not contain any untrue statement of a material fact, and (3) do not omit to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not materially misleading or materially incomplete. The Company understands that all such statements, representations and warranties have been relied upon as an inducement by the Authority to issue the Bonds and by the Underwriter to purchase the Bonds.

(c) Project Users. Except as indicated in the succeeding sentence, (1) prior to leasing, subleasing or assigning of the Facilities or any part thereof, the Company shall cause a Project Occupant Information Form in the form attached hereto as Exhibit E-1 to be submitted to the Authority by every prospective lessee, sublessee or lessee of the Facilities. A Project Occupant Information Form shall not be required with respect to (i) any student, faculty, staff of the University or Manager who reside in the Facilities, (ii) the Management Company pursuant to the Management Agreement, or (iii) the University or other company engaged by the University to provide dining services at the Facilities. The Company shall not permit any such leasing, subleasing or assigning of leases that would impair the excludability of interest paid on the Tax-Exempt Bonds from the gross income of the Holders thereof for purposes of federal income taxation or cause a reissuance pursuant to an opinion of a nationally recognized Bond Counsel; (5) the surviving, resulting or transferee company assumes in writing the obligations of the Company under this Agreement and the Note, and (6) the surviving entity shall preserve in full force and effect all licenses and permits necessary to the proper conduct of its business;

(d) Preservation of Project. (1) The Company will at all times preserve and protect the Facilities and keep them in good repair, working order and safe condition, and with the approval of the Authority and in the ordinary course of the Company's business, and with the approval of the Authority and with the prior written consent of the University, may transfer portions of the Facilities upon receipt by the Trustee, the Authority and the Company of an opinion from Bond Counsel to the effect that such transfer shall not impair the excludability of interest paid on the Tax-Exempt Bonds from the gross income of the Holder thereof for purposes of federal income taxation.

(e) Relocate Project. The Company shall not relocate the Facilities or any part thereof out of the State. The Company shall not relocate the Facilities without the prior written consent of the Authority.

(f) Affirmative Action Regulations. Copies of the Affirmative Action Regulations which they were made, not materially misleading or materially incomplete. The Company understands that all such statements, representations and warranties have been relied upon as an inducement by the Authority to issue the Bonds and by the Underwriter to purchase the Bonds.

(g) Disbursements from Project Fund. The Company further agrees as a condition precedent to the disposition of any portion of the Project Fund to furnish the Trustee with the following: Prior to the first disbursement from the Project Fund either (1) a certificate of an Authorized Authority Representative stating that, for purposes of the Prevailing Wage Regulation and the Affirmative Action Regulations, none of the moneys disbursed at any time from the Project Fund were used to pay or reimburse a payment for work done in performance of any Construction Contract unless, prior thereto, there shall be submitted to the Trustee an executed Contractor's Certificate or (2) a Contractor's Certificate executed by Contractor. Nevertheless, prior to the initial disbursement from the Project Fund for payment of any Construction Contract, if not theretofore furnished, a Contractor's Certificate shall be submitted.

(h) Annual Certification. On each anniversary hereof, the Company shall furnish to the Authority, the University and the Trustee the following:

(i) Affirmative Action and Prevailing Wage Regulations. The Company shall comply with the Authority's Affirmative Action and Prevailing Wage Rate Regulations and to that end:

(1) Cause the Developer to insert in all construction bid specifications for any Construction Contract the following provisions:

Construction of this project is subject to the Affirmative Action Regulations of the New Jersey Economic Development Authority which establishes hiring goals for minority and female workers. Any contractor or subcontractor must agree to comply with every aspect of the Affirmative Action Program and records required by the Authority. Copies of the Affirmative Action Regulations may be obtained by writing to the Affirmative Action Coordinator, New Jersey Economic Development Authority, One Gateway Center, Newark, New Jersey 07102.

Submission of a bid signifies that the bidder knows the requirements of the Affirmative Action Regulations and signifies the bidder's intention to comply. Construction of this project is subject to N.J.A.C. 19:30-3.1 et seq. Workers employed in construction of this project must be paid at a rate not less than the prevailing wage rate established by the New Jersey Commissioner of Labor and Workforce Development;

(2) Cause the Developer to include in all Construction Contracts those provisions which are set forth in the Addendum to Construction Contract annexed hereto as Exhibit C-1:

(3) Cause the Developer to obtain from all contractors and submit to the Authority a Contractor's Certificate in the form annexed hereto as Exhibit B, within three (3) Business Days of the execution of any Construction Contract;

(4) Create or cause the Developer or cause the Contractor to create an office of Affirmative Action Officer and maintain in that office until the Final Completion Date an individual having responsibility to coordinate compliance by the Company with the Authority's Affirmative Action Regulations and to act as liaison with the Authority's Office of Affirmative Action.

(5) Submit to the Authority on the Final Completion Date, the Final Completion Certificate in the form annexed hereto as Exhibit E-2.

(6) Furnish or cause the Developer or cause the Developer to cause the Contractor to furnish to the Authority all reports and certificates required under the Authority's Affirmative Action and Prevailing Wage Rate Regulations, including those in the forms annexed hereto as Exhibit F and G.

(7) To cause the Manager and each lessee or entity that uses the Facilities (excluding any students, faculty, or staff of the University or Manager who reside in the Facilities), to insert in the Lease or Management Agreement and any other agreement relating to the use of the Facilities the requirement that the Prevailing Wage Rate Regulations apply, as required by Section 45(e) of the Stimulus Act, with respect to maintenance contracts.

(k) Preservation of Project. (1) The Company will at all times preserve and protect the Facilities and keep them in good repair, working order and safe condition, and from time to time will make, or will cause to be made, all needed and proper repairs, renewals, replacements, betterments and improvements thereto including those required after a casualty loss. The Company shall pay all operating costs, utility charges and other costs and expenses arising out of ownership, possession, use or operation of the Facilities and when due in the Lease or Management Agreement. The Authority and the Trustee shall have no obligation and makes no warranties respecting the condition or operation of the Facilities.

(2) The Company will not use as a basis for contesting any assessment or levy of any tax the financing under this Agreement or the issuance of the Bonds by the Authority and, if any administrative body or court of competent jurisdiction shall hold for any reason that the Facilities are not exempt from taxation by reason of the financing under this Agreement or issuance of the Bonds by the Authority or other Authority action in respect thereto, the Company covenants to make payments in lieu of all such taxes in an amount equal to such taxes, if any, if, in the opinion of the Authority and the Trustee, the taxes would not materialize and materially incomplete. The Company understands that all such statements, representations and warranties have been relied upon as an inducement by the Authority to issue the Bonds and by the Underwriter to purchase the Bonds.

(3) The Company covenants that the representations, statements and warranties of the Company set forth in the Application, this Agreement, or any other Company Document (1) are true, correct and complete in all material respects, (2) do not contain any untrue statement of a material fact, and (3) do not omit to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not materially misleading or materially incomplete. The Company understands that all such statements, representations and warranties have been relied upon as an inducement by the Authority to issue the Bonds and by the Underwriter to purchase the Bonds.
assets of the Company and subject to the provisions of Section 10.13 hereof, from no other person or entity.

(d) Access to the Facilities and Inspection. The Company agrees that the Trustee, the University, the Authority and their respective duly authorized agents shall have the right but not the obligation at all reasonable times during normal business hours, upon reasonable notice, to enter upon and to examine and inspect the Facilities. The Authority, the Trustee, the University and their respective officers and agents shall also be permitted at all reasonable times during normal business hours, upon reasonable notice, to examine books and records and the Company with respect to the Facilities and to make copies or abstracts thereof (but such Authorized Authority Representative shall not be entitled to access to trade secrets or other proprietary information (other than financial information) of the Company, the University, and the Trustee). The Company shall not exercise such rights in a manner which would unreasonably interfere with the residents of the Facilities, nor in a manner which would materially and adversely affect the Company’s operations of the Facilities. Any rights of access to any portion of the Facilities licensed or leased to students, faculty or staff shall be subject to their rights in the license or rental agreements and University policy. The University will recognize the rights of the Authority to inspect the Facilities in accordance with the provisions set forth in the student license agreements and as set forth under generally applicable University housing policy; provided that these agreements and policies shall recognize and reasonably accommodate the rights of the Authority and the Trustee, respectively, as set forth in this Section 2.4(l).

(m) Additional Information. Until payment of the Bonds shall have occurred the Company shall promptly, from time to time deliver to the Authority such information and materials relating to the Project and the Company as the Authority may reasonably request, including but not limited to such information to be provided and certified concerning the Properties, the Facilities, the Company, its finances, and other topics as the Authority, the University, or Trustee, as the case may be, considers necessary to enable counsel to the Authority, the University, or the Trustee, or, as the case may be, to issue its opinions and otherwise advise the Authority, the University, or the Trustee, as the case may be, as to the transaction or the legal capacity of the parties to enter into the same, or to enable it to make any reports required by law, governmental regulations, or the Indenture; subject to, with respect to information concerning students, applicable privacy or other laws restricting dissemination of such information. When any such information is provided by the Company pursuant to this Section 2.4(m) the Company shall provide such information to the Authority upon its request, the University, and the Trustee.

(n) Costs and Expenses. All expenses in connection with the preparation, execution, delivery, recording and filing of the Indenture, this Agreement, the Note, other collateral documents and in connection with the preparation, issuance and delivery of the Bonds, the Authority’s fees, the fees and expenses of Bond Counsel, the fees and expenses of the University and its counsel, the fees and expenses of the Trustee, including counsel to the initial beneficial owners of the Bonds shall be paid directly by the Company from the proceeds of the issuance of the Bonds. The Company shall also pay all Operating Expenses, throughout the term of the Bonds, the Authority’s annual fees and expenses and the Trustee’s annual and reasonable special fees and expenses under the Indenture (including such amounts set forth in Section 10.4 as applicable therein), this Agreement, and the Series 2015 Note, including, but not limited to, reasonable attorneys’ fees and all costs of issuing, marketing, collecting payment on and redeeming the Bonds hereunder and thereunder, and any costs and expenses of any Bondholder (or beneficial Holder) in connection with any approval, consent or waiver under, or modification of, any such document. The provisions of this Section shall survive the resignation or removal of the Trustee and the discharge and satisfaction of the Bonds.

(o) Filings of Other Documents. The parties hereto shall execute, at the request of the Company or Trustee, and the Company shall file, Financing Statements, continuation statements, modification and such other documents necessary to perfect all security interest therein created pursuant to the terms of this Agreement and the Indenture and to preserve and protect the right, title and interest of the Trustee in the granting by the Authority of certain rights of the Authority, pursuant to this Agreement and Note and the Authority shall have no responsibilities for such filings whatsoever, other than executing the documents requested by the Company.

Section 2.5 Representations and Covenants of the Member.

In addition to the representations and covenants of the Member hereunder, additional representations and covenants with respect to the Federal income taxation status can be found in Section 6.4 of this Agreement.

The Member makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) The Member is a nonprofit corporation duly organized, validly existing, and in good standing under the laws of the State of New Jersey and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted.

(b) The Member is organized and operated exclusively for charitable purposes, and not for pecuniary profit, and no part of their net earnings inures to the benefit of any person, private stockholder, or individual.

(c) Except as provided herein, or as otherwise disclosed to the IRS, the purposes, character, activities and methods of operation of the Member ("Member Purposes"), have not changed materially since its organization and are not materially different from the purposes, character, activities and methods of operation at the time of its receipt of a determination by the Internal Revenue Service that it was an organization described in Section 501(c)(3) of the Code (the "Determination"). Except as described in the Member’s articles of organization, since February 25, 2008, the date of its advance determination letter from the Internal Revenue Service ("IRS"), the Member has not operated in a manner materially different from the purposes, character, activities and methods of operation at the time of its determination by the IRS that it is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Code.

(d) The Member has not applied a substantial part of its assets (be it corpus or income) for any purpose or purposes other than those Member Purposes that have been disclosed to the Internal Revenue Service as set forth in paragraph (c) above, including, without limitation, the Member Purposes disclosed in connection with the Determination.

(e) The Member has not operated during its five (5) most recent fiscal years or its current fiscal year, as of the date hereof, in a manner which would cause the Internal Revenue Service to classify the Company as an "action organization" within the meaning of Treasury Regulations Section 1.501(c)(3)-1(c)(3)(iii) including, without limitation, any actions of which the Internal Revenue Service is not aware and which involve (i) the promotion of, or attempts to influence legislation by propaganda or otherwise as a substantial part of its activities or (ii) intervention, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

(f) With the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive in light of the character, activities and method of operation that formed the basis for the initial determination by the IRS, the Member shall not be primarily engaged in carrying on business for profit. The Member’s operations will be (i) distribution, sale, lease or other disposition of any real or personal property related to the activities of the Member; (ii) carrying on, directly or indirectly, as a charitable activity of the Member, activities that constitute the activities of the Member that are referred to in section 119 of the Code; (iii) carrying on any业务 of the Member; or (iv) carrying on, directly or indirectly, any business activity that is not substantially related to carrying on the Member Purposes and with respect to which the Member is not a substantial factor.

(g) RESERVES.

(h) The Member is not a "private foundation" within the meaning of Section 509(a) of the Code.

(i) The Member has not received any indication or notice whatsoever to the effect that the Member’s exemption under Section 501(c)(3) of the Code has been revoked or modified, or that the IRS is considering revoking or modifying such exemption, and such exemption is still in full force and effect.

(j) The Member has timely filed with the IRS all requests for determination, reports and returns required to be filed by it (subject to lawful extensions for filing) and such requests for determination, reports and returns have not been omitted or misstated any material fact and has timely notified the IRS of any changes in its organization and status since the date of its organization, either directly or through the filing of its Form 990 returns.

(k) The Member has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code.

(l) The Member has not taken any action, and will not take any action, acting as itself or as sole member of any of its Subsidiaries (as hereinafter defined), nor does it know of any such action by itself or as sole member of any of its Subsidiaries (as hereinafter defined), nor does it know of any such action by any of its Subsidiaries, that would cause it or any of such members to fail to qualify or continue to qualify for exemption from Federal income and Federal employment taxes or that would cause it or any of such members to fail to qualify or continue to qualify as an exempt organization under sections 501(c)(3) of the Code for determining, reports and returns have not omitted or misstated any material fact and has timely notified the IRS of any changes in its organization and status since the date of its organization, either directly or through the filing of its Form 990 returns.

(m) The member has filed or caused to be filed all federal, state, and local tax returns which are required to be filed, and has paid or caused to be paid all taxes as shown on those returns or on any assessment received by it, to the extent that such taxes have become due (subject to lawful extensions on filing and payment).

(n) There is not pending, or, to the best knowledge of the Member, threatened, any suit, action, arbitration, or legal proceeding, or governmental investigation against or affecting the Member, or its federal tax-exempt nonprofit status or its financial condition. To the best of its knowledge, information and belief, the Member is not in default with respect to any order, writ, injunction, or decree of any federal, state, local, or foreign court, department, agency, or instrumentality.

(o) The consummation of the transactions contemplated by this Agreement will not result in or constitute any of the following with respect to the Member: (1) a breach of any term or provision of this Agreement, (2) a default or an event that, with notice or lapse of time or both, would be a default, breach, or violation of the articles of incorporation or bylaws of the Member or any lease, license, promissory note, conditional sales contract, commitment, indenture, mortgage, deed of trust, or other agreement, instrument to which the Member is a party or by which it is bound, (3) an event that would result in the acceleration of the maturity of any indebtedness or other obligation of the Member, or (4) the creation or imposition of any lien, charge, or encumbrance on any of the properties of the Member.

(p) Reference is made to the Member’s Forms 990 for the years ended June 30, 2011, June 30, 2012 and June 30, 2013 (the "Forms 990") filed by the Member with the IRS. The Forms 990 fairly present the activities, the operations and the financial position of the Member and its affiliates, as of the respective dates thereof, and are true and correct in all material respects and have not been amended or revised.

(q) The Member will adopt and implement written tax compliance procedures to assure compliance by the Member and the Company with their respective Tax Covenants sufficient (i) to monitor the activities of the Member and the Company to assure that all nonqualified bonds are remediated in accordance with requirements of the Code and the regulations thereunder.

Section 2.6 Environmental Representations.

Except as otherwise disclosed in the Environmental Report, which has been delivered to the Authority:

(a) The operations or other activities of the Company will not result in any disposal on or off the Land or will not result in any other Release of any Hazardous Substances, or as a result of any violation of applicable Environmental Regulations.

(b) The Company has not received any notice or claim or information to the effect that the Company is or may be liable to any person as a result of the Release or threatened Release of Hazardous Substances, or as a result of any violation of applicable Environmental Regulations.

(c) To the best of the Company’s knowledge, no Environmental Lien has attached to the Land.

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shall not cover the release of Hazardous Substances by the Authority or the Trustee, or the discharge, spill, disposal or release of Hazardous Substances at the Land, following transfer of title by foreclosure, deed in lieu of foreclosure, or otherwise of the Land to the Authority or the Trustee. Any amount covered by the foregoing indemnification shall bear interest from the date incurred at a rate of six percent (6%) per annum above the highest rate of interest borne by any Bond during the 365 days prior to the date on which the indemnification obligation was incurred, or, if less, the maximum rate permitted by law, and shall be payable on demand; provided, however, payment of amounts covered by the foregoing indemnification shall be payable solely from the assets of the Company and, subject to the provisions of Section 10.13 hereof, from no other person or entity.

ARTICLE III
TERM, NATURE AND BENEFITS OF AGREEMENT; CONSTRUCTION OF FACILITIES

Section 3.1 Term.

The term of this Agreement shall commence on the Closing Date, and shall terminate (unless discharged upon prepayment of all sums due hereunder by the Company prior thereto as hereinafter provided) on the date on which the Bonds, and all other sums secured hereunder shall have been paid or provision for their payment shall have been made in accordance herewith. Notwithstanding the foregoing, the indemnification provisions of this Agreement shall survive the termination hereof and the defeasance of the Bonds under the Indenture.

Section 3.2 Nature and Benefits.

This Agreement has been executed and delivered in part to induce concurrently herewith the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the Company and the Authority, as set forth therein and herein, are hereby declared to be for the benefit of the Trustee for the owners from time to time of the Bonds. The Company consents and agrees to the assignment by the Authority to the Trustee under the Indenture of all of the Authority’s right, title and interest (subject to the Reserved Rights) in, and under this Agreement, and agrees that the provisions hereof may be enforced by the Trustee under the provisions of the Indenture. The Company agrees to do all things within its power in order to comply with, and to enable the Authority to comply with, all requirements and to fulfill, and to enable the Authority to fulfill, all covenants of the Indenture and the Trustee. It is the intention of the Company and the Authority that this Agreement constitute a “security agreement” as defined in N.J.S.A. 12A:9-102.

This Agreement is a general obligation of the Company, and all of its payment obligations hereunder are payable solely from the assets of the Company and, subject to the provisions of Section 10.13 hereof, from no other person or entity, and this Agreement shall remain in full force and effect until the full discharge, if and as the case may be, of all provisions of its rights, title and interest under this Agreement and the other Bond Documents and its assignment of its rights as set forth in Sections 4.7 and 4.8 hereof.

(d) There have been no claims, litigation, administrative proceedings, whether actual or threatened, or judgments or orders, relating to any hazardous substances, hazardous wastes, discharges, emissions or other forms of pollution relating in any way to any property or activities of the Company, including without limitation, the real property and improvements located at the Land.

(e) To the best of the Company’s knowledge, after due inquiry and investigation, there have been no hazardous substances or hazardous wastes, as defined by the Environmental Cleanup Responsibility Act (N.J.S.A. 13:1H-6 et seq.) or the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Subsection 9601 et seq.) or the Comprehensive Environmental Responsibility Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) generated, manufactured, refined, transported, treated, stored, handled or disposed of on the Land by the Company or any other location owned by the Company in the State.

(f) To the best of the Company’s knowledge, after due inquiry and investigation, there have been no discharges, spillages or disposals of hazardous substances or hazardous wastes (as described in the prior paragraph) on the Land or at any other location owned by the Company in the State.

(g) The Facilities and the Land are not subject to the requirements of Section 13:1K 9 of ISRA, or, if it is subject to such requirements, the Company’s transferor has complied with such provisions.

(h) The Company is in compliance with all applicable environmental laws except for matters which, individually or in the aggregate, could not have a materially adverse effect on the Company or the Facilities.

(i) The Company has all environmental approvals necessary or desirable for the ownership and operation of its properties, facilities and businesses as presently owned and operated except for matters which, individually or in the aggregate, could have a materially adverse effect on the Company or the Facilities.

(j) The Company acknowledges that all activities affecting the West Campus Site (as defined in the Lease) and any property adjacent thereto are subject to the Remediation Requirements (as defined in the Lease), including reporting requirements and rights of access on the part of certain third parties. The Company has covenanted in the Lease that, notwithstanding any other provision of the Lease, the Company shall cause all activities at the Project at the West Campus Site to be carried out in strict compliance with the Remediation Requirements. To the extent that the University has any reporting requirements under the Remediation Requirements, the Company has covenanted in the Lease that it shall, or shall cause the Developer to, cooperate with the University in fully and timely complying with such requirements.

(k) Promptly upon becoming aware of any environmental claim pending or threatened against the Company or any past or present acts, omissions, events or circumstances that could form the basis of such environmental claim, which if adversely resolved individually or in the aggregate, could have a material adverse effect on the Company or the Facilities, the Company shall give the Trustee written notice thereof, together with a written statement of an Authorized Company Representative setting forth the details thereof and any action with respect thereto taken or proposed to be taken by the Company.

The operations or other activities of the Company shall not result in the disposal or other Release of any Hazardous Substance on or from the Facilities other than in compliance with all current and future applicable Environmental Regulations and the Company shall not engage in any activities that will result in the violation of any current or future Environmental Regulations. The Company shall obtain from time to time all permits required under any current or future Environmental Regulations so that the operations of the Company will be in accordance with such laws.

The Company will make available for inspection from time to time all documents and information in its possession and control regarding activities and conditions relating to the Facilities and other assets which may result in noncompliance with, or liability under, any Requirement of Law.

The Company shall not store, locate, generate, produce, process, treat, transport, incinerate, discharge, emit, release, deposit or dispose of any Hazardous Substance upon, under, over or from the Facilities other than in accordance with all applicable Environmental Regulations, shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, therefrom, thereon, thereover or therefrom other than in accordance with all applicable Environmental Regulations, shall not install any underground storage tank therein or thereunder other than in accordance with all applicable Environmental Regulations, and shall comply with all Environmental Regulations which are applicable to the Facilities. The Company shall indemnify the Trustee and the Authority and shall hold the Trustee and the Authority harmless from, and shall reimburse the Trustee and the Authority for, any and all claims, demands, judgments, penalties, liabilities, costs, damages and expenses, including attorneys’ fees directly or indirectly incurred by the Trustee, or the Authority or the payee and holder of any Bond (prior to, at trial or on appeal) in any action against or involving the Trustee, the Authority or any Bondholder resulting from any breach of the foregoing covenants, it being the intent of the Company that the Trustee and the Authority shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by virtue of the interests, if any, in the Facilities created by the Indenture, the Agreement, the Mortgage or otherwise, or hereafter created, or as the result of the Trustee or the Authority exercising any instrument, including but not limited to becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure. The foregoing representations, warranties and covenants shall be continued continuing covenants, representations and warranties for the benefit of the Trustee and the Authority and any successors and assigns thereof, including but not limited to any transferee of the title of the Trustee and any subsequent owner of the Facilities, and shall survive the satisfaction and release of the Indenture, the Agreement, the Mortgage, or under any other instrument, and/or any acquisition of title to the Facilities or any part thereof by the Trustee or the Authority by deed in lieu of foreclosure or otherwise. Provided, however, the indemnity...
There shall be deposited and retained in the Receivable Account of the Project Fund (i) the Construction Contract that is the subject of the disbursement of less than fifty percent (50%) complete, ten per centum (10%), and (ii) the Construction Contract that is the subject of the disbursement of at least fifty percent (50%) complete but less than ninety percent (90%) complete, five per centum (5%), of each sum requisitioned for payment or reimbursement for payment of a Contractor Contract for purposes of the Affirmative Action Program (a “holdback”); provided, however, if any such requisitioned sum is for payment or reimbursement of a payment by the Company, which payment itself was for only ninety per centum (90%) or ninety-five per centum (95%), as applicable, of the payment sum requisitioned by the Developer or subcontractor pursuant to such Construction Contract, then such requisitioned sum may be reimbursed without regard to the aforementioned holdback, but the remaining ten per centum (10%) or five per centum (5%), as applicable, when requisitioned, shall only be disbursed upon the satisfaction of the holdback conditions hereinafter set forth. Said holdback shall be disbursed from the Project Fund upon compliance with the preceding terms and conditions of this Section 3.5 and (i) the execution and filing of the Contractor’s Completion Certificate, (ii) the execution and filing of the Company’s Completion Certificate, (iii) receipt by the Company of a written notice issued by the Authority’s Office of Affirmative Action that the Contractor has complied with the requirements of the Affirmative Action Program and (iv) certification to the Trustee by an Authorized Company Representative of compliance with the conditions stated in clauses (i) through (iii) above.

Upon receipt of each such requisition and accompanying certificate, the Trustee shall make payment from the Project Fund in accordance with such requisition.

Section 3.6 Completion of Payment of Costs of the Facilities.

At such time as the Company has notice that the funds initially deposited in the Project Fund on the date of delivery of the Bonds issued to finance the Facilities, together with the investment earnings thereon, are insufficient to pay the completion Costs of the Facilities, the Company shall deliver to the Trustee and the Authority written estimates by an Independent Architect and an Authorized Company Representative of the additional funds required to pay the completion Costs of the Facilities, and such additional information and data as may be reasonably requested by the Authority and the Trustee. The Company shall complete, or cause to be completed by the Developer, the design, construction, furnishing and equipping of the Facilities and pay, or cause to be paid by the Developer, that portion of the completion Costs of the Facilities as may be in excess of the money available therefor in the Project Fund in accordance with the Project Development Agreement. To the extent funds are not available in the Project Fund, the Company shall cause the Developer to complete the Project as set forth in the Project Development Agreement. The Authority does not make any warranty, either express or implied, and offers no assurance that the proceeds of the Bonds will be sufficient to pay in full all the Costs of the Facilities in accordance with the Facilities Documents.

ARTICLE IV DISBURSEMENT OF BOND PROCEEDS; PAYMENTS; CREDITS; OBLIGATIONS UNCONDITIONAL; PREPAYMENT

Section 4.1 Disbursement of Bond Proceeds.

In order to provide funds for paying the Costs of the Facilities, the Authority issued, sold and delivered the Series 2015 Bonds to the Underwriter and has and will deposit the proceeds thereof as provided by Section 4.2 of the Indenture with the Trustee for disbursement in accordance with the provisions of the Indenture.

Section 4.2 Amounts Payable.

Upon the terms and conditions of this Agreement, the Authority shall lead to the Company the proceeds of the sale of the Bonds. The proceeds of the Loan received by the Authority shall be deposited with the Trustee and applied in accordance with the Indenture and at the times set forth in the Indenture and in Section 3.5 hereof.

The Company, for and in consideration of the issuance of the Bonds under the Indenture by the Authority and the application of the proceeds thereof by the Authority as provided in the Indenture for the benefit of the Company, hereby promises to repay the Loan, solely from the assets of the Company and, subject to the provisions of Section 10.13 hereof, from no other person or entity.

Upon the request of the Company and in accordance with the terms of the Indenture and upon the adoption of a resolution of the Authority, which adoption shall be in sole discretion, the Authority will use its reasonable efforts to issue, upon terms acceptable to the Authority and the Company, one or more series of Additional Bonds for the purpose of financing the completion Costs of the Facilities; provided, however, that the failure of the Authority to issue such bonds shall not relieve the Company of its obligation to provide the additional money required to pay the completion Costs of the Facilities, but the Company shall, from funds available to it and, subject to the provisions of Section 10.13 hereof, from no other person or entity. If after exhaustion of the money in the Project Fund, the Company, or the Developer on behalf of the Company, pays any portion of the Costs of the Facilities, it shall not be entitled to any reimbursement therefrom either from the Authority or from the Trustee, and shall not be entitled to any diminution or postponement of payments required to be made by it under this Agreement.

Section 3.7 Establishment of Completion Dates.

The date upon which the design, construction, furnishing and equipping of the Facilities are Substantially Complete, shall be evidenced to the Authority and the Trustee by the Certificate of Substantial Completion signed by the Company, the University and the Developer filed with the Trustee by the Company. The Certificate of Substantial Completion shall set forth among other items set forth in Exhibit B-1, the Costs of the Facilities and state that, except for amounts not yet due and payable, the liability for the payment of which is being contested or disputed in good faith by the Company, (i) the design, construction, furnishing and equipping of the Facilities have been completed substantially in accordance with the Plans and Specifications and the Costs of the Facilities have been paid, (ii) all requirements for substantial completion as set forth in the Project Development Agreement have been satisfied; and (iii) all other facilities necessary in connection with the Facilities have been acquired, constructed and installed in accordance with the Plans and Specifications therefor and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such Substantial Completion Certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such Certificate of Substantial Completion or which may subsequently come into being.

The date upon which the design, construction, furnishing and equipping of the Facilities are Substantially Complete shall be evidenced to the Authority and the Trustee by the Certificate of Final Completion signed by the Company, the University and the Developer, filed with the Trustee by the Company. The execution and delivery of the Final Completion Certificate shall be without prejudice, and not be construed as a waiver of the rights of the Company, with respect to any claims of the Company against any of the Contractors for the Project.

Section 3.8 No Warranty of Condition or Suitability.

The Company acknowledges its full familiarity with the Facilities and that the Authority has no responsibility for the Plans and Specifications and other Facilities Documents. The Authority makes no representation or warranty, either expressed or implied, and offers no warranties as to the condition of the Facilities, the authority of the Company to execute the Project Development Agreement, or the ability of the Company to complete, or cause to be completed, the Project from other funds as may be in excess of the money available therefor in the Project Fund in accordance with the Project Development Agreement. To the extent funds are not available in the Project Fund, the Company shall cause the Developer to complete the Project as set forth in the Project Development Agreement. The Authority does not make any warranty, either express or implied, and offers no assurance that the proceeds of the Bonds will be sufficient to pay in full all the Costs of the Facilities in accordance with the Facilities Documents. The Company, for and in consideration of the Loan received by the Authority shall be deposited with the Trustee and applied in accordance with the Indenture and at the times set forth in the Indenture and in Section 3.5 hereof.

The obligation of the Company to pay in full the completion Costs of the Facilities shall be a general obligation of the Company payable solely from the assets of the Company and, subject to the provisions of Section 10.13 hereof, from no other person or entity.

ARTICLE V DEBT SERVICE AND REIMBURSEMENT

The obligation of the Company to repay the Loan by making the Payments shall be

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Section 4.5 Prepayment of Payments.

The Company is obligated (solely from Revenues) to prepay the Payments, in whole or in part, on any date on which the Bonds are subject to optional or mandatory redemption pursuant to the Indenture, including, without limitation, redemption at the direction of the University, the Company, the Authority or the Trustee, pursuant to Section 1.4 of the Indenture.

To exercise such optional redemption under Section 3.4(a), the Company shall give written notice to the Authority and the Trustee and shall specify therein the date of such prepayment, which prepayment date shall be not less than forty-five (45) days from the date such notice is received by the Trustee. The Company shall notify the Trustee of the exercise of the option and the Trustee shall make all necessary arrangements satisfactory to the Trustee for the redemption of Bonds to be redeemed under the Indenture in accordance with the provisions thereof.

The prepayment price payable by the Company, in the event of its exercise of the option granted in this Section, or in the case of its obligation to prepay the Payments shall be the sum of the following:

(a) An amount of money which, when added to the moneys and investments held by the Trustee pursuant to the provisions of the Indenture and available for such redemption, is sufficient to pay and discharge the Bonds to be redeemed (including the total principal amount of such Bonds and interest to accrue thereon to the date fixed for redemption of such Bonds to be redeemed, plus a premium equal to the amount of premium required to be paid in connection with the redemption of such Bonds, if any) on the date fixed for redemption; plus

(b) An amount of money equal to the reasonable fees and expenses of the Trustee and the Authority accrued and to be incurred through the date of such redemption.

Section 4.6 Intentionally Omitted.

Section 4.7 Assignment of Leases and Revenues.

In consideration for and in order to further secure the Company’s obligation to repay the Loan, the Company hereby transfers, assigns and pledges unto the Authority, to the extent not otherwise pledged to the Trustee pursuant to the Company Documents, all right, title and interest of the Company in, to and under any leases, subleases and use agreements or other similar agreements relating to the Facilities (including any and all extensions, renewals, amendments, modifications and supplements thereof or thereto), including all Revenues derived from the use or occupancy of the Facilities, all proceeds of insurance (including rental interruption insurance, if any) or received or receivable by the Company as a result of any damage to or destruction of the Facilities, or any part thereof, under the power of eminent domain and all amounts derived or receivable by the Company as compensation for the transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Facilities to which such proceeds, award or compensation is attributable, all amounts received or receivable by the Company from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) which hereafter are received by the Company for the purpose of owning and operating the Facilities or which heretofore may be assigned by the Company to the Indenture.

Section 4.8 Assignment of Management Agreement.

In consideration for and in order to further secure the Company’s obligation to repay the Loan, the Company hereby transfers, assigns and pledges unto the Authority, all right, title and interest of the Company in, to and under the Management Agreement.

ARTICLE V
NON-ARBITRAGE

Section 5.1 Covenants as to Arbitrage.

The Company hereby agrees to prepare and provide written instructions to the Trustee as to the investment and reinvestment of moneys held as part of any fund or account shall be invested or reinvested by the Trustee in Permitted Investments as specified in Section 4.11 of the Indenture. The Company hereby covenants that it will comply with the terms of the Tax-Exempt Bonds. Any such moneys so held as part of any fund or account shall be invested or reinvested by the Trustee hereunder or under the Indenture in accordance with the provisions of Section 10.13 hereof, from no other person or entity.

Section 6.1 General Covenants of Company.

The Company further expressly represents, covenants and agrees:

(a) To comply with the terms, covenants and provisions expressed or implied, of all contracts pertaining to, affecting or involving the Facilities or the business of the Company, the violation or breach of which would materially and adversely affect the ability of the Company to fulfill its obligations hereunder;

(b) Whenever and so often as requested so to do by the Trustee or the Authority, promptly to execute and deliver or cause to be executed and delivered all such other and further instruments and documents, and to promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Authority, the Trustee and the owners of the Bonds all rights, interests, powers, benefits, privileges and advantages conferred upon them under the Mortgage, this Agreement and the Indenture; or

(c) Reserved.

(d) At all times to maintain the Company’s rights to carry on its business in accordance with the terms hereof to assure the continued proper operation, management, repair and maintenance of the Facilities;

(e) To fulfill its obligations and to perform punctually its duties and obligations under this Agreement and to otherwise carry on its business in accordance with the terms hereof to assure the continued proper operation, management, repair and maintenance of the Facilities;

(f) To cause compliance with all material provisions of applicable federal, State and local laws; and

(g) Reserved.

(h) The provisions of this Section shall survive the termination of this Agreement, the payment of the Bonds and the resignation or removal of the Trustee, and are subject to the provisions of Section 10.13 below.

Section 6.2 Covenants Regarding Operation and Maintenance by the Company of its Properties.

The Company acknowledges and agrees that it shall pay solely from the assets of the Company and, subject to the provisions of Section 10.13 hereof, from no other person or entity, during the term hereof all Payments and other sums required hereunder for Operating Expenses. The Company shall also expressly covenants and agrees:

(a) That it shall cause to be maintained the Facilities, and each and every portion thereof, including all additions and improvements and all facilities adjoining and/or appurtenant thereto, in good operating order and condition, reasonable and ordinary wear and tear and damage due to casualty excepted, and make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, foreseeable and unforeseeable, and otherwise to make all replacements, alterations, improvements and modifications to the Facilities necessary to ensure that the same at all times shall be suitable for the efficient operation thereof for the private or public

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(h) That it shall not affect or be affected by the prior or present rights of any other person or authority, including governmental authorities or government agencies, nor shall it be deemed to create any lien on the Land.

(i) The Company shall not, without the prior written consent of the Authority or the Trustee, or any court of competent jurisdiction, do, make or suffer to be done any act or thing which will or may impair, prejudice, restrict, or abridge the rights of the Authority or the Trustee in the enforcement of their respective rights and remedies under the Act or this Agreement.

(j) The Company shall, and shall cause the Management Company to, do, make or suffer to be done any act or thing necessary or proper to accomplish the purposes and objects of the Project, as stated in and by this Agreement, and to perform all covenants and agreements contained therein, and shall, in good faith and in a prompt manner, comply with the terms of this Agreement and any other agreement entered into by the Authority or the Trustee or any court of competent jurisdiction, or any governmental agency, or any court, or any federal or state governmental authority.

(k) The Company shall, and shall cause the Management Company to, take all action necessary or proper to accomplish the purposes and objects of the Project, as stated in and by this Agreement, and to perform all covenants and agreements contained therein, and shall, in good faith and in a prompt manner, comply with the terms of this Agreement and any other agreement entered into by the Authority or the Trustee or any court of competent jurisdiction, or any governmental agency, or any court, or any federal or state governmental authority.

(l) The Company shall, and shall cause the Management Company to, take all action necessary or proper to accomplish the purposes and objects of the Project, as stated in and by this Agreement, and to perform all covenants and agreements contained therein, and shall, in good faith and in a prompt manner, comply with the terms of this Agreement and any other agreement entered into by the Authority or the Trustee or any court of competent jurisdiction, or any governmental agency, or any court, or any federal or state governmental authority.
with, the Company without the written opinion of Bond Counsel to the effect that the issuance of such obligations will not adversely affect their opinion as to the exclusion of interest on the Tax-Exempt Bonds from the gross income of the Holders thereof under Section 103 of the Code. Other than the Company, no person has (i) guaranteed, arranged, participated in, assisted with the issuance of, or paid any portion of the cost of the issuance of the Tax-Exempt Bonds, or (ii) provided any property or any franchise, trademark or trade name (within the meaning of Code Section 1232) which is to be used in connection with the Project;

(m) To the extent that any property is financed by Tax-Exempt Bond Proceeds, the cost recovery deduction allowed for such property shall be determined by using the alternative depreciation system determined in accordance with Section 168(g) of the Code;

(n) To the best of the Company’s knowledge, information and belief, the information contained in the Tax Certificates, setting forth the respective cost, economic life, ADR, and mid-point life, if any, under Treasury Procedure 62-21, 1962 2 C.B. 118, as supplemented and amended from time to time, and guideline life, if any, under Rev. Proc. 62-21, 1962 2 C.B. 118, as supplemented and amended from time to time, of each asset constituting the Facilities to be financed with the Tax-Exempt Bond Proceeds is true, accurate and complete in all material respects;

(o) The Company agrees to comply with all the terms and provisions of the Tax Certificate executed in connection with the issuance and sale of the Tax-Exempt Bonds, and to perform the covenants and duties imposed on it contained therein;

(p) Neither the Member nor the Company (i) has received notification from the Internal Revenue Service to the effect that the Member is not an organization described in Section 501(c)(3) of the Code and is not exempt from federal income tax under Section 501(a)(1) of the Code, and (ii) has taken or failed to take any action (including the failure to file any reports or documents with the Internal Revenue Service) which would jeopardize the status of the Member as an organization described in Section 501(c)(3) of the Code;

(q) The consummation of the transactions contemplated in the documents related to the Bonds to which the Company is a party will not impair the status of the Member as an organization described in Section 501(c)(3) of the Code and exempt from tax under Section 501(a)(1) of the Code, nor will the ownership and operation of the Project result in any "unrelated business income" to the Member within the meaning of Section 513 of the Code;

All officers, employees, members and agents of the Company are authorized and directed to provide certificates of facts and estimates that are material to the reasonable expectations of the Company as of the date the Tax-Exempt Bonds are delivered. In complying with the foregoing covenants, the Company may rely from time to time upon an opinion issued by Bond Counsel to the effect that any action by the Company or reliance upon any interpretation of the laws contained in such opinion will not cause interest on the Tax-Exempt Bonds to be includable in gross income for federal income tax purposes under existing law.

(2) Arbitrage Covenants. (a) The Company covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any Tax-Exempt Bonds under Section 103 of the Code. The Company will not directly or indirectly use or permit the use (including the making of any investment) of any Tax-Exempt Bond Proceeds or any other funds of the Authority or the Company, or take or omit to take any action, that would cause the Tax-Exempt Bond Proceeds to result in any "unrelated business income" to the Member within the meaning of Section 148(a)(1) of the Code. The Company may engage a Rebate Expert (as hereinafter defined) to provide any certification, reports and an opinion as required herein.

(b) The Company hereby covenants that in connection with complying with the requirement for payment of the Rebate Arbiter to the United States with respect to the Bonds the Company will take the following actions:

(i) Within two (2) months after the Final Completion Date, the Company will provide a written certification to the Authority and the Trustee that the Company is a party to the Company and a rebate arbitrage requirement set forth in Section 148(f)(4)(B) of the Code or the regulations thereunder;

(ii) Unless the Company has complied with a rebate spending exception, it will retain a Rebate Expert (defined below) on or within thirty (30) days before the Initial Rebate Computation Date (as hereinafter defined) and on each Rebate Computation Date (as hereinafter defined) thereafter, (A) to compute the Rebate Arbitrage with respect to the Bonds for the period ending on the Initial Rebate Computation Date and (B) to deliver an opinion to the Authority and Trustee, concerning its conclusions with respect to the amount (if any) of such Rebate Arbitrage together with a written report providing a summary of the calculations relating thereto. If the Company has complied with the six (6) month exception, the Company will retain a Rebate Expert to deliver an opinion to the Authority and Trustee that all of the Gross Proceeds of the Tax-Exempt Bonds (within the meaning of Section 148(f)(4)(B) of the Code), other than Gross Proceeds of the Tax-Exempt Bonds on deposit in a bona fide debt service fund (within the meaning of Section 148(f)(4)(B) of the Code), have been expended on or prior to the expiration of such six (6) month period. "Rebate Expert" means any of the following chosen by the Company: (A) Bond Counsel, (B) any nationally recognized firm of certified public accountants, (C) any reputable firm which offers to the tax-exempt bond industry rebate calculation services and holds itself out as having expertise in that area, or (D) such other person as is approved by Bond Counsel.

(iii) In the event the amount in the Project Fund is insufficient to fund the Rebate Fund in an amount sufficient to pay the Rebate Arbitrage then due, the Company shall within ten (10) days after any determination of the amount (if any) of Rebate Arbitrage (which shall be based on all information, statements and reports furnished by Bond Counsel and issued or performed by the Authority) made during the calendar year immediately preceding the determination, (A) shall pay to the Trustee any additional amounts for deposit in the Rebate Fund required to be paid to the United States pursuant to Section 148(f) of the Code. Further, the Company specifically agrees that neither the Authority nor the Trustee shall be held liable, or in any way responsible, and the Company shall indemnify and hold harmless the Trustee and Authority against any liability, for any mistake or error in the filing of the payment or the determination of the amount due to the United States or for any consequences resulting from such mistake or error. The provisions of this subparagraph (vi) shall survive termination of this Agreement and the resignation or removal of the Trustee.

(xiii) The Authority and the Company acknowledge that the provisions of this Section 2.4(j) are intended to comply with Section 148(f) of the Code and the regulations promulgated thereunder and, if, as a result of a change in such section of the Code or the promulgated regulations thereunder or in the interpretation thereof, there is a change in this Section 2.4(j) it shall be permitted or necessary to assure continued compliance with Section 148(f) of the Code and the regulations promulgated thereunder, then, with written notice to the Trustee, the Authority and the Company shall be empowered to amend this Section 2.4(j) and the Authority may, by written notice to the Company and the Trustee, amend this Section 2.4(j) to the extent necessary or desirable to assure compliance with the provisions of Section 148 of the Code and the regulations promulgated thereunder; provided that either the Authority or the Trustee shall require, prior to any such amendment becoming effective, at the sole cost and expense of the Company, an opinion of Bond Counsel satisfactory to the Authority and the Trustee to the effect that either (A) such amendment is required to maintain the exclusion from gross income under Section 103 of the Code of interest paid and payable on the Tax-Exempt Bonds or (B) such amendment shall not adversely affect the exclusion from gross income under Section 103 of the Code of the interest paid or payable on the Tax-Exempt Bonds.

(iv) The term “Initial Rebate Computation Date” shall mean the first Computation Date (which shall be not later than the fifth anniversary date of the date of issuance of the Tax-Exempt Bonds). The term “Rebate Computation Date” shall mean a subsequent Computation Date (which shall be at intervals of five (5) years from the Initial Rebate Computation Date and 60 days after the Tax-Exempt Bonds are no longer outstanding unless the Company otherwise notifies the Trustee in writing). The term “Computation Date” shall have the meaning assigned to it in Treasury Regulation Section 1.148-6(f).

(3) Post-Issuance Tax Compliance

(i) Each of the Company and the Member shall follow its tax procedures adopted pursuant to Section 2.5(f) in order to satisfy the Tax Covenants.

(ii) At the time of filing its annual report pursuant to Section 6.8, the Member will file with the Authority and the Trustee a certification to the effect that each of the Company and the Company is in compliance with its Tax Covenants in the form attached hereto as Exhibit A.
The Company or the Member shall notify the Authority and the Bond Trustee of an Event of Taxability as soon as practicable after the determination that a violation of the Tax Covenants has occurred.

If pursuant to such procedures the Company or the Member determines that it must take remedial action to cure a violation of a Tax Covenant, it will promptly notify the Authority as to the action to be taken.

In the event the Authority becomes aware of a possible violation of a Tax Covenant, the Authority shall have the right, upon notice to the Company and the Member, to conduct its own investigation, and at the sole cost of expense of the Company, to retain Bond Counsel to determine any and all actions required to remediate such violation.

Section 6.5 Reserved.

Section 6.6 Source of Payments.

The Company agrees to pay or cause to be paid the Payments required by this Agreement solely from the assets of the Company and, subject to the provisions of Section 10.13 hereof, from no other person or entity, in the manner and at the times provided by this Agreement.

Section 6.7 Insurance.

The Company shall secure and maintain or cause to be secured and maintained at the Company’s sole cost and expense, solely from the assets of the Company and subject to the provisions of Section 10.13 hereof, from no other person or entity, insurance policies in accordance with Article 9 of the Lease. Such insurance coverage shall include, but not be limited to:

(i) General comprehensive liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Facilities (such coverage to include provisions waiving subrogation against the Authority and the Trustee in amounts not less than $1,000,000 per occurrence and $5,000,000 aggregate per occurrence with respect to bodily injury or two or more persons in any one accident during construction of the Project, $2,000,000 aggregate with respect to bodily injury to two or more persons in any one accident after the completion of the Project, and $500,000 aggregate with respect to property damage resulting from any one occurrence naming the Authority and the Trustee shall be included as additional insureds. In addition, an umbrella policy with $20,000,000 coverage will be obtained;

(ii) Commercial casualty insurance insuring loss by reason of casualty of any kind (except fire and theft) as limited by the standard form of extended coverage endorsement used in the State) to the Facilities in a minimum amount equal to the replacement value thereof, naming the Authority as an additional insured;

The Company shall provide the following information to the Trustee for dissemination in accordance with the provisions of the Continuing Disclosure Agreement (as provided in Section 6.13 hereof):

(a) The Summary Report and the portions of the Monthly Progress Report labeled as Executive Summary and Budget Summary, as provided by the Developer to the Company pursuant to the Project Development Agreement, which reports reflect the following information: construction progress reports reflecting budget to actual reconciliations, percent completion of each construction line item together with narrative explaining any variance to budget and schedule delays will be delivered within forty-five (45) days of the end of each month through Final Completion;

(b) Quarterly unaudited financial reports for the Facilities will be delivered within fifty-five (55) days of the end of each quarter of the Annual Period commencing with the quarter in which Substantial Completion occurs;

(c) Reports providing the number of beds for which Residential License Agreements have been executed as of January 1 and July 1 will be delivered by the following December 25 and June 25, respectively, commencing after Substantial Completion; and

(d) Annual financial information and operating data of the University, as further described in the Continuing Disclosure Agreement.

Section 6.10 Disposition of Facilities.

The Company shall not sell, lease, exchange, transfer, assign, or convey or otherwise dispose of all or any portion of its interest in the Facilities (except for Permitted Subleases) without the prior written consent of the University, and in accordance with the provisions set forth in Section 2.4(d) hereof.

Section 6.11 Disposition of Ownership Interest in Company.

The Member shall not voluntarily sell, transfer, assign, or convey or otherwise dispose of all or any portion of its ownership interest in the Company without the prior written consent of the University, and with the approval of the Authority in accordance with the provisions set forth in Section 2.4(d) hereof.

Section 6.12 Depositary Account.

In accordance with the terms of the Management Agreement, all Revenues received by or on behalf of the Company shall be deposited in the Receipts Fund established and maintained with the Trustee. A separate account or accounts may be established solely for any security deposits in the name of the Company. To the extent as specified in the Indenture or the Management Agreement, money in accounts holding any security deposits will be, (i) returned to tenants of the Facilities or applied to repairs of the Facillities in accordance with the terms of the leases relating to the Facilities, or (ii) transferred to the Receipts Fund to the extent forfeited by the tenants of the Facilities. Investment earnings on the amounts in the accounts holding any security deposits shall be transferred for deposit to the Receipts Fund, unless otherwise required by law.

Section 6.13 Continuing Disclosure Undertaking.

The Company hereby covenants to deliver to the Trustee, the University, the Underwriter and the Authority a written undertaking (the “Continuing Disclosure Agreement”), in a form reasonably acceptable to the Trustee, the Underwriter and the Authority and containing the following provisions:

(a) The Authority shall have the right, upon notice to the Company. The Company shall have the right to contest any such laws, rules, regulations and the like as long as it is contesting the same in good faith, by appropriate proceedings.

Section 6.14 Reserve.

Section 6.15 Compliance With Applicable Laws.

The Company shall comply with all laws enacted in connection with the construction of the Facilities to be performed in compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter. The operation of the Facilities shall also comply with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter. The operation of the Facilities shall also comply with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter. The Company shall have the right to contest any such laws, rules, regulations and the like as long as it is contesting the same in good faith, by appropriate proceedings.

Section 6.16 Compliance With Department of Environmental Protection.

The Company shall operate the Facilities or cause it to be operated in compliance with the Remediation Requirements and all applicable rules and regulations promulgated by the New Jersey Department of Environmental Protection or any successor agency thereto.

Section 6.17 Indemnification.

The Company agrees to and does hereby indemnify and hold harmless the Indemnified Parties, against any and all losses, claims, damages or liabilities (including all costs, expenses and reasonable counsel fees incurred in investigating or defending such claim) suffered by any of the Indemnified Parties and caused by, relating to, arising out of, resulting from, or in any way
connected with (a) the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation, financing or sale of the Facilities or any part thereof including the payment of rebate to the federal government; or (b) any untrue statement of a material fact contained in information provided by the Company with respect to the transactions contemplated hereby and as set forth in the Official Statement; or (c) any omission of a material fact necessary to be stated therein in order to make such statement not materially misleading or materially incomplete; or (d) any acceptance or admission by the Authority or the Trustee of its duties under the Indenture, this Agreement and any other Bond Document or Company Document pursuant to which it is a party; or (e) any violation or breach of any environmental law by the Company or any environmental claim arising out of the management, use, control, ownership or operation of the Facilities by the Company. In case any action shall be brought against one or more of the Indemnified Parties based upon any of the above and in respect to which the Company may be sought against the Company, such Indemnified Party shall promptly notify the Company in writing, and the Company shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party, the payment of all costs and expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel at the Company’s expense in any such action and to participate in the defense thereof if such Indemnified Party reasonably determines that a conflict of interest would exist if separate counsel were not employed. The Company shall not be liable for any settlement of any such action effected without the Company’s consent, but if settled with the consent of the Company, or if there is a final judgment for the claimant on any such action, the Company agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. The provisions of this Section 6.17 shall control the Company’s obligations and shall survive repayment of the Bonds, the termination of this Agreement and the resignation or removal of the Trustee.

The Company agrees to and hereby indemnify and hold harmless the Indemnified Parties against any and all losses, claims, damages or liabilities (including all costs, expenses, and reasonable counsel fees incurred in investigating or defending such claim) suffered by any of the Indemnified Parties and caused by relating to, arising out of, resulting from, or in any way connected to an examination, investigation or audit of the Bonds by the IRS, except to the extent caused by the Indemnified Party’s gross negligence or willful misconduct. In the event of such examination, investigation or audit by the IRS, the Indemnified Parties shall have the right to employ counsel at the Company’s expense. In such event, the Company or the Member shall have the right to assume the primary responsibility in defending and negotiating with the IRS, but shall inform the Indemnified Parties of the status of the investigation. Should the Authority receive a notice of an audit of the Tax-Exempt Bonds by the IRS, it will, within 7 days of receipt by the Authority, provide a copy of such notice to the Company. In the event of the Company or the Member fail to respond to the Authority’s correspondence concerning the IRS audit of the Tax-Exempt Bonds within 10 days of receipt of the Authority, the Authority shall have the right to respond and negotiate with the IRS solely with respect to the Tax-Exempt Bonds, and any closing agreement negotiated by the Authority with respect thereto must be acceptable to (a) the University; (b) the Company and the Member, the consent of the University, the Company and the Member, not to be unreasonably withheld. Notwithstanding anything to the contrary contained herein, the Authority shall have no authority to enter into any negotiations or cause any settlement or judgment. The provisions of this Section 6.17 shall survive the redemption or defeasance of the Bonds.

The Company also covenants and agrees, at its expense, to pay, and to indemnify and save the Indemnified Parties harmless of, from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of the above.

Notwithstanding anything to the contrary contained herein, all of the indemnities of the Company in this Agreement, including without limitation the foregoing indemnities, shall not apply to losses, claims, damages or liabilities caused by the willful misconduct or gross negligence of the Indemnified Party seeking such indemnification. Such indemnity shall be payable solely from the assets of the Company, and, subject to the provisions of Section 10.13 hereof, from no other person or entity.

Section 6.18 Reserved.

Section 6.19 Reserved.

Section 6.20 Project Sign.

Subject to applicable laws, during the period from the effective date of this Agreement and until thirty (30) days after the Final Completion Date, the Company shall cause to be posted and maintained at the Land, a sign to be provided to the Company by the Authority indicating the rights, title and interest under this Agreement and as hereinafter in Section 7.3 provided.

Section 6.21 Brokerage Fee.

The Authority shall not be liable to the Company for any brokerage fee, finder’s fee, or loan servicing fee and the Company shall hold the Authority harmless from any such fees or claims.

Section 6.22 Cost Recovery.

To the extent that any property is financed by Bond Proceeds, the cost recovery deduction allowed for such property shall be determined by using the alternative depreciation system determined in accordance with Section 168(g) of the Code.

Section 6.23 Covenant by Borrower as to Compliance With Indenture.

The Company agrees to and hereby indemnify and save the Indemnified Parties harmless of, from and against any and all claims, damages, expenses or liabilities caused by any untrue statement of a material fact contained in the Application, the Official Statement or other information submitted to the Authority, the Underwriter or the Trustee, or by any breach of any of the Company’s representations made herein or in the other Company Documents, or caused by any omission of any material fact necessary to be stated therein in order to make such statements to the Authority, the Underwriter or the Trustee not materially misleading or materially incomplete.

The Company agrees to, at its expense, pay to and to indemnify and save the Indemnified Parties harmless of, from and against any and all losses, claims, damages, expenses or liabilities caused by any untrue statement of a material fact contained in the Application, the Official Statement or other information submitted to the Authority, the Underwriter or the Trustee, or by any breach of any of the Company’s representations made herein or in the other Company Documents, or caused by any omission of any material fact necessary to be stated therein in order to make such statements to the Authority, the Underwriter or the Trustee not materially misleading or materially incomplete.

The Company covenants and agrees, at its expense, to pay to and to indemnify and save the Indemnified Parties and their members, officers, employees and agents harmless of, from and against any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature asserted by or on behalf of any Person, firm, corporation or governmental authority, including reasonable counsel fees, incurred in investigating or defending such claim, suffered by any of them and caused by, relating to, arising out of, resulting from, or in any way connected with the Loan and the transactions contemplated herein and in any other Company Documents, including, without limitation, (a) disputes between any architect, general contractor, subcontractor, materialman or supplier, or on account of any act or omission to act by the Authority or the Trustee in connection with the Loan, or (b) losses, damages, expenses or liabilities sustained by the Indemnified Parties in connection with any environmental sampling or cleanup of the Land required or mandated by any federal, state or local law, ordinance, rule or regulation, including, without limitation, (a) the New Jersey Spill Compensation and Control Act, as amended, N.J.S.A. 58:10A 21 et seq.; (b) the Comprehensive Environmental Response, Compensation & Liability Act, as amended, 42 U.S.C. Section 9601 et seq.; (c) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq.; or (d) any and all Federal, State and local laws, regulations and executive orders pertaining to environmental matters, as the same may be amended or supplemented from time to time (hereinafter collectively referred to as the “Applicable Environmental Law”). In case any action shall be brought against the Indemnified Parties based upon any of the above and in respect to which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing, and the Company shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Parties, the payment of all costs and expenses and the right to negotiate and consent to settlement. The Company hereby agrees to indemnify and hold harmless the Company for losses that may be imposed upon or incurred by or asserted against the Indemnified Parties or any or all of them for following any instruction or other direction upon which the Trustee is authorized to act pursuant to the terms of the Company Documents. In exercising the foregoing, the Company agrees to indemnify and save the Trustee harmless against any costs, expenses, losses, legal fees and liabilities which it may incur in the exercise and performance of its powers and duties under the Company Documents, which are not due to its gross negligence or willful misconduct. Any one or more of the Indemnified Parties shall have the right to employ separate counsel at the Company’s expense in any such action and to participate in the defense thereof.
Section 8.1 Amendment to Agreement Without Consent.

The Authority and the Company, with the consent of the University and the owners of not less than a majority in aggregate principal amount of the Series 2015 Bonds then Outstanding; provided, however, that no such amendment may be adopted which decreases the percentage of owners of Bonds required to approve an amendment, or which permits a change in the date of payment of the principal or interest on any Bonds or of any redemption price thereof or the rate of interest thereon without the consent of the owners of all the aggregate principal amount of the Bonds then Outstanding.

If at any time the Authority and the Company shall request the Trustee to consent to a proposed amendment for any of the purposes of this Section 8.2, the Trustee shall, upon being satisfactorily indemnified by the Company with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within ninety (90) days or such longer period as shall be prescribed by the Authority, as advised by the Company, following such notice, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Company or the Authority from executing or approving the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such proposed amendment as in this Section permitted and provided, this Agreement shall be and be deemed to be modified and amended in accordance therewith.

Section 8.2 Amendment to Agreement Upon Approval of Bondholders.

The provisions of this Agreement may also be amended with the written consent of the University and the owners of not less than a majority of the aggregate principal amount of Series 2015 Bonds then Outstanding, provided, however, that no such amendment may be adopted which decreases the percentage of owners of Bonds required to approve an amendment, or which permits a change in the date of payment of the principal of or interest on any Bonds or of any redemption price thereof or the rate of interest thereon without the consent of the owners of all the aggregate principal amount of the Bonds then Outstanding.
ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined.

The terms “Event of Default” and “Default” shall mean any one or more of the following events:

(a) The Company shall default in the timely payment of any Payment on the Series 2015 Bonds and any Additional Bonds pursuant to Sections 4.2 of this Agreement.

(b) An event of default shall exist under the Indenture, the Lease or the Mortgage (which is not cured pursuant to Section 9.2 below).

(c) The Company or the Member shall fail to duly perform, observe or comply with any other covenant, condition or agreement in any of such Agreement including without limitation, the payment of any fees, expenses or indemnification owed to the Authority (other than a failure to make any other payment required under this Agreement), and such failure continues for a period of thirty (30) days after which written notice of such failure, requiring the same to be remedied, shall have been given to the Company by the Trustee; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as the Company shall commence such performance, observation or compliance within such period and shall diligently and continuously prosecute the same to completion.

(d) The Company has ceased to operate the Facilities or to cause the Facilities to be operated as an authorized project under the Act for twelve (12) consecutive months, without first obtaining the written consent of the Authority.

(e) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee or assignee of or other similar officer of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unassigned and in effect for a period of ninety (90) consecutive days.

(f) The institution by the Company of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestration (or other similar official) of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

(g) If any representation or warranty made in this Agreement by the Company or the Member in or in any other Company Document or in any report, certificate, financial statement or other instrument furnished in connection with the Company Documents shall prove to be false or misleading in any material respect when made.

(h) Notwithstanding any language herein to the contrary, the failure of the Company to provide Revenues in an amount necessary for the Trustee to make the required deposits under Sections 4.6(c) and 4.6(h) of the Indenture, to make the required deposits to the Operating Reserve Account, to pay the University Temporary Housing Expenses, to pay the Subordinated University Expenses, Subordinated Management Fees or Annual Ground Rent, shall not be an Event of Default hereunder. The word “default” as used herein means failure of performance when due, exclusive of any period of grace, if any, allowed to correct any such failure.

Section 9.2 Remedy.

Notwithstanding anything in the Indenture or in any of the other Bond Documents to the contrary, neither the Trustee, nor the registered owners, shall have the right to waive an Event of Default under any of the Bond Documents which arises out of a violation of a Reserved Right without the prior written consent of the Authority, which it shall give in its sole and complete discretion. Notwithstanding anything herein or in any other Bond Document to the contrary, nothing herein shall affect the Authority’s unconditional right to enforce its Reserved Rights.

Whenever any Event of Default under Section 9.1 hereof shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) If the Event of Default is pursuant to Section 9.1(d) or (g) the sole remedies for the Authority shall be pursuant to Section 9.8 hereof, which may cause a redemption of the Bonds under Section 3.4(c)(ii) of the Indenture.

(b) Except in the Event of Default for which the Authority has elected a remedy under section 9.8, the Trustee may declare the Loan under Section 4.2 hereof to be immediately due and payable, whereverupon the same shall become immediately due and payable;

(c) The Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the Loan amounts then due and thereafter to become due, or to enforce possession and observance of any obligation, agreement or covenant of the Company under this Agreement;

(d) The Trustee may have access to and inspect, examine and make copies of any and all books, accounts and records of the Company subject to, with respect to information concerning students, applicable privacy or other laws restricting dissemination of such information; and/or

(e) The Trustee (or the owners of the Bonds in the circumstances permitted by the Indenture) may exercise any option and pursue any remedy provided by the Indenture.

(f) Following the Final Completion Date of the Project, the University may, upon an Event of Default by the Company, be given notice and an opportunity to cure, including time to exercise its step-in take-over rights, as set forth below.

Subject to the Authority’s Reserved Rights hereunder, if there is an Event of Default, then, before an event of default then existing under the Lease (or by the action of the Authority under the Indenture IX or otherwise under the Bond Documents or applicable law, and

(i) the Trustee shall give notice of such Event of Default to the University,

(ii) the Trustee shall give notice to the University whether or not the Trustee shall, pursuant to Section 22.1 of the Lease, cure the events of default then existing under the Lease (it being acknowledged that Event of Default automatically constitutes an event of default under the Lease), in which event

(A) the Trustee shall be bound by such notice to the University for the purposes of Section 22.1 of the Lease,

(B) if the Trustee notifies the University that it shall not cure the events of default then existing under the Lease, then the Trustee shall be deemed to have waived its rights under Section 22.1 of the Lease and the term “Start Date” shall mean the date the University actually receives both the notice of the Event of Default and this notice that the Trustee will not cure the events of default then existing under the Lease, and

(C) if the Trustee notifies the University that it shall cure the events of default then existing under the Lease, then the term “Start Date” shall mean the last to occur of (1) the date the Trustee cures such events of default under the Lease, (2) the date the Trustee notifies the University that it shall not complete the cure of all such events of default under the Lease (in which event the Trustee shall be deemed to have waived its rights under Section 22.1 of the Lease), and (3) the Trustee’s receipt of notice from the University that the time period set forth in Section 22.1 of the Lease for such cure by the Trustee has expired and that the University has not elected to extend the same (provided that if the Trustee shall deposit such payment then this clause (3) shall instead be the date such dispute is resolved in favor of the University), and

(iii) the University shall have through the date that is sixty (60) days after the Start Date, at its option, without any obligation to do so, either to:

(A) cure the Event of Default, or

(B) redeem or defease the Series 2015 Bonds pursuant to Articles II or XIII of the Indenture (in which event the Event of Default shall be deemed to be cured); or

(C) exercise the University’s right set forth in Section 26(g)(iii) of the Lease to cause the Company to assign to the University or the University’s designee the rights of the Company in the Bond Documents and the Lease (and/or to terminate the Lease and enter into a new lease pursuant to Section 26(g)(iii) of the Lease), in which event the University or its designee, as the case may be, shall have an additional sixty (60) days after the consummation of such assignment (and new lease, if applicable) to cure the Event of Default before the University or the Authority shall exercise or enforce any of its rights and remedies hereunder, and/or

(D) exercise the University’s right set forth in Section 26(g)(iv) of the Lease to acquire or cause to acquire the University’s or its designee’s interests in the Company, in which event the University or its designee, as the case may be, shall have an additional sixty (60) days after the consummation of such assignment to cure the Event of Default before the Trustee or the Authority shall exercise or enforce any of its rights and remedies hereunder,

provided, however, that, in the case of the immediately preceding clause (C) or (D), (1) if such Event of Default is not exclusively a default in the payment of money and cannot reasonably be cured in such additional period of sixty (60) days, then the University or its designee, as the case may be, shall have such additional period of time as is reasonably necessary to cure the Event of Default before the Authority or the Trustee shall exercise or enforce any of its rights and remedies, and (2) in the case of an Event of Default that cannot, by its nature, be cured, such as the bankruptcy of the Company, the University or its designee, as the case may be, shall not be obligated to cure such Event of Default, and such Event of Default shall be deemed cured by the exercise of the University’s right set forth in Section 26(g) of the Lease.

Section 9.3 No Remedy Exclusive; Selective Enforcement.

No remedy conferred upon or reserved to the Authority or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement and as now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any event of nonperformance shall impair any such right or power or shall be construed to be a waiver thereof, and any such right and power may be exercised from time to time as often as may be deemed expedient, in order to entitle the Authority or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event the Authority or the Trustee shall elect to selectively and successively enforce its rights under this Agreement, such action shall not be deemed a waiver or discharge of any other lien, encumbrance or security interest securing any indebtedness hereunder or any other indebtedness, and the foreclosure of any lien provided pursuant to this Agreement without the simultaneous enforcement of all such liens shall not merge the liens granted which are not foreclosed with any interest which the Authority or the Trustee might obtain as a result of such selective and successive foreclosure.
Section 9.4 Authority and Trustee.
Notwithstanding the other provisions of this Agreement and the other Bond Documents to the contrary, the University may exercise and enforce its rights and remedies under (and subject to the terms and conditions of) Sections 16(d), 26(g) and/or 29 of the Lease. If the University shall exercise or enforce its rights and remedies under and pursuant to Section 16(d), 26(g)(d), 26(g)(b) or 29(c) of the Lease and if the University or its designee shall then also comply with the other relevant terms and conditions set forth in Section 16(d), 26(g) or 29 of the Lease, as the case may be, then the Authority and Trustee shall recognize the University or its designee, as the case may be, as the sole holder of the rights of the Company, if any, under this Agreement and the other Bond Documents.

Section 9.5 Agreement to Pay Attorneys’ Fees and Expenses.
In any Event of Default, if the Authority or the Trustee employs attorneys or incurs other expenses for the collection of amounts payable hereunder or the enforcement of the performance or observance of any covenants or agreements on the part of the Company herein contained, whether or not such suit is commenced, the Company agrees that it will or demand therefor pay, or cause to be paid, solely from the assets of the Company and, subject to the provisions of Section 10.13 hereof, from no other person or entity, to the Authority or the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Authority or the Trustee.

Section 9.6 Authority and Company to Give Notice of Default.
The Authority and the Company severally covenant that they will, at the expense of the Company, promptly give to the Trustee and the University written notice of any Event of Default under this Agreement of which they shall have actual knowledge or written notice, but the Authority shall not be liable for failing to give such notice (provided that the University shall retain its rights under Section 9.2).

Section 9.7 Correlative Waivers.
If an Event of Default under Section 9.2 of the Indenture shall be cured or waived and any remedial action by the Trustee rescinded, any correlative default under this Agreement shall be deemed to have been cured or waived.

Section 9.8 Authority Remedies.
The Company shall prepay the Loan in full, together with interest accrued and to accrue to the redemption date (as determined below) upon the occurrence of one of the following events:
(a) The Company ceases to operate the Facilities or cause the Facilities to be operated as an authorized “project” under the Act for twelve (12) consecutive months, without obtaining the prior written consent of the Authority, or (b) upon an Event of Default under Section 9.1(g) hereof. The Authority shall give notice to the Company and the Trustee of such occurrence; whereupon the Trustee shall give notice to the Bondholders of the redemption of the Bonds pursuant to Section 3.4 of the Indenture. The prepayment of the Loan shall be due and payable on the Business Day preceding the redemption date, but in no event later than ninety (90) days after the Authority gives notice to the Trustee of an Event of Default. Payment of the Loan by the Company pursuant to this Section 9.8(a) shall be in an amount sufficient, together with other funds on deposit with the Trustee which are available for such purpose, to redeem the Bonds then Outstanding, and to pay (i) all Operating Expenses accrued and to accrue through the redemption date and (ii) any other expenses and fees required to satisfy and discharge the Indenture.
(b) If the Company commits a breach, or threatens to commit a breach, of any of its obligations under this Agreement, the Authority shall have the right and remedy, without posting bond or other security to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction in order to accomplish the objectives and purposes of the Act, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Authority and that money damages will not provide an adequate remedy therefor.

Section 9.9 Authority’s Reserved Rights.
Notwithstanding anything in this Agreement or in any of the other Bond Documents to the contrary, neither the Trustee nor the Bondholders shall have the right to waive an Event of Default under any of the Bond Documents which arises out of a violation of a Reserved Right without the prior written consent of the Authority, which it shall give in its sole and complete discretion. Notwithstanding anything herein or in any other Bond Document to the contrary, no herein shall affect the Authority’s unconditional right to enforce its Reserved Rights.

ARTICLE X
MISCELLANEOUS

Section 10.1 References to the Bonds Ineffective After Bonds Paid.
Upon payment of the Bonds, all references in this Agreement to the Bondholders shall be ineffective and the Authority and any holder of the Bonds shall not thereafter have any rights hereunder, excepting those that shall have theretofore vested.

Section 10.2 Amounts Remaining in Funds.
It is agreed by the parties hereto that any amounts remaining in the funds shall be applied to the discharge of any obligations then outstanding under this Agreement, to the payment of the Loan, or to the purchase of the Bonds or to the redemption of the Bonds, or to the payment of the Loan on the date of redemption. The amount or amounts remaining in the funds after the payment of the Loan or the redemption of the Bonds, or the payment of the Loan, as the case may be, shall be applied in accordance with the terms of the Indenture.

Section 10.3 Notices.
All notices, demands and requests to be given or made hereunder to or by the Authority, the Trustee, the University or the Company, or their designated successors, shall be in writing and shall be properly made if hand delivered or sent by United States mail, postage prepaid, and addressed as follows:
If to the Authority: New Jersey Economic Development Authority 36 West State Street, P.O. Box 990 Trenton, New Jersey 08625 Attention: Director - Bonds and Incentives
If to the Company: West Campus Housing, LLC c/o New Jersey City University Foundation, Inc. 2039 John F. Kennedy Boulevard Jersey City, New Jersey 07305 Attention: Executive Director
If to the University: New Jersey City University 2039 Kennedy Boulevard Jersey City, New Jersey 07305 Attention: Dr. Aaron Aska, Vice President for Administration & Finance
If to the Trustee: U.S. Bank National Association 21 South Street, 3rd Floor Morristown, New Jersey 07960 Attention: Corporate Trust Services
If to the Rating Agencies: Standard & Poor’s Ratings Services 500 Pearl Street, 5th Floor Boston, Massachusetts 02210 Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The Company, the Authority and the Trustee may, by notice given hereunder, designate any further or different addresses, counsel or counsel addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 10.4 Binding Effect.
This Agreement shall inure to the benefit and shall be binding upon the Authority its successors and assigns (to the extent permitted by law), subject to the limitation that any obligation of the Authority created by or arising out of this Agreement shall not be a general debt of the Authority, but shall be payable solely from the assets of the Company and, subject to the provisions of Section 10.13 hereof, from no other person or entity. The Bonds do not now and shall never constitute a charge against the general credit of the Authority. The Authority has no taxing power.

This Agreement shall inure to the benefit and shall be binding upon the Authority its successors and assigns (to the extent permitted by law), subject to the limitation that any obligation of the Authority created by or arising out of this Agreement shall not be a general debt of the Authority, but shall be payable solely from the assets of the Company and, subject to the provisions of Section 10.13 hereof, from no other person or entity. The Bonds do not now and shall never constitute a charge against the general credit of the Authority. The Authority has no taxing power.
Section 10.11 Third Party Beneficiaries.

It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to make the public or any member thereof, other than the Trustee and except as expressly provided herein or as contemplated in the Indenture, a third party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The duties, obligations and responsibilities, if any, of the parties to this Agreement with respect to third parties shall remain as imposed by law.

Section 10.12 Exculpatory Provision - Authority and Trustee.

In the exercise of the powers of the Indemnified Parties under this Agreement, each Indemnified Party shall not be accountable or liable to the Company (i) for any actions taken or omitted by such Indemnified Party in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them (other than the gross negligence or willful misconduct of such Indemnified Party), or (ii) for any claims based on this Agreement against any such Indemnified Party (excluding gross negligence or willful misconduct), all such liability, if any, being expressly waived by the Company by the execution of this Agreement. The Company shall indemnify and hold harmless, from all assets of the Company, such Indemnified Party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding anything herein to the contrary, the liability of the Company hereunder and each obligation of the Company (including, but not limited to its indemnity obligations) under this Agreement and any other Bond Document shall be a “general obligation” of the Company, and, notwithstanding anything herein to the contrary, the sole and only source of satisfaction of such obligations shall be from the assets of the Company and from no other person or entity. Except as set forth in paragraph (b)(i) below or, with respect to the University, the Lease, neither the University nor the Trustee shall seek to obtain payment from any person or entity that owns the membership interest in or controls the Company, including without limitation, the Member, or from any assets of the Member; recourse being hereby limited solely to the assets of the Company as set forth in the preceding sentence and (b)(ii)(a) and (b) below, the Member shall have no obligation to contribute funds to the Company to pay any costs, expenses, obligations or liabilities of the Company hereunder or under any other Bond Document. The provisions contained in the preceding sentences are not intended to and will not limit any right that the Authority might otherwise have to obtain injunctive relief against the Company or relief in any suit or action in connection with enforcement or collection of amounts that may become owing under or on account of insurance maintained by the Company.

(b) Notwithstanding anything to the contrary herein, (i) the trustees, managers, officers, employees and agents of the Company or Member shall be accountable for any and all actual damages resulting from fraud or criminal act by such individual, (2) the Member shall be accountable for any actual damages resulting from fraud or criminal acts by the Member (including acts of trustees, managers, officers, employees, or agents thereof), and (b) for any and all actual damages resulting from a final determination that the interest in the Tax-Exempt Bonds is not excluded from gross income for federal income tax purposes based solely by reason of the revocation of the Member’s status as a 501(c)(3) corporation (following exhaustion of all avenues of appeal of such determination available to the Member under applicable laws, rules and regulations).

(c) The preceding provisions of this Section 10.13 shall continue to apply notwithstanding any enrichment or exercise by the Authority or the Trustee of any rights or remedies otherwise available in connection with enforcement or collection of amounts that may become owing under or on account of insurance maintained by the Company.

Section 10.14 Accounts and Audits.

Pursuant to the Indenture, the Trustee shall keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Bonds.

Section 10.15 Reliance.

It is expressly understood and agreed by the parties to this Agreement that:

(a) the Authority may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Authority by the Trustee, any Bondholder or the Company as to the existence of a fact or state of affairs required under this Agreement to be noticed by the Authority;

(b) the Authority shall not be under any obligation to perform any recordkeeping or to provide any legal service; and

(c) none of the provisions of this Agreement or the Mortgage shall require the Authority to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights under this Agreement or the Mortgage unless it first shall have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

Section 10.16 Authority Not Liable.

Notwithstanding any other provision of this Agreement, the Indenture, the Mortgage, the Bond Purchase Agreement or the Arbitrage Certificate, (a) the Authority shall not be required to take action under this Agreement, the Indenture, the Mortgage, the Bond Purchase Agreement, the Arbitrage Certificate or any other Loan or Bond Document to which it is a party unless the Authority (i) is requested in writing by an appropriate Person to take such action; and (ii) is assured to its satisfaction of payment of or reimbursement for any expense incurred in taking such action, and (b) except with respect to any action for specific performance or any action in the nature of a prohibition or mandatory injunction, neither the Authority nor any official, officer, manager, director, agent, employee or servant of the Authority shall be liable to the Company, the Trustee or any other Person for any action taken by the Authority or by its officials, officers, managers, directors, agents or servants in any way to take action under this Agreement, the Indenture, the Mortgage, the Bond Purchase Agreement, the Arbitrage Certificate or any Loan or Bond Document to which it is a party. In acting or in refraining from acting under this Agreement, the Indenture, the Mortgage, or the Bond Purchase Agreement, the Authority may conclusively rely on the advice of its counsel.

The STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OF NEW JERSEY IS OBLIGATED TO PAY, OR TO PROVIDE, ANY PRINCIPAL, REDEMPTION PRICE, INTEREST OR PREMIUM, IF ANY, OF OR IN RESPECT TO THE BONDS. THE BONDS ARE NOT A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

Section 10.17 Payment of Fees and Expenses.

The Company will pay from Bond Proceeds and solely from the assets of the Company and subject to the provisions of Section 10.13 hereof from no other person or entity, all reasonable out of pocket expenses incurred by the Authority and the Trustee in connection with the preparation, execution, delivery, recording and filing of this Agreement, the Series 2015 Notes, the Mortgage and the other Company Documents in connection with the preparation, issuance and delivery of the Bonds, the making of the Loan hereunder, and the enforcement of the rights of the Authority and the Trustee in connection with this Agreement and the other Company Documents, including the Authority’s bond issuance fee as established at the time of the issuance of the Bonds, and the fees, disbursements and expenses of Bond Counsel and Trustee’s Counsel.

Section 10.18 Failure to Exercise Rights.

Neither any failure nor any delay on the part of the Authority in exercising any right, power or privilege hereunder or under any other Loan Document shall operate as a waiver hereof or thereof, nor shall a single or partial exercise hereof and thereof preclude any other or further exercise of any other right, power or privilege.

Section 10.19 Further Assurances and Corrective Instruments.

The Company agrees that from time to time it will execute, acknowledge and deliver, or cause to be executed, employed and agents under this Agreement and the Indenture, or to authorize anyone not a party to this Agreement, any such further or corrective instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or for carrying out the intention of or facilitating the performance of this Agreement.

Section 20.20 Special Limited Obligations.

THE STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OF NEW JERSEY IS OBLIGATED TO PAY, OR TO PROVIDE, ANY PRINCIPAL, REDEMPTION PRICE, INTEREST OR PREMIUM, IF ANY, OF OR IN RESPECT TO THE BONDS. THE BONDS ARE NOT A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

Section 10.21 No Violations of Law.

Any other term or provision in this Agreement to the contrary notwithstanding:

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(a) In no event shall this Agreement be construed as:

(1) depriving the Authority of any right or privilege; or
(2) requiring the Authority or any member, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else;

which deprivation or requirement would violate, or result in the Authority’s being in violation of the Act or any other applicable state or federal law; and

(b) At no time and in no event will the Company permit, suffer or allow any of the proceeds of the Agreement or the Bonds to be transferred to any Person in violation of, or to be used in any manner that is prohibited by, the Act or any other state or federal law.

Section 10.22 Limitation on Liability of Company.

Notwithstanding any provision of this Agreement or applicable law to the contrary, in exercising or enforcing any and all rights and remedies against the Company or otherwise in connection with or with respect to this Agreement or any of the matters described in this Agreement, and regardless of any default or Event of Default, the Authority, the Trustee and the Holders of the Bonds shall under all circumstances (a) have recourse only to the Revenues, the Company’s interests in the Lease, the Facilities, the Project Development Agreement, the Project Documents (as defined in the Lease), the Bond Documents, the Approvals (as defined in the Lease), the Project Management Agreement, the Residential License Agreements, the rent under the Subleases (as defined in the Lease) not yet paid to or received by the Company, amounts due under the Residential License Agreements and not yet paid to or received by the Company, and any other revenue from any of the foregoing not yet paid to or received by the Company, and indemnifications provided to the Company by the Developer and the Manager, and (b) not seek to exercise or enforce any rights or remedies against the Company personally or the Company’s other assets. The provisions of this Section 10.22 shall survive any termination of this Agreement.

Section 10.23 Subject to Contractual Liability Act and Tort Claims Act.

Notwithstanding anything to the contrary contained herein, the foregoing is subject to the limitations of the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq., and the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq., is not applicable by its terms to claims arising under contracts with the Authority, the Company hereby agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims arising against the Authority under this Agreement.

Section 10.24 University Not Liable.

The Authority acknowledges and agrees that the Company and the University are separate and independent entities and that neither the University nor any of its board members, officers, employees, representatives or agents shall have any responsibility, obligation or liability of any type or nature whatsoever to the Authority or the holders of any Bonds in respect of the Company’s obligations under this Agreement. In no event shall any assets or revenues of the University be pledged or otherwise available for payment of any Company obligation under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year above written.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By:__________________________
John J. Rosenfeld
Director – Bonds and Incentives

ATTEST:

By:__________________________
Richard T. LoCascio
Assistant Secretary

WEST CAMPUS HOUSING, LLC

By: New Jersey City University Foundation, Incorporated, a New Jersey Nonprofit Corporation, its Sole Member

By:__________________________
Daniel P. Elwell
Executive Director

NEW JERSEY CITY UNIVERSITY FOUNDATION, INCORPORATED, a new Jersey Nonprofit Corporation (as to Section 2.5, Section 6.4 and Section 10.13)

By:__________________________
Daniel P. Elwell
Executive Director

[Signature Page to Loan Agreement]

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(h) The Contractor must submit a Monthly Project Workforce Report, EDA Form AA202, within seven (7) business days of the end of each month for which the Facilities is underway.

(i) The Contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

(j) The Contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

(k) The Contractor must submit an Affirmative Action Certificate to the Authority as required by the application for financial assistance.

(l) The Addendum to Construction Contract, which is provided by the Authority, with its application for financial assistance must be part of all Construction Contracts and must be signed by the Contractor.

(m) The Contractor shall comply with any applicable rules promulgated by the Treasurer pursuant to N.J.S.A. 10:5-36 et seq.; N.J.A.C. 17:27-1.3 et seq. and P.L. 1975, c.127, as amended and supplemented from time to time.

(n) The Contractor shall comply with any regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to P.L. 1963, c. 150, as amended and supplemented from time to time, requiring the payment of prevailing wages.

(o) The Contractor shall ascertain from the New Jersey Department of Labor and Workforce Development the prevailing wage rate in the locality in which the Facilities is located for each craft or trade needed to complete the Facilities.

EXHIBIT C
ADDENDUM TO CONSTRUCTION CONTRACT

Every Construction Contract must require that:

(a) (i) if the Construction Contract is less than fifty percent (50%) complete, ten per centum (10%), and (ii) if the Construction Contract is greater than fifty percent (50%) complete but less than ninety percent (90%) complete, five per centum (5%) of each disbursement for the construction of the project will be retained by the Project Owner/Applicant, Agent or Trustee until the Authority’s Affirmative Action Officer (the “AA Officer”) gives written notice that the amount may be released.

(b) The Contractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex. Except with respect to affectional or sexual orientation, the Contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex.

(c) The Contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers’ representative of the Contractor’s commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor or subcontractor agrees to make good faith efforts to employ and to retain a work force that includes a reasonable proportion of minority and women workers consistent with applicable county employment goals established in accordance with N.J.A.C. 17:27-7.3.

(e) The Contractor awarded a Construction Contract by the Authority or the Company must submit an Initial Project Workforce Report, EDA Form AA201, within three (3) business days of signing.

(f) The Contractor must submit a Monthly Project Workforce Report, EDA Form AA202, within seven (7) business days of the end of each month for which the Facilities is underway.

(g) The Contractor must submit an Affirmative Action Certificate to the Authority as required by the application for financial assistance.

(h) The Contractor shall comply with any applicable rules promulgated by the Treasurer pursuant to N.J.S.A. 10:5-36 et seq.; N.J.A.C. 17:27-1.3 et seq. and P.L. 1975, c.127, as amended and supplemented from time to time.

(i) The Contractor shall comply with any regulations promulgated by the New Jersey Department of Labor and Workforce Development pursuant to P.L. 1963, c. 150, as amended and supplemented from time to time, requiring the payment of prevailing wages.

(j) The Contractor shall ascertain from the New Jersey Department of Labor and Workforce Development the prevailing wage rate in the locality in which the Facilities is located for each craft or trade needed to complete the Facilities.

EXHIBIT D
PROJECT FUND REQUISITION

$50,320,000
New Jersey Economic Development Authority
Revenue Bonds
(West Campus Housing, LLC Student Housing Project) Series 2015A
$325,000
New Jersey Economic Development Authority
Revenue Bonds
(West Campus Housing, LLC Student Housing Project) Series 2015B (Federally Taxable)

U.S. Bank National Association
21 South Street, 3rd Floor
Morrison, New Jersey 07960
Attention: Corporate Trust Department

The undersigned Authorized Company Representative, acting for and on behalf of West Campus Housing, LLC, pursuant to a Trust Indenture dated as of March 1, 2015 (the “Indenture”) by and between the New Jersey Economic Development Authority (the “Authority”) and U.S. Bank National Association, as trustee, relating to the above captioned issue of Bonds (the “Bonds”) hereby requests payment be made from amounts on deposit in the Project Fund held by the Trustee pursuant to Sections 4.4 and 4.16 of the Indenture to the person, firm or corporation in the amount and for the purpose set forth on the attached Requisition Schedule of Payments, the total of which is summarized below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Construction Account
Total Amount of Requests: $
Less Retainage for construction ($_______________________)
Net Amount Payable $

Project Account
Total Amount of Requests: $

The undersigned Authorized Company Representative further certifies with respect to this Requisition as follows:
1. The work to which the payment relates has been performed and that no prior payment has been made on account thereof.

2. The amount to be paid hereunder, as set forth on the Requisition Schedule of Payees and above, represents an amount incurred by the Company solely as a part of the Costs of the Facilities, less applicable retainage, which will be held until final completion of the Facilities as set forth in the Construction Contract.

3. The obligations in the stated amounts have been incurred and are either (A) presently due and payable or (B) have been paid by the Company or the University and that each item thereof is a proper charge against the Project Fund, as applicable, and has not been the subject of any prior requisition.

4. Such requisition contains no item representing payment on account of any retainage to which the Company is entitled at the date of such requisition.

5. There are no defaults under any of the Company Documents.

6. The requirements of the agreement under which the payment is being made have been satisfied.

7. All requirements for “Draw Requests” under the Project Development Agreement have been satisfied.

8. An endorsement has been issued for any construction amounts to the title insurance policy with respect to the Facilities as required under the Indenture.

West Campus Housing, LLC

By: New Jersey City University Foundation, Incorporated, Its Sole Member

Date:____________    By:_______________________________

Name:
Title:

APPROVED:

New Jersey City University

Name/Title:

Approved: ______________, 20__

Authorized Officer of Trustee

Name/Title:

Paid: _________________, 20__

Required Attachments:
Requisition Schedule of Payees
Title insurance endorsement
Invoices

EXHIBIT E-1
CERTIFICATE OF SUBSTANTIAL COMPLETION
U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960
Attention: Corporate Trust Department
New Jersey Economic Development Authority
P.O. Box 990
Trenton, New Jersey 08625-0990
Attn: John Rosenfeld

Ladies and Gentlemen:

Pursuant to Section 3.7 of the Loan Agreement by and between the New Jersey Economic Development Authority and West Campus Housing, LLC (the “Company”) dated as of March 1, 2015 (the “Loan Agreement”), the undersigned, an Authorized Company Representative (all undefined terms used herein shall have the same meaning ascribed to them in the Loan Agreement), as of the date hereof, certifies that:

(i) Construction of the Facilities was Substantially Complete as of ______________, 20__ in accordance with the Project Development Agreement, applicable laws and ordinances;

(ii) The Development Costs (as defined in the Project Development Agreement) that have been incurred and paid as of the Substantial Completion Date are $________.

(iii) The amount of the Project Fund to be retained by the Trustee as the Final Completion Budgeted Amount is $________. Such amounts shall be held as follows:

$________ Construction Account and $________ Project Account.

(iv) The Facilities have been constructed or installed to the Company’s satisfaction; such Facilities so constructed or installed are suitable and sufficient for the efficient operation of the Facilities for the intended purposes and all costs and expenses, if any, incurred in the acquisition and installation of such Facilities have been paid, or will be paid from amounts retained by the Trustee at the Company’s direction for any Cost of the Facilities not now due and payable or, if due and payable, not presently paid;

(v) The Facilities are being operated as an authorized “project” under the Act and substantially as proposed in the Application;

(vi) The Company (a) has reviewed the Contractor Completion Certificate and the Company has no knowledge or information that the representations contained therein are incorrect, false or misleading and (b) has caused the Developer to require in all Construction Contracts that wages paid to workers employed in the performance of Construction Contracts be paid at a rate not less than the Prevailing Wage Rate;

(vii) All conditions to Substantial Completion set forth in Article XVIII of the Project Development Agreement have been satisfied;

(viii) The Date of Substantial Completion is/is not (circle) prior to the Outside Completion Date.

(ix) Excess Development Funds equals $________. Such amount shall be held in the Project Fund until Final Completion.

I certify that the foregoing is true and correct.

This certificate is given without prejudice to any rights against third parties which exist on the date hereof or which may subsequently come into being.

West Campus Housing, LLC

By: New Jersey City University Foundation, Incorporated, Its Sole Member

Date:____________    By:_______________________________

Name:
Title:

AUDG JERSEY CITY, LLC

Name:
Title:

NEW JERSEY CITY UNIVERSITY

Name:
Title:

D-23
I/We, the undersigned engaged in the construction of the above named project certify that:

NOTE: Upon completion, this certificate must be mailed to: New Jersey Economic Development Authority, 401 Northfield Avenue, P.O. Box 990, Morristown, New Jersey 07960.

I certify that the foregoing is true and correct.

I/We require each of my/our subcontractors and lower-tier subcontractors to complete and execute a Subcontractor’s Certificate before entering into any contracts with the subcontractor.

EXHIBIT E-2
CERTIFICATE OF FINAL COMPLETION
U.S. Bank National Association
21 South Street, 5th Floor
Morristown, New Jersey 07960
Attention: Corporate Trust Department

New Jersey Economic Development Authority
P.O. Box 990
Trenton, New Jersey 08625-0990
Attn: Director – Bonds and Incentives

New Jersey City University
2039 Kennedy Boulevard
Jersey City, New Jersey 07305
Attention: Dr. Aaron Aksa, Vice President for Administration & Finance

Ladies and Gentlemen:

Pursuant to Section 3.7 of the Loan Agreement by and between the Authority and West Campus Housing, LLC (the “Company”) dated as of March 1, 2015 (the “Loan Agreement”), the undersigned, an Authorized Company Representative (all undefined terms used herein shall have the same meaning ascribed to them in the Loan Agreement), as of the date hereof, certifies that:

(x) Construction of the Facilities was Finally Completed as of __________ 20__ in accordance with the Project Development Agreement, applicable laws and ordinances;

(xi) The Facilities are being operated as an authorized “project” under the Act and substantially as proposed in the Application;

(xii) The Facilities are being operated at a rate not less than the Prevailing Wage Rate;

(xiii) (a) The Company has reviewed the Contractor Completion Certificate and the Facility Acceptance Certificate and the Construction Records and has determined that the Facilities have been installed to the Company’s satisfaction;

(xiv) All conditions to Final Completion set forth in Article XVIII of the Project Development Agreement have been satisfied;

The amount remaining in the Project Fund equals $___________. All accounts therein shall be consolidated into the Project Account. Such amount shall be applied as follows:

(1) $_____ shall be used to provide the capital expenditures identified on Exhibit A attached hereto.

(2) $_____ shall be transferred to the University for Ground Rent;

(3) $_____ shall be transferred to the Manager/University (circle) and applied for working capital related to the operation of the Facilities;

(4) $_____ shall be transferred to the Series 2015 Bonds Redemption Account in the Debt Service Fund and applied by the Trustee in accordance with, or as otherwise permitted by, Section 3.4(a) of the Indenture to redeem Bonds at the earliest optional redemption date. The Bonds to be redeemed are as follows:

I certify that the foregoing is true and correct.

This certificate is given without prejudice to any rights against third parties which exist on the date hereof or which may subsequently come into being.

West Campus Housing, LLC
By: New Jersey City University Foundation, Incorporated, Its Sole Member

______________________________
By: _____________________________
Name: _____________________________
Title: _____________________________
Dated: ____________________________

______________________________
Approved: _________________________
______________________________
Audu Jersey City, LLC
______________________________
Approved: _________________________
______________________________
New Jersey City University
______________________________
Approved: _________________________

EXHIBIT F
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
AFFIRMATIVE ACTION CERTIFICATE

NIEDA PROJECT NUMBER __________________________

PROJECT OWNER/APPLICANT NAME __________________________

PROJECT LOCATION (include Street, City and County) __________________________

NOTE: Upon completion, this certificate must be mailed to: New Jersey Economic Development Authority, ATTN: Affirmative Action Officer, One Gateway Center, Newark, NJ 07102. If there are any questions, contact the Affirmative Action Officer at 973-648-4130.

CERTIFICATE SUBMITTED BY (Check One)
☐ General Contractor ☐ Subcontractor ☐ Architect
☐ Construction Manager ☐ Professional Planner

1. The full name and business address of the undersigned is:

NAME __________________________

ADDRESS __________________________

PO BOX __________________________

CITY __________________________

STATE __________________________

COUNTY __________________________

PHONE __________________________

FAX __________________________

E-MAIL ADDRESS __________________________

STATE CODE ( ) STATE CODE ( )

AFFIRMATIVE ACTION CONTACT PERSON (check company NOT NIEDA)

AFFIRMATIVE ACTION CERTIFICATE

Page 2 of 3

2. Has the aforementioned party been denied a business-related license or had it suspended or revoked by any administrative, governmental or regulatory agency?

☐ Yes ☐ No

3. Is the aforementioned debarred, suspended or disqualified from contracting with any federal, state or municipal agency?

☐ Yes ☐ No

4. We/We are fully familiar with the provisions of the Prevailing Wage Regulations of the New Jersey Economic Development Authority, N.J.A.C. 19:30-4.1, and the applicable prevailing wage rates established by the New Jersey Commissioner of Labor and Workforce Development, and the sanctions for failure to pay the prevailing wage provided in N.J.S.A. 34:11-65.35, 34:11-65.40.

☐ Yes ☐ No

5. We/We have received a copy of the Affirmative Action Regulations of the New Jersey Economic Development Authority. We/We have agreed as part of the construction contract to comply with the provisions of the Affirmative Action Regulations, to meet the minority employment goals, and to submit to the Authority weekly payroll reports showing the name, race, sex, craft or trade, gender, Social Security Number and all deductions made from wages earned. (We will also provide the Monthly Project Workforce Report within seven (7) days of the end of the following month.)

☐ Yes ☐ No

6. We/We have agreed as part of the contract to pay to workers employed in the construction of the project wages at a rate not less than the prevailing wage rate as determined by the Commissioner of Labor and Workforce Development for the Locality in which the project is located.

☐ Yes ☐ No

7. We/We require each subcontractor as part of the contract to agree to pay to workers employed in the construction of the project wages at a rate not less than the prevailing wage rate as determined by the Commissioner of Labor and Workforce Development and to comply with the Authority’s Affirmative Action Regulations.

☐ Yes ☐ No

8. We/We are aware that I/we will be required to provide copies of weekly payroll records and minority hiring reports for all workers employed in the construction of the project including workers employed by subcontractors. Also, the Monthly Project Workforce Reports will be submitted within seven (7) days of the end of the following month.

☐ Yes ☐ No

9. We/We require each of my/our subcontractors and lower-tier subcontractors to complete and execute a Subcontractor’s Certificate before entering into any contracts with the subcontractor.

☐ Yes ☐ No
10. I/We agree in consideration of any amount paid by the Project/Owner under the construction contract and in consideration of the approval of the Affirmative Action Officer of any construction contract regarding compliance with the Affirmative Action Regulations.

☐ Yes ☐ No

11. I/We will provide to the Authority, or its designated representative, complete access to all payroll records and other records necessary to purposes of determining compliance with the Authority’s Affirmative Action Regulations.

☐ Yes ☐ No

12. I/We will keep accurate records identifying the name, address, Social Security Number, race, sex, craft or trade, number of hours worked in each craft or trade, hourly wage rate, gross earnings paid and all deductions made from wages earned to each worker employed by me/us in connection with the performance of the construction contract and will preserve such records for two years from the date of completion of the project.

☐ Yes ☐ No

13. The approximate date for the start of construction is/was:

MONTH _________________________    DAY ____________    YEAR______________

14. “This Contract is subject to the requirement of the Affirmative Action Regulations N.J.A.C. 19:30-3.1 of the New Jersey Economic Development Authority revised August 8, 1990. The Subcontractor agrees to make every effort to meet the applicable employment goals and to comply with all applicable provisions of the Affirmative Action Regulations N.J.A.C. 19:30-3.1, as amended and supplemented from time to time, including the submission of the employment reports to the Authority. This contract is subject to N.J.A.C. 19:30-4.1 et seq. The construction of the work shall be paid at a rate not less than the prevailing wage rate established by the New Jersey Commissioner of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.30. The Subcontractor shall keep accurate records showing the name, race, sex, craft or trade, and actual hourly rate of wages paid to each worker employed in connection with construction of the work and to preserve such records for two (2) years from completion of the Work.”

SIGNATURE
NAME (Please Print)
TITLE
DATE
The undersigned, [Name], [Title] of New Jersey City University Foundation, Incorporated (“Member”), on behalf of the Member and West Campus Housing, LLC (the “Company”) and pursuant to Section 6.4(3) of the Loan Agreement dated as of March 1, 2015 (the “Agreement”) by and between the Company and the New Jersey Economic Development Authority (the “Authority”), relating to the Authority’s Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project), Series 2015A and Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project), Series 2015B (Federally Taxable) (collectively, the “Bonds”) DOES HEREBY CERTIFY to the Authority as follows:

1. I have reviewed the Agreement executed by Bristol Glen and am familiar with the Tax Covenants contained in such Agreement.

2. I am familiar with the use and operation of project financed with the proceeds of the Bonds and I have undertaken such examination and investigation as is necessary for purposes of making this certification.

3. To the best of my knowledge, I confirm that each of the Company is in compliance with all the Tax Covenants contained in the Agreement.
ALL of the Mortgagor’s leasehold interest and estate created by, and all the right, title and interest of the Mortgagor, as lessee, as and under that certain Indenture of Lease, by and between New Jersey City University, as lessor (the “University”) and the Mortgagor, as lessee, dated as of March 1, 2015 (the “Ground Lease”), which Ground Lease demises and leases, according to the terms thereof, all those certain lots, pieces or parcels of land lying and being in the City of Jersey City, Hudson County, in the State of New Jersey, more particularly the described in Schedule A attached hereto and made a part hereof (the “Premises”); TOGETHER with all component parts of any building or other construction located on the Premises, now or anywise appertaining, including, but without limitation, all component parts of the Premises, and are and shall be covered by the lien of this Mortgage; TOGETHER with any or all of the Premises, (ii) present and future component parts thereof and additions thereto, and all component parts of any building or other construction located on the Premises, now or hereafter a part of or attached to said Premises or used in connection therewith; TOGETHER with all credits, deposits, options, privileges and rights of the Mortgagor, as lessee, under the Ground Lease; TOGETHER with all of Mortgagor’s right, title and interest in and to the buildings and improvements situated on the Premises comprising the Premises, and in the exercise of the power of eminent domain, or any damage, injury or destruction in any manner or form caused to the Premises and the buildings, structures and improvements thereon, or any part thereof; TOGETHER with all rights to receive the Loss Proceeds; TOGETHER with all modifications, extensions and renewals of the Ground Lease; TOGETHER with all of the Mortgagor’s right, title and interest in and to all the tenements, hereditaments, woods, waters, watercourses, liberties, privileges, rights-of-way, easements, riparian interests and appurtenances thereunto belonging or in anywise appurtenant, including, but without limitation, all component parts of the Premises, and are and shall be covered by the lien of this Mortgage; TOGETHER with any and all awards, damages, payments and other compensation, and any and all claims therefor and rights thereto, which may result from the exercise of the power of eminent domain, or any damage, injury or destruction in any manner caused to the Premises and the buildings, structures and improvements thereon, or any part thereof; TOGETHER with the Mortgagor’s right under Section 365(h)(2) of the United States Bankruptcy Code, 11 U.S.C. Section 365(h)(2), to assume or re-lease, extend, transfer and set over unto the Mortgagee and by these presents does give, grant, release, assign, transfer, and set over unto the Mortgagor, its successors and assigns forever, all of the Mortgagor’s right, title and interest in these described property and rights: PROVISIONS THAT, if the Mortgagor shall well and truly pay or there shall otherwise be paid to the Mortgagor the indebtedness secured hereby at the time and in the manner provided in the Agreement and this Mortgage, then these presents and the lien and interest hereby transferred and assigned shall cease, terminate and be void. The Mortgagor hereby covenants to release the Mortgaged Property and reassume any other rights granted to it herein, and to execute at the request of the Mortgagor, a “Release of Mortgage” and any other instrument to that effect deemed necessary or desirable, upon payment and performance being made in full of the Obligations secured hereby.

THIS MORTGAGE is intended to be a “construction mortgage” as defined in N.J.S.A. §12A:9-313(1)(c) and shall be effective as a UCC-1 financing statement pursuant to N.J.S.A.
ARTICLE I
DEFINITIONS

Section 1.1 Definitions. All terms defined in this Mortgage shall have the meaning so given whenever used therein. Such meanings shall be equally applicable to both the singular and plural forms of the terms defined. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture and the Loan Agreement. The following terms shall have the meanings indicated:

“Accounts” shall mean all “accounts” (as defined in the UCC) now owned or hereafter acquired by the Mortgagor that relate to the Facilities or the Premises, and shall also mean and include all accounts receivable, notes, notes receivable, instruments, drafts, acceptances, book debts and similar documents and other monies, obligations or indebtedness owing or to become owing to the Mortgagor arising from the sale, lease or exchange of goods or other property by the Mortgagor and constituting part of and relating to the Facilities or the Premises or derived in any other manner by Mortgagor from its ownership of the Facilities or the Premises or any part thereof and the operation of the Facilities or the Premises or any part thereof or the performance of services by the Mortgagor or under any contracts for any of the foregoing (whether or not yet earned by performance on the part of the Mortgagor), in each case whether now in existence or hereafter arising or acquired, and in all cases relating to the Facilities or the Premises, including any Food Service Facilities Lease Payments.

“Additional Bonds” means bonds, if any, issued in one or more series on a parity with the Series 2015 Bonds pursuant to the terms of the Indenture.

“Advance” shall have the meaning assigned and ascribed to such term as set forth in Section 6.12 of this Mortgage.

“Agreement” means the Loan Agreement dated as of March 1, 2015, between the Mortgagor and the Authority, including any amendments and supplements thereto and thereof as permitted thereunder.

“Authority” shall mean the New Jersey Economic Development Authority, a public body corporate and politic constituting an instrumentality of the State of New Jersey, established under the New Jersey Economic Development Authority Act, constituting Chapter 80 of the Pamphlet Laws of 1974 of the State of New Jersey (the “State”), as amended and supplemented (the “Act”), its successors and assigns.

“Bankruptcy Court” shall have the meaning assigned and ascribed to such term as set forth in Section 5.16(c) of this Mortgage.

“Equipment” shall mean all “equipment” (as defined in the UCC) now owned or hereafter acquired by the Mortgagor located on and used in connection with the operation and maintenance of the Facilities or the Premises, together with all additions, accessories, improvements, special tools and attachments now or hereafter affixed thereto or used in connection therewith, and all replacements thereof and substitutions therefor.

“Event of Default” shall have the meaning assigned and ascribed to such term as set forth in Section 4.1 of this Mortgage.

“Facilities” shall mean the student housing facilities and student dining facilities described in Exhibit A to the Agreement and Exhibit A to the Ground Lease, as amended and supplemented in accordance therewith, that are to be designed, constructed, renovated, equipped and furnished with the proceeds of the Series 2015 Bonds, including all furnishings, fixtures and equipment incidental or necessary in connection therewith, on the campus of the University.

“Fees” shall mean, with respect only to those fixtures of the Mortgagor, all fixtures as that term is defined in the UCC; all machinery, apparatus, and equipment presently located upon or within the Facilities or the Premises, which constitute a component part of the Facilities or the Premises, or now or hereafter attached to, or installed in or used in connection with, the Facilities or the Premises including, but not limited to any and all partitions, plumbing, electrical, mechanical, heating, ventilating and air conditioning systems and/or equipment, and all equipment, movable property and personal property placed on or in the Facilities or the Premises, and which become a component part of the Facilities or the Premises under applicable Laws, and which are located on and used in connection with the operation of the Facilities or the Premises.

“General Intangibles” shall mean those certain “general intangibles” (as defined in the UCC) now owned or hereafter acquired by the Mortgagor relating to the Facilities or the Premises, including, without limitation: (a) all contractual rights and obligations or indebtedness owing to the Mortgagor (other than Accounts) arising from its ownership, use, or operation of the Facilities, (b) all things in action, rights represented by judgments, claims arising out of tort and other claims relating to the Collateral (including the right to assert and otherwise be the proper party of interest to commence and prosecute actions), (c) all rights or claims in respect of refunds paid with respect to its ownership, use and operation of the Facilities or the Premises.

“Governmental Authority” shall mean any federal, state, county, regional, or local government; any political subdivision; any governmental agency; department, authority, instrumentality, bureau, commission, board, official, or officer; any court, judge, examiner, or hearing officer; any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

“Ground Lease” shall mean that certain Indenture of Lease dated as of March 1, 2015, by and between the University, as lessor and the Mortgagor, as lessee, and any amendment or supplement thereto entered into from time to time in accordance with the terms hereof.

“Hazardous Substance” shall mean any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant or infectious waste, or words of similar import, in any case of the Environmental Requirements, and includes, without limitation, asbestos, lead, petroleum or petroleum products, creosote, oils or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof, polychlorinated biphenyls, pesticides, urea formaldehyde, radon gas, radioactive material, and medical waste and any other substance or waste that is potentially harmful to human health, natural resources, or the environment or the presence of which in the environment could trigger a remediation obligation or other liability under Environmental Requirements or any constituent of the foregoing.

“Indenture” shall mean that certain Trust Indenture dated as of March 1, 2015, and as it may be further amended or supplemented from time to time by supplemental indentures in accordance with its provisions.

“Inventory” shall mean that certain “inventory” (as defined in the UCC) now owned or hereafter acquired by the Mortgagor, located at and used solely in connection with the ownership, use and operation of the Facilities or the Premises, including all raw materials and work in process thereon, whether now owned or hereafter acquired, and all materials used or consumed in the manufacture or production thereof, all goods in which the Mortgagor has an interest, and all goods which are returned to or repurchased by the grantor, and all accessories thereto, products thereof and documents therefor.

“Laws” shall mean all applicable constitutions, statutes, treaties, laws, ordinances, regulations, rules, writs, injunctions, or decrees of the United States or of any state, commonwealth, nation, territory, possession, county, county, municipality, or Governmental Authority.

“Leases” shall have the meaning assigned and ascribed to such term as set forth in Section 3.2 of this Mortgage.

“Liens” shall mean any lien, privilege, pledge, assignment, hypothecation, conditional sale agreement, title retention agreement, financing lien, lease or lessee’s interest under any lease, subordination of any claim or right, security interest, mortgage, or other encumbrance, whether arising by mortgage, pledge agreement, or under Laws.

“Loan Documents” collectively shall mean the Indenture, the Agreement, the Series 2015 Bonds, this Mortgage and all amendments and documents in connection therewith and the instruments and documents in connection with this transaction and the issuance of the Bonds, whether now existing or hereafter arising, including all amendments, extensions and renewals of the foregoing documents.

“Loss Proceeds” shall mean proceeds attributable to the sale, insurance loss, condemnation, or other taking of all or any part of the Mortgaged Property, and any contract, tort, or other damage awards in connection with, relating to, or arising out of all or any part of the Mortgaged Property (including, without limitation, any sums that may be awarded or become payable to the Mortgagor for damages caused by public works or constructions on or near the Mortgaged Property).
“Lessor” has the meaning assigned and to such term as set forth in Section 5.9(k) of this Mortgage.

“Mortgagor” shall have the meaning assigned and to such term as set forth in the Preamble of this Mortgage.

“Mortgaged Property” has the meaning assigned and to such term as set forth in Section 3.1 of this Mortgage.

“Mortgage” shall have the meaning assigned and to such term as set forth in the Preamble of this Mortgage, and its successors and assigns.

“Mortgagor” shall have the meaning assigned and to such term as set forth in the Preamble of this Mortgage.

“Obligations” has the meaning assigned such term in ARTICLE 2.

“Permitted Encumbrances” shall mean, as of any particular time, (a) liens for taxes and special assessments that are not then delinquent or liens that may remain unpaid while subject to contest in accordance with the provisions of this Mortgage and the Agreement; (b) the Ground Lease and this Mortgage; (c) utility, access and other easements and rights of way, restrictions and exceptions which do not interfere with, impair or hinder in any way the use and occupancy of the Mortgaged Property; and (d) any exceptions to title contained in Schedule B to the title insurance policies issued to Mortgagor in connection with the execution of the Loan Documents.

“Person” shall mean any individual, partnership, corporation (including a business trust), joint stock company, limited liability company, trust, unincorporated association, joint venture, or other entity, or a government or any political subdivision or Governmental Authority.

“Premises” shall have the meaning assigned and to such term as set forth in the Preamble of this Mortgage.

“Proceeds” shall mean all cash and non-cash proceeds of, and all other products, profits, rentals, lease payments, issues, returns, income, royalties, revenues or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, the Collateral or derived in any other manner by the Mortgagor from its ownership of the Facilities or any part thereof and the operation of the Facilities or any part thereof, including, without limitation, all claims of the Mortgagor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unrecovered premiums with respect to, policies of insurance in respect of, any of the Collateral, including, without limitation, any such policies insuring against loss of revenue by reason of interruption of the operation of the Facilities, and any amounts payable due to any condemnation, requisition or other taking, exercise of eminent domain or transfer with respect to any Collateral or any part thereof, and all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) that hereafter are received by the Mortgagor for or relating to the Facilities or that hereafter may be assigned by the Mortgagor pursuant to this Mortgage, and including proceeds of all such proceeds, in each case whether now existing or hereafter arising and all rights of the Mortgagor to terminate, amend, supplement, modify or waive performance under any agreement, and to perform thereunder and to compel performance and otherwise exercise all remedies thereunder.

“Rental” shall have the meaning assigned and to such term as set forth in Section 3.2 of this Mortgage.

“Security Interests” shall mean the mortgage lien, collateral assignment and security interests in the Collateral and Proceeds granted hereunder securing the Obligations.

“Series 2015 Bonds” shall have the meaning set forth in the recitals, including such Series 2015 Bonds issued in exchange for other such Series 2015 Bonds pursuant to the Indenture or in replacement for mutilated, destroyed, lost or stolen Series 2015 Bonds pursuant to the Indenture.

“Taxes” mean all taxes, forced contributions, assessments, charges, fees, levies, imposts, duties, deductions, withholdings, or other charges from time to time or at any time imposed by any Laws or any Governmental Authority.

“Trustee” shall have the meaning assigned and to such term as set forth in Section 3.2 of this Mortgage.

“Trustee” shall mean U.S. Bank National Association, Morristown, New Jersey, as trustee under the Indenture, for the benefit of the holders of the Bonds, and any successor in trust appointed pursuant to the Indenture.

“University” shall have the meaning set forth in the recitals.

Section 1.2 Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate, and vice versa, and words of any gender shall include each other gender where appropriate.

Section 1.3 Headings. The captions, headings, and arrangements used in this Mortgage are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof. All references in this Mortgage to Exhibits and Sections of this Mortgage (as modified, amended, or supplemented from time to time) unless expressly provided otherwise. All Exhibits attached to this Mortgage are a part hereof for all purposes.

Section 1.4 Amendment of Defined Terms. Unless the context otherwise requires or unless otherwise provided herein, all references to any other Mortgage to a particular agreement, instrument, or document also refer to and include all renewals, extensions, amendments, modifications, supplements, or restatements of any such agreement, instrument, or document; provided that nothing contained in this Section 1.4 shall be construed to authorize any Person to execute or enter into any such renewal, extension, amendment, modification, supplement, or restatement.

ARTICLE 2 OBLIGATIONS SECURED

Section 2.1 Secured Obligations. The Mortgage is given for the purposes of securing the following indebtedness and obligations (hereinafter collectively referred to as the “Obligations”):

(a) the punctual payment of the principal of, premium, if any, and interest on the Series 2015 Bonds, and any Additional Bonds hereafter issued under and in accordance with the terms of the Indenture and the purchase and performance of any and all present and future indebtedness, obligations and liabilities of the Mortgagor and Mortgagor, as Trustee under the Indenture, and the punctual payment of all amounts owed by the Mortgagor under the Agreement assigned by the Authority to the Trustee pursuant to the Indenture; and

(b) any obligations arising under or in connection with this Mortgage or any other Loan Document, including for reimbursement of amounts that may be advanced or expended by the Mortgagor (i) to satisfy amounts required to be paid by the Mortgagor under this Mortgage for claims and charges, together with interest thereon to the extent provided, or (ii) to maintain or preserve any of the Collateral or to create, perfect, continue, or protect any of the Collateral or any Lien thereon, or its priority;

in each and every case, whether due or not due, direct or indirect, joint and/or several or solitary, absolute or contingent, voluntary or involuntary, liquidated or unliquidated, determined or undetermined, now existing or hereafter arising, existing, renewed, or restructured, whether or not from time to time deceased or extinguished and later increased or secured, whether or not arising after the commencement of a proceedings under the Federal Bankruptcy Code (including post-petition interest), and whether or not recovery of any such obligation or liability may be barred by a statute of limitations or prescriptive period, or may otherwise be unenforceable, and including all obligations and liabilities of the Mortgagor under any instrument now or hereafter evidencing or securing any of the foregoing and all future advances hereunder or pursuant to any other document to the fullest extent permitted by the laws of the State of New Jersey.

ARTICLE 3 MORTGAGED PROPERTY

Section 3.1 Hypothecation. In order to secure the full and punctual payment and performance of the Obligations, Mortgagor does hereby transfer, assign and pledge unto Mortgage, and grant a continuing security interest in, all of the Mortgagor’s right, title and interest in and to (a) all leases, licenses and subleases affecting the Mortgaged Property or any part thereof, whether now existing or hereafter arising, together with any and all renewals, extensions or modifications thereof (collectively, the “Leases”), and (b) all receivables, rentals and other sums due or becoming due under the Leases (collectively, the “Rental”). The rights assigned by this Mortgage include, without limitation, all of the Mortgagor’s right, power, privilege and option during the existence of an Event of Default to modify, amend or terminate the Leases, or waive or release the performance or satisfaction of any mortgage or obligation of any tenant, lessee or licensee (each a “Tenant”) under the Leases.

Section 3.2 Assignment of Leases and Rentals. To further secure the full and punctual payment and performance of all present and future Obligations, the Mortgagor hereby grants to the Mortgagee a continuing security interest in and to all right, title and interest of the Mortgagor in, or to under
the following property, whether now owned or existing or hereafter acquired or arising and regardless of where located:

(a) all Accounts and all purchase orders for goods, services or other property and other documents, and all returned, rejected or repurchased goods, the sale or lease of which gave rise to an Account;
(b) all Inventory;
(c) all Equipment;
(d) all General Intangibles;
(e) all Rentals;
(f) other moneys and property of any kind of the Mortgagor in the possession or under the control of the Mortgagor derived from the operation of the Facilities;

(g) all rights of the Mortgagor now or hereafter existing in and to all security agreements, guaranties, leases and other contracts securing or otherwise relating to the Collateral;

(h) all agreements, including vendor warranties, running to Mortgagor or assigned to the Mortgagor, to which the Mortgagor may be or become a party relating to the construction or operation of the Facilities or any part thereof, or relating to the maintenance, improvement, operation or acquisition of the Facilities or any part thereof, or transport of material, equipment and other parts of the Facilities or any part thereof or any other lease or sublease agreements or easement agreements relating to the Facilities or any part thereof or any ancillary facilities to which the Mortgagor or is becomes a party, and all amendments, supplements, substitutions and renewals to any of the foregoing (each an "assigned agreement" and collectively, the "Assigned agreements");

(i) all permits relating to the Facilities, but excluding any permits which by their terms or by operation of law prohibit or do not allow assignment or which would become void solely by virtue of a security interest being granted therein;

(j) all other personal property and fixtures of the Mortgagor relating to the Facilities, whether now owned or existing or hereafter acquired or arising, or in which Mortgagor may have an interest located on the Premises or in the Facilities, whether or not of a type which may be subject to a security interest under the UCC, including without limitation all machinery, tools, generators, transformers, pumps, filters, membranes, water storage tanks, control equipment, appliances, mechanical and electrical systems, elevators, lighting, alarm systems, fire control systems, furnishings, furniture, as extracted collateral, equipment, service equipment, motor vehicles, building or maintenance equipment, building or maintenance materials, pipes, pipelines and pipeline supplies (including valves and fittings), goods and property covered by any warehouse receipts or bills of lading or other such documents, spare parts, plans, specifications, architectural, engineering, construction or shop drawings, manuals or similar documents, copyrights, trademarks and trade names, and any replacements, renewals or substitutions for any of the foregoing:

(k) all goods, investment securities, investment property, contracts (including the Loan Documents), commercial tort claims, letters of credit, letter of credit rights, payment intangibles, software, intellectual property rights supporting obligations, documents, deposit accounts, chattel paper (including tangible and electronic chattel paper) and as extracted collateral relating to the Facilities;

(l) all books and records (including, without limitation, customer lists, credit files, computer programs, tapes, disks, punch cards, data processing software, transaction files, master files, petitions and other computer materials and records) of the Mortgagor pertaining to any of the foregoing; and

(m) all Proceeds and products of all or any of the Collateral described in clauses (a) through (i) hereof.

The term "Collateral" shall mean each and all of the items and property rights described in clauses (a) through (m) above, together with the Mortgaged Property, the Loss Proceeds, the Leases, the Rentals and the items and property rights described in Sections 3.1 and 3.2 of this Mortgage.

Section 3.4. No Liability. The Security Interests are granted as security only and shall not subject the Mortgagor to, or transfer or in any way affect or modify, any obligation or liability of the Mortgagor with respect to any of the Collateral or any transaction in connection therewith.

Section 3.5. Assigned Agreements. Any cure by the Mortgagor of the Mortgagor’s default under any of the Assigned Agreements shall not be construed as an assumption by the Mortgagor or any other Person of any obligations, covenants or agreements of Mortgagor under such Assigned Agreement, and neither the Mortgagor nor any other Person shall be liable to the Mortgagor or any other Person as a result of any actions undertaken by the Mortgagor in curing or attempting to cure any such default. This Mortgage shall not be deemed to release or to affect in any way the obligations of the Mortgagor under the Assigned Agreements.

Section 3.6. Release of Collateral. Mortgaged and Loans Not Released. The Mortgagor may at any time, without notice to the Mortgagor, release any part of the Collateral from the effect of this Mortgage, grant an extension or deferment of time for the discharge of any obligation hereunder, or permit the substitution and transfer of documents, agreements, and instruments evidencing the Obligations. The Mortgagor and Mortgagor may agree in writing to modify the terms of payment or performance of the Obligations, including, without limitation, to modify the rate of interest, the period of amortization, or the amount of the installment payable under the Obligations, accept or release other or additional security for the Obligations, recover any part of the Collateral, consent to the granting of any easement or servitude affecting the Mortgaged Property other than a Permitted Easement or Subdivision, vary or modify the Assigned agreements, subordination agreement, in each case without affecting the liability of the Mortgagor hereunder; provided, however, prior to any such change, the Mortgagor shall provide the Mortgagor with an opinion of nationally recognized bond counsel that such change does not adversely affect the excludability of interest on the Series 2015A Bonds for Federal income tax purposes.

Section 3.7. Attorneys’ Fees. In case foreclosure proceedings are instituted to protect the rights of the Mortgagor, or to enforce any of the agreements contained in this Mortgage, the Mortgagor hereby and hereby agrees to pay all costs of collection, including, but not limited to, the reasonable fees and expenses of the attorneys at law who may be employed for such purposes, incurred in connection with the protection of or realization of the Mortgaged Property or in connection with any of the Mortgagor’s collection efforts, whether or not suit on the Obligations or any foreclosure proceedings are filed.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF MORTGAGOR

The Mortgagor hereby represents, warrants, covenants, promises, stipulates, and agrees as follows:

Section 4.1. Title. The Mortgagor has good and insurable title in and to a leasehold interest in the Premises and an ownership interest in the buildings and improvements situated thereon and undivided interest therein might be set up or made.

Section 4.2. First Priority Mortgage. This Mortgage constitutes a valid mortgage and, upon proper recording hereof, will constitute a valid and perfected first leasehold mortgage lien on the Mortgaged Property, and security interest in, the Collateral other than the Mortgaged Property, subject only to the Permitted Encumbrances, and there are no defenses or offsets to the Mortgagor’s obligations pursuant to the Collateral other than the Permitted Encumbrances, in connection with, including, without limitation, the applicable obligations to pay and perform the Obligations.

Section 4.3. Location of Offices; Taxpayer Identification Number. The Mortgagor’s address is and Taxpayer Identification Number is as follows:

Section 4.4. Accordance With Laws and Regulations. Except as provided in the Environmental Reports, to the best of Mortgagor’s knowledge, the Mortgaged Property is in compliance with all applicable Laws, including, without limitation, Environmental Requirements, all regulations of the U.S. Army Corps of Engineers, and with all applicable building, safety, and fire codes, as well as zoning and regulations. All environmental impact statements, subdivision maps, drawings, specifications, and reports relating to the Mortgaged Property have been or will be timely prepared and filed with all Governmental Authorities having jurisdiction over such matters and requiring any such submittal.

Section 4.5. Peaceable Possession. The Mortgagor’s possession of the Mortgaged Property has been peaceful and undisturbed and, to the best of the Mortgagor’s knowledge, the title thereto has never been disputed or questioned, and the Mortgagor does not know of any facts by reason of which any adverse claim to any part of the Mortgaged Property or to any undivided interest therein might be set up or made.

Section 4.6. Taxes. The Mortgagor has not received any notice of any federal, state, or local tax claims or Liens assessed or filed against the Mortgagor or the Collateral for Taxes that are due and payable, unsatisfied, of record, orocketed in any court of the state in which the Collateral is located or in any court located in the United States.

Section 4.7. Casualty and Condemnation. The Collateral has not been damaged or destroyed by fire or other casualty, and no condemnation or eminent domain proceedings have been commenced and/or are pending with respect to the Mortgaged Property, and, to the best of the Mortgagor’s knowledge, no such condemnation or eminent domain proceedings are about to be commenced.

Section 4.8. No Consents or Approvals. No consent or approval of any trustee or holder of any other obligation of the Mortgagor, and no consent, permission, authorization, order, or license of any Governmental Authority, other than those that have already been obtained and delivered to the Mortgagor and those that are in the process of being obtained and that will be delivered to Mortgagor upon receipt, is necessary in connection with the execution, delivery, and performance of this Mortgage or any of the Loan Documents to which the Mortgagor is a party or any transaction contemplated hereby or thereby.

Section 4.9. No Conflicts. There is no provision of any agreement, written or oral, to which the Mortgaged Property is a party or under which the Mortgagor is obligated, and no statute, rule, or regulation, or judgment, decree, or order of any Governmental Authority binding on the Mortgagor, that would be contravened by the execution and delivery of this Mortgage or any of the Loan Documents to which the Mortgagor is a party or by the performance of any provision, condition, covenant, or other term hereof or thereof.

Section 4.10. Accordance With Laws and Regulations. Except as provided in the Environmental Reports, to the best of Mortgagor’s knowledge, the Mortgaged Property is in compliance with all applicable Laws, including, without limitation, Environmental Requirements, all regulations of the U.S. Army Corps of Engineers, and with all applicable building, safety, and fire codes, as well as zoning and regulations. All environmental impact statements, subdivision maps, drawings, specifications, and reports relating to the Mortgaged Property have been or will be timely prepared and filed with all Governmental Authorities having jurisdiction over such matters and requiring any such submittal.

Section 4.11. No Hazardous Activities. Except as provided in the Environmental Reports, to the best of Mortgagor’s knowledge, the Mortgaged Property is in compliance with all applicable Laws, including, without limitation, Environmental Requirements, all regulations of the U.S. Army Corps of Engineers, and with all applicable building, safety, and fire codes, as well as zoning and regulations. All environmental impact statements, subdivision maps, drawings, specifications, and reports relating to the Mortgaged Property have been or will be timely prepared and filed with all Governmental Authorities having jurisdiction over such matters and requiring any such submittal.

Section 4.12. No Hazardous Materials. Except as disclosed to and acknowledged by the Mortgagor in writing, the Mortgagor represents and warrants that:

(a) Except as provided in the Environmental Reports, during the period of the Mortgagor’s leasehold interest in the Premises and ownership interest in the Facilities, there has
in the operation, maintenance, and development of the Collateral to be paid within a reasonable time after same become due and in any event prior to the time any lien caused by such nonpayment would arise by law or contract.

Section 5.6. Control of Taxes, Indebtedness, and Other Claims. The Mortgagor shall have the right to contest directly through the Mortgagor any Taxes, indebtedness, or other claim, expense, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity of any Taxes, indebtedness, claims, assessments or encumbrances referred to herein (other than this Mortgage or any Loan Document), and all of the Obligations, or any of the Laws, ordinances, acts, rules, regulations, orders, licenses, and authorizations referred to herein; provided, however, the Collateral is not placed in imminent danger of being seized or forfeited or the execution of any lien is stayed.

Section 5.7. Insurance Requirements. The Mortgagor agrees to insure continuously the Collateral and each and every part and parcel thereof in such amounts and with policies meeting the criteria set forth in the Indenture and the Agreement.

Section 5.8. Preservation and Maintenance of Collateral. Except as otherwise permitted by the express terms of the Loan Documents, the Mortgagor (a) shall not commit waste; (b) shall not abandon the Mortgaged Property; (c) in the event of any damage, injury, or loss to the Collateral, shall restore or repair promptly and in a good and workmanlike manner all or any part of the Collateral to the substantial equivalent of its condition prior to such damage, injury, or loss or such other condition as the Mortgagor may approve in writing; (d) shall keep the Collateral in good condition, repair, and working order, ordinary wear and tear and damage due to casualty excepted and shall not remove or demolish the Collateral without the Mortgagor’s prior written consent; (e) shall comply with all assignments, and requirements, if any, of any Governmental Authority having jurisdiction over the Collateral; (f) shall not make any structural alterations to the Collateral without the Mortgagor’s prior written consent (excluding situations where the health and safety of the residents requires emergency action); and (g) shall give notice in writing to the Mortgagor of and, unless otherwise directed in writing by the Mortgagor, appear in and defend any action or proceeding affecting the Collateral, the security or priority of this Mortgage, or the rights or powers of the Mortgagor.

Section 5.9. Environmental Hazards. (a) The Mortgagor shall not: (i) cause or permit the presence, use, generation, manufacture, production, processing, installation, release, escape, spillage, seepage, leakage, dumping, pooling, emptying, emitting, discharge, storage (including above-ground and underground storage tanks for petroleum or petroleum products, but excluding small containers of gasoline used for maintenance equipment or similar purposes and in compliance with applicable Environmental Requirements), treatment, management, transportation, handling or the like of any Hazardous Substances on, under, in, or about the Mortgaged Property, or in any way affecting the Mortgaged Property, and that are in violation of applicable Environmental Requirements or would form the basis for any prior present or future claims, or actions seeking cleanup of the Mortgaged Property or imposition of liabilities under Environmental Requirements, or the transportation of any Hazardous Substances from or to the Mortgaged Property in violation of applicable Environmental Requirements; or (ii) cause or exacerbate any occurrence or condition on the Mortgaged Property that is or may be in violation of any Environmental Requirements or that could otherwise be the basis of liability under any Environmental Requirements. No Hazardous Substances shall be disposed of, in, under or about the Mortgaged Property. The Mortgagor shall not cause, permit the migration or escape of any Hazardous Substances from the Mortgaged Property to any other property or onto the Mortgaged Property from any property or area adjacent to the Mortgaged Property in violation of applicable Environmental Requirements. The Mortgagor shall at all times comply with all applicable Environmental Requirements and shall immediately correct any matters discussed in all notices of violations of Environmental Requirements received by the Mortgagor and any judicial order or assessment of any fines. The Mortgagor shall take all reasonable and appropriate steps to secure compliance by all lessees and subtenants of the Mortgaged Property with its obligations in this Section 5.9.

(b) The Mortgagor itself agrees to, or causes to agree the University, as appropriate, to advise the Mortgagor promptly, in writing, of any notice or other communication, written or oral, from the United States Environmental Protection Agency, the New Jersey Department of Environmental Protection, or any other federal, state, or local Governmental Authority having jurisdiction over the Mortgaged Property with respect to any alleged violation of any Environmental Requirements, or any other matter which the Mortgagor is a party or (ii) imposed upon or assumed by the Mortgagor by virtue of the provisions of any deed, conveyance, lease, agreement, statute, or ordinance pursuant to which the Mortgagor or any predecessor in title of the Collateral acquired the Collateral or any rights or privileges appurtenant thereto or for the benefit thereof.

Section 5.3. Payment of Taxes and Utilities. Subject to the right to contest certain matters with respect to the Collateral pursuant to Section 5.6 hereof, the Mortgagor agrees to or agrees to use reasonable efforts to cause the University (a) to perform and comply with or cause the performance and compliance with all covenants, agreements, and restrictions affecting the Collateral and with all Laws, ordinances, acts, rules, regulations, and orders of any Governmental Authority exercising any power of regulation or supervision over the Mortgaged Property or any part of the Collateral, whether now or hereafter enacted or enforced and whether the same be directed to the ownership, lease and operation of the Mortgaged Property, or the repair, maintenance, or structural alteration of the Mortgaged Property or otherwise, (b) to comply with or to cause compliance with the terms of all insurance policies covering or applicable to the Collateral, all requirements of applicable laws, rules, regulations, and other conditions or of standards recommended by the National and Regional Fire Protection Association (or any other body exercising similar functions) applicable to or affecting the Collateral or any use of the Collateral, and (c) to procure, maintain, and comply or cause the procurement, maintenance and compliance of and with all permits, licenses, approvals, or other authorizations issued to the University and required for any use of the Collateral being made and for the proper erection, installation, operation, and maintenance of the Mortgaged Property and any fixture, equipment, machinery, or appliance in or on the Mortgaged Property, or any portion of the Estate herein conveyed.

Section 5.5. Payment of Indebtedness and Obligations Relating to Collateral. Subject to the right to contest certain matters with respect to the Collateral pursuant to Section 5.6 hereof, the Mortgagor shall cause all indebtedness, claims, encumbrances, and liabilities of any kind or character (including, without limitation, claims for labor, materials, supplies, and rent) incurred in the creation of, maintenance, or operation of the Estate herein conveyed or in the acquisition of the Estate herein conveyed, or in the operation of the Collateral, or alternatively, at the University’s offices.

in any event prior to the time any lien caused by such nonpayment would arise by law or contract.
obtaining the Mortgagor’s prior written consent; provided, further, however, that the Mortgagor’s prior consent shall not be necessary in the event that the presence of Hazardous Substances does not exist under, above, or about the Mortgaged Property either: (i) poses an immediate threat to the health, safety, or welfare of any individual or that, in the opinion of the Mortgagor, it is necessary to obtain the prior consent of the Mortgagor in connection with or as a result of the presence, storage, use, disposal, transportation, discharge, or release or threatened release of any Hazardous Substances on, in, from, above, or about the Mortgaged Property and take all such action thereof as may be necessary therefor to the end that the Mortgagor shall be null and void ab initio and of no force or effect.

(b) The Mortgagor shall pay all rent and other charges required under the Ground Lease as and when the same are due and the Mortgagor shall keep, observe, and perform, or cause to be kept, observed, and performed, all of the other terms, covenants, provisions, and agreements of the Ground Lease on the part of the tenant thereunder to be kept, observed, and performed, and shall not in any manner, cancel, void, render null or void any of the terms, covenants, provisions, or agreements of the Ground Lease, the Mortgagor will not change the location of (a) its chief executive officer or chief place of business, or (b) the locations where it keeps, or holds any records relating thereto, from the applicable location described in Section 7.4 hereof unless it shall have given the Mortgagor at least thirty (30) days’ prior written notice thereof.

Section 5.10 Notice of Changes. The Mortgagor will not change its name, identity, federal tax identification number or corporate structure in any manner unless it shall have given the Mortgagor at least thirty (30) days’ prior written notice thereof. The Mortgagor will not change the location of (a) its chief executive officer or chief place of business, or (b) the locations where it keeps, or holds any records relating thereto, from the applicable location described in Section 7.4 hereof unless it shall have given the Mortgagor at least thirty (30) days’ prior written notice thereof.

Section 5.11 Filing. The Mortgagor agrees that a carbon, a photocopy, a facsimile, a photostatic, a microfilm, or other reproduction of this Mortgage or any part thereof, whether in writing or in any other form of filing that may be required by law, will be sufficient for the purposes of this Mortgage and the作了。
assigned (the “Bankruptcy Court” initial petition was filed or any court to which the action thereon may be removed, transferred, or the Mortgagor’s attorney-in-fact for the purpose of filing any pleading in the court in which the unconditional assignment of the foregoing claims, rights, and remedies of the Mortgagor, and pleading in furtherance thereof. This assignment constitutes a present, irrevocable, and unconditional assignment of the foregoing claims, rights, and remedies of the Mortgagor, and shall continue in effect until all of the Obligations shall have been satisfied and discharged in full. Furthermore, the Mortgagor hereby irrevocably constitutes and appoints the Mortgagor as the Mortgagee’s attorney-in-fact for the purpose of filing any pleading in the court in which the initial petition was filed or any court to which the action thereon may be removed, transferred, or assigned (the “Bankruptcy Court”) that the Mortgagee determines in its sole discretion to protect the Mortgage’s interests in and to the Mortgaged Property, including but not limited to a motion to extend any applicable time period for the filing of any motion related to the assumption of the Ground Lease.

(i) The Mortgagor shall not, without the prior written consent of the Mortgagee, file any motion or other pleading to reject or otherwise elect to treat the Ground Lease as terminated under §365 of the Bankruptcy Code. Any such motion, pleading, or election made without such prior written consent shall be void ab initio, and this Mortgage may be pled in bar thereof. If the Mortgagor does file such a motion to reject the Ground Lease under §365 of the Bankruptcy Code, the Mortgagor hereby acknowledges and agrees that, unless the Mortgagee consents in writing to such rejection, the Mortgagor may not reject the Ground Lease unless the Mortgagee proves, by a preponderance of the evidence, that the Mortgagor was “insolvent,” within the meaning of §101 of the Bankruptcy Code, on the petition filing date. If the Mortgagee, as tenant under the Ground Lease and as debtor under the Bankruptcy Code, shall desire to reject the Ground Lease pursuant to §365 of the Bankruptcy Code, the Mortgagee shall give the Mortgagor no less than thirty (30) days’ prior written notice of the date on which the Mortgagee intends to file a motion in or otherwise apply to the Bankruptcy Court for authority to reject the Ground Lease. In such event, the Mortgagee shall have the right, but not the obligation, to serve upon the Mortgagor within such thirty (30) day period a notice stating that the Mortgagee demands that in the event the Mortgagor assumes the Ground Lease and assigns the Ground Lease as aforesaid shall be applied first to all costs and expenses of the Mortgagee entitled to payment under §365 of the Bankruptcy Code. Any amounts received by the Mortgagee as damages arising out of the rejection of the Ground Lease as aforesaid shall be applied first to all costs and expenses of the Mortgagee (including, without limitation, reasonable attorneys’ and paralegals’ fees and expenses) incurred in connection with the exercise of any of its rights or remedies under this Section 5.16. The Mortgagor shall promptly make, execute, acknowledge, and deliver, in form and substance satisfactory to the Mortgagee, a UCC Financing Statement (Form UCC-1), and all such additional instruments, agreements and other documents, as may at any time hereafter be required by the Mortgagee to effectuate and carry out the assignment made pursuant to this Section 5.16.

(m) If the Mortgagor shall seek to offset against the rent reserved in the Ground Lease the amount of any damages caused by the nonperformance by the University or any fee owner of the Mortgagor Property of any of its obligations under the Ground Lease after the rejection by the University or any fee owner of the Mortgagor Property of any of its obligations under §365 of the Bankruptcy Code, the Mortgagee shall, prior to effectuating such offset, notify the Mortgagor of its intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. The Mortgagee shall have the right to object to all or any part of such offset that, in the reasonable judgment of the Mortgagee, would constitute a breach of the Ground Lease, and in the event of such objection, the Mortgagor shall not effect any offset of the amounts so objected to by the Mortgagee. Neither the failure of the Mortgagee to object as aforesaid nor any objection relating to such offset shall constitute an approval of any such offset by the Mortgagor. The Mortgagor shall pay and protect the Mortgagee, and indemnify and save the Mortgagor harmless from and against, any and all claims, demands, actions, suits, proceedings, damages, losses, costs, and expenses of every nature whatsoever (including without limitation, reasonable attorneys’ and paralegals’ fees and expenses) arising from or relating to any offset by the Mortgagor against the rent reserved in the Ground Lease.

Section 5.17 Inspection

(a) The Mortgagor shall be authorized and empowered to enter, and to authorize its employees, agents, or contractors identified in writing to the Mortgagor and the University to enter, upon any of all the Mortgaged Property at any reasonable time and from time to time upon prior notice to the Mortgagor and the University to inspect the same, to perform or observe any covenants, conditions, or terms that the Mortgagor shall fail to perform, meet, or comply with, following thirty (30) days prior written notice to Mortgagor, and Mortgagor’s failure to perform the same within the 30-day period. Any inspections performed by or for the Mortgagee shall be performed at times and in a manner so as not to materially and adversely interfere with the Mortgagee’s business or the operation of the Mortgaged Property. The Mortgagor will keep accurate books and records in which full, true, and correct entries shall be promptly made with respect to the Mortgage and the operation thereof.

(b) Any right of access to any portion of the Facilities leased to the students, faculty, staff, or permit Sublessees, as defined in the Indenture, shall be subject to their rights pursuant to their license agreements and University policies.

Section 5.18 Negative Covenants.

The Mortgagee hereby agrees that, so long as any of the Obligations remains outstanding or unpaid, the Mortgagor shall not, directly or indirectly, without the prior written consent of the Mortgagee:
Section 5.21 Further Assurances
(a) On request of the Mortgagor, the Mortgagor shall promptly correct (i) any defect, error, or omission that may be discovered in the contents, or in the execution or acknowledgment, of this Mortgage or any Loan Document to which the Mortgagor is a party, and (ii) the Mortgagor itself shall, or shall use reasonable efforts to cause the University to execute, acknowledge, deliver, record, re-record, file, re-file, register, and re-register any and all such further acts, deeds, conveyances, security agreements, mortgages, assignments, intangible certificates, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances, and other instruments as reasonably may be required from time to time in order (A) to carry out more effectively the purposes of this Mortgage and any of the Loan Documents to which the Mortgagor is a party, (B) to make it possible for the University to identify and subject to the Liens created by this Mortgage any of the properties, rights, or interests required to be encumbered hereby, including, specifically, any additions, substitutions, replacements, or appurtenances to the Collateral, (C) to perfect and maintain the validity, effectiveness, and priority of this Mortgage and the Liens intended to be created hereby and (D) to better assure, convey, grant, assign, transfer, preserve, protect, and confirm to the Mortgagor any of the rights granted or now or hereafter intended by the parties hereto to be granted to the Mortgagor hereunder or under any other instrument or agreement executed in connection herewith. The Mortgagor shall pay, directly or through the University, all costs connected with any of the foregoing.

(b) Mortgagor hereby authorizes Mortgagor to file one or more financing or continuation statements and other records with respect to all or any part of the Collateral (including any amendments thereto, or continuation or termination statements thereof), without the signature or other authorization of Mortgagor, in such form and in such offices as Mortgagor reasonably determines appropriate, to perfect or maintain the perfection of the security interest of Mortgagor hereunder. Mortgagor acknowledges and agrees that it is not authorized to, and will not, authenticate or file, or authorize the filing of, any financing statements or other record with respect to the Collateral (including any amendments thereto, or continuation or termination statements thereof) except as permitted hereby, under the Indenture or under the Agreement, without the prior written approval of authorization by the Mortgagor, consisting of the truth and substance of such filing or record. Mortgagor approves and ratifies any filing or recording of records made by or on behalf of Mortgagor in connection with the perfection of the security interest in favor of Mortgagor.

ARTICLE 6
EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. The occurrence of any one of the following shall constitute an event of default under this Mortgage (an "Event of Default":)

(a) the failure to make punctual payment of the principal of, sinking fund installment, premium, if any, and interest on the Series 2015 Bonds and any Additional Bonds hereafter issued under the Indenture;

Section 6.2 Remedies
(a) Upon the occurrence and during the continuation of an Event of Default under this Mortgage and in addition to any other remedy the Mortgagor may have under this Mortgage, or any of the other Loan Documents, the Mortgagor may, subject to the provisions of Section 6.16 hereof, declare all sums secured by this Mortgage (including without limitation the Obligations) immediately due and payable without presentment, demand, protest, notice of protest or disclaimer, or notice of default of any kind, all of which are hereby expressly waived by the Mortgagor. In addition to the foregoing, upon the occurrence and during the continuation of any Event of Default, the Mortgagor may, subject to the provisions of Section 6.16 hereof, take such action, without notice or demand of any kind (all of which are hereby expressly waived by the Mortgagor), as it deems advisable to protect and enforce its rights against the Mortgagor and in and to the Collateral, including, but not limited to, the following actions, each of which may be pursued separately or concurrently, as such may otherwise be permitted by law in such order as the Mortgagor may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagor:

(i) institute proceedings for the complete foreclosure of this Mortgage, in which case the Collateral may be sold for cash or upon credit in one or more parcels under ordinary or executory process, at the Mortgagor’s sole option, and with or without appraisement, appraisement being expressly waived;

(ii) to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Obligations then due and payable, subject to the continuing lien of this Mortgage for the balance of the Obligations not then due; or

(iii) institute an action, suit, or proceeding in equity for the specific performance of any covenant, condition, or agreement contained in this Mortgage or any Loan Document; or

(iv) apply for the appointment of a trustee, receiver, liquidator, or conservator of the Collateral, without regard for the solvency of the Mortgagor or of any Person liable for the payment of the Obligations; or

(v) pursue such other remedies as the Mortgagor may have under applicable law, in equity, by virtue of any other security instrument, or otherwise, including, without limitation, the Ground Lease and the Loan Agreement.

(b) The proceeds or avails of any sale made under or by virtue of this ARTICLE 6, together with any other sums that may then be held by the Mortgagor under this Mortgage, whether under the provisions of this ARTICLE 6 or otherwise, shall be applied in such manner as the Mortgagor, in its sole discretion, shall determine.

(c) Upon any sale made under or by virtue of this ARTICLE 6, the Mortgagor may bid for and acquire the Collateral or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations the net sales price after

(d) the failure to make punctual payments, other than payments required pursuant to subparagraph (a) above, of any amounts owed under this Mortgage or the Agreement as and when due, provided, however they shall receive 45 days prior notice to pay before it is an Event of Default;

(e) the occurrence of an event of default (other than an event of default described in (a) or (b) above) under the Indenture or the Agreement that is not cured within any applicable grace or cure period contained in such document and if no grace or cure period is mentioned in such Loan Documents, then Mortgagor shall have thirty (30) days after written notice from Mortgagor to cure such default before such failure is an Event of Default hereunder;

(f) except as provided otherwise in this Mortgage, failure by the Mortgagor to observe and perform any of the terms, covenants, or conditions to be observed or performed by the Mortgagor contained in this Mortgage (other than those specified in subparagraphs (a) and (b) above) for a period of thirty (30) days after written notice, by registered or certified mail, specifying such failure and requesting that it be remedied, given to the Mortgagor by the Mortgagee, or for such longer period as the Mortgagor and the Mortgagee may agree to in writing; provided that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, such failure shall not constitute an Event of Default so long as Mortgagor institutes curative action within the applicable period and diligently pursues such action to completion;

(g) any representation or warranty of Mortgagor made herein or any representation or warranty made in any of the Loan Documents or any representation or warranty made in any document, certificate, or financial or other statement furnished at any time under or in connection with this Mortgage or any of the other Loan Documents shall prove to have been misleading in any material respect on or at the date made or deemed made;

(h) if (i) the Mortgagor commences any case, proceeding, or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of the Mortgagor or the Mortgagor’s debts under any law relating to bankruptcy, reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for the Mortgagor or for all or any substantial part of the Mortgagor’s property; or (ii) any such case, proceeding, or other action is commenced against the Mortgagor and such case, proceedings, or other action either results in an order for relief against the Mortgagor which is not finally stayed within ten (10) days after the entry thereof, or remains undischarged for a period of sixty (60) days;

(i) the Mortgagor fails to pay its debts as they become due, admits in writing the Mortgagor’s inability to pay the Mortgage's debts, or makes a general assignment for the benefit of creditors;

(j) the Mortgagor sells, conveys or otherwise transfers or disposers of all or any portion of the Collateral except as otherwise permitted herein or grants a mortgage or security interest affecting all or any portion of the Collateral, or permits any Lien against all or any portion of the Collateral, except as permitted by the terms of this Mortgage; or

(k) notwithstanding anything to the contrary in this Mortgage, any purchaser of the Mortgaged Property pursuant to a foreclosure sale under this Mortgage or a deed in lieu of foreclosure shall purchase said Mortgaged Property subject and subordinate to the ownership of the Mortgagee in and to the Collateral, or to the possession of the Mortgagee in and to the Collateral.

Section 6.3 Leases and Rentals
(a) Upon the occurrence of any Event of Default, the Mortgagor may additionally take any one or more of the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Mortgagor may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagor:

(i) the Mortgagor may notify the University to pay all Rentals due thereafter from the Tenants and collected by the University, directly to the Mortgagee at the address set forth in the Mortgage, or in any other manner specified in the Mortgage or the Loan Documents, as the Mortgagee shall designate. In such case the University shall be authorized to pay the Rentals directly to the Mortgagee without liability of such Tenants or the University for the determination of the actual existence of any default by the Mortgagee claimed by the Mortgagee. Tenants shall be expressly relieved of any and all duty, liability and obligation to the Mortgagee in connection with any and all Rentals so paid.

(ii) The Mortgagee may enter upon and take possession of the Mortgaged Property, to manage and operate the Mortgaged Property and the Mortgagor’s business on the Mortgaged Property, subject to the rights of the parties under the Permitted Subleases, as defined in this Agreement, and take possession of and use all books and records of account and all other records of the Mortgagor subject to, with respect to information concerning students, applicable privacy or other laws restricting the dissemination of such information and its property managers or representatives, if any, relating to the Mortgaged Property.

(iii) The Mortgagor may alter, modify, amend, terminate or permit the surrender of any or all Leases in accordance with the terms thereof, and the Mortgagee may execute new Leases of any part of the Mortgaged Property, including Leases that extend beyond the maturity date of the Agreement.

(b) The enforcement of any and all such rights available to the Mortgagee hereunder shall continue for so long as the Mortgagee shall elect, until the collection and application of the Rentals have cured the Event of Default and all sums owed by Mortgagor to
any person in connection with the enforcement of its remedies in connection with such Event of Default have been paid, in which event, the Mortgagor shall permit the Mortgagor to re-enter and take possession of the Mortgaged Property or any part thereof and to perform all acts necessary for the operation and maintenance of the Mortgaged Property, including the right to collect the Rentals, but the Mortgagor shall nevertheless have the right, effective upon written notice, to demand, sue for possession of and collect the Rentals under the Leases and enter and re-enter its rights in such mortgage again if there occurs another Event of Default hereunder.

Section 6.4 General Authority. The Mortgagor hereby irrevocably appoints the Mortgagor its agent and attorney in fact, with full power of substitution, in the name of the Mortgagor or the Mortgagor, for the sole use and benefit of and the Mortgagor, whether or not such sale or the Proceeds:

(a) to endorse the name of the Mortgagor upon any check, draft, Agreement or other instrument payable to the Mortgagor evidencing payment upon any Accounts or General Intangible;

(b) to notify postal service authorities to change the address for delivery of the Mortgagor’s mail to a “lockbox” address designated and controlled by the Mortgagor, and to receive, open and dispose of all mail addressed to the Mortgagor;

(c) to demand, sue for, collect, receive and give acquittance for any and all Accounts and other monies due or to become due for or as Collateral (or Proceeds) or by virtue thereof;

(d) to settle, compromise, compose, prosecute or defend any action or proceeding with respect to any of the Collateral and the Proceeds; and

(e) to extend the time of payment of any or all of the Collateral and the Proceeds and to make any allowance and other adjustments with reference thereto.

The aforesaid mandate and power of attorney, being coupled with an interest, is irrevocable so long as any of the Obligations remains outstanding.

Section 6.5 Accounts. While an Event of Default has occurred, the Mortgagor will make no material Change in the terms or conditions of any written permission of the Mortgagee. Upon the occurrence of and while an Event of Default is continuing, the Mortgagor will comport with any written notice, to demand, sue for possession of and collect the Rentals under the Leases and enter and re-enter the proceeds from the exercise of such rights in such mortgage again if there occurs another Event of Default hereunder.

The Mortgagor agrees that the Mortgagee shall not be obligated to preserve rights against prior parties obligated on any instruments.

Section 6.6 Sale. Upon the occurrence of an Event of Default, the Mortgagor may exercise all rights of a secured party under the UCC and other applicable law (including the Uniform Commercial Code as in effect in another applicable jurisdiction) and, in addition, the mortgagee may:

(a) require the Mortgagor to, and the Mortgagor agrees that on demand by the Mortgagee, deliver to the Mortgagee, all or any part of the Collateral and Proceeds on credit or for future delivery, the Collateral or Proceeds so sold may be retained by the Mortgagee until the selling price is paid by the purchaser thereof, but the Mortgagee shall not incur any liability in case of such purchaser to take and pay for the Collateral and Proceeds so sold and, in case of any such failure, such Collateral and Proceeds may again be sold upon like notice.

Section 6.7 Assessed Collateral. For the purpose of enforcing any and all rights and remedies under this Instrument, the Mortgagee may follow the occurrence of and during the continuation of an Event of Default: (a) require the Mortgagor to, and the Mortgagor agrees that it will, upon the order of the Mortgagee, forthwith assemble all or any part of the Collateral (other than the Mortgaged Property and Proceeds) as directed by the Mortgagee and make it available at a place designated by the Mortgagor which, in its opinion, reasonably convenient to the Mortgagee and the Mortgagor, whether at the Mortgaged Property of the Mortgagor or otherwise, and the Mortgagor shall be entitled to specific performance of this obligation; (b) to the extent permitted by applicable law of this or any other state, enter, with or without notice or publication, any account or private or public sale or cause the same to be advertised from time to time by announcement at the time and place fixed for such sale, and such sale may be made at any time or place to which the same shall be so advertised. In case of any sale of all or any part of the Collateral and Proceeds on credit or for future delivery, the Collateral or Proceeds so sold may be retained by the Mortgagee until the selling price is paid by the purchaser thereof, but the Mortgagee shall not incur any liability in case of such purchaser to take and pay for the Collateral and Proceeds so sold and, in case of any such failure, such Collateral and Proceeds may again be sold upon like notice.

Section 6.8 Limitation on Duty of Mortgagor. Beyond the exercise of reasonable care in the custody thereof, the Mortgagor shall have no duty to as to any Collateral or Proceeds in its possession or control or in the possession or control of any agent or bailee or any other person therefor. The Mortgagor shall be deemed to have exercised reasonable care in the custody of the Collateral and Proceeds in its possession if the Collateral and Proceeds are accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral or Proceeds, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Mortgagor in good faith. The Mortgagee agrees that the Mortgagor shall not be obligated to preserve rights against prior parties obligated on any instruments.

Section 6.9 Appointment of Agent. At any time or times, in order to comply with any legal requirement in any jurisdiction, the Mortgagor may appoint a bank or trust company or one or more other Persons with such power and authority as may be necessary for the effectual operation of the provisions hereof and may be specified in the instrument of appointment.

Section 6.10 Set-Off. Upon the occurrence and during the continuation of an Event of Default, the Mortgagor shall have the right to set-off any and all of the Collateral in the possession of the Mortgagor against any amounts due by the Mortgagor to the Mortgagee pursuant to the Mortgage.

Section 6.11 Release of Collateral. The Mortgagor may at any time and without notice to the Mortgagor, release any part of the Collateral from the effect of this Mortgage, or grant an extension or deferral of time for the discharge of any obligation hereunder, without affecting the liability of the Mortgagor hereunder.

Section 6.12 Advances by Mortgagor. The Mortgagor authorizes the Mortgagee in the Mortgagee’s discretion, following 15 days prior written notice to Mortgagor, and Mortgagor’s failure to make such payments within the 15 day period, to advance any sums necessary for the purpose of paying: (a) all insurance premiums; (b) any and all excise, property, sales, use and other taxes, forced contributions, service charges, local assessments and governmental charges on any of the Collateral; (c) any Liens affecting the Collateral (whether superior or subordinate to the lien of this Mortgage) not presently subject to such payment and the exercise of any right or remedy herein specifically given and now or hereafter existing; and each and every right and remedy, whether specifically given or otherwise existing, may be exercised from time to time and so often and in such manner as may be deemed expedient by the Mortgagee in connection with the exercise of any such right or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right or remedy. No delay or omission by the Mortgagee in exercising any of the rights and remedies herein specifically given and now or hereafter existing shall be deemed a waiver of any right or remedy or operate as a waiver of any other right or remedy then or thereafter existing.
ARTICLE 7
MISCELLANEOUS

Section 7.1 Release of Mortgage. The Mortgagee will remain in effect until: (a) all of the Obligations are fully paid and satisfied and there is no agreement or commitment to advance any additional indebtedness; and (b) Mortgagee cancels this Mortgage by filing a written cancellation instrument signed by Mortgagee. When all of the Obligations are fully paid and satisfied and there is no agreement or commitment to advance any additional indebtedness, the Mortgagor shall promptly sign and deliver to the Mortgagee a written cancellation instrument by writing the Mortgagee at the above address or at such other address as the Mortgagee may advise. 

Section 7.2 Waivers. Any and all covenants in this Mortgage may from time to time, by instrument in writing signed by the Mortgagor and delivered to the Mortgagee, be waived to such extent and in such manner as the Mortgagee may desire, but no such waiver shall ever affect or impair the Mortgagor’s rights or Liens hereunder, except to the extent specifically stated in such written instrument.

Section 7.3 No Waiver. No forbearance on the part of the Mortgagee and no extension of the time for the payment of the Obligations given by the Mortgagor shall operate to release, discharge, modify, change, or affect, in whole or in part, the liability of the Mortgagor hereunder or for the payment of the Obligations or performance of the obligations secured hereby or the liability of any other Person hereunder or for the payment of the Obligations.

Section 7.4 Severability. A determination that any provision of this Mortgage is unenforceable or invalid in any jurisdiction shall not affect the enforceability or validity of such provision in any other jurisdiction or the enforceability or validity of any other provision hereof in any jurisdiction, and the determination that the application of any provision of this Mortgage to any Person or circumstance is illegal or unenforceable in any jurisdiction shall not affect the enforceability or validity of such provision in any other jurisdiction or the enforceability or validity of such provision as it may apply to other Persons or circumstances.

Section 7.5 Notices. Whenever this Mortgage requires or permits any consent, approval, notice, request, or demand from one party to another, the consent, approval, notice, request, or demand must be in writing and shall be deemed sufficiently given or furnished if delivered by personal delivery, by telegraph, telecopy, or telex, by expedited delivery service with proof of delivery, or by registered or certified United States mail, postage prepaid, at the following addresses, or at such other address as may be hereafter notified in writing by the respective parties hereto:

If to the Mortgagor: West Campus Housing, LLC
2039 John F. Kennedy Boulevard
Jersey City, New Jersey 07305
Attention: 

By:_________________
it's Sole Member

If to the University: New Jersey City University
2039 Kennedy Boulevard
Jersey City, New Jersey 07305
Attention: Dr. Aaron Aoka, Vice President for Administration & Finance

Section 7.6 Relationship of Parties. No right or benefit conferred on the Mortgagor under this Mortgage shall constitute or be deemed to constitute the Mortgagor a partner or a joint venturer with the Mortgagor. The Mortgagor and the Mortgagor specifically acknowledge that the relationship between the Mortgagor and the Mortgagor is solely that of borrower and a lender’s agent and that all payments required to be made by the Mortgagor to the Mortgagee hereunder or under any Loan Document to which the Mortgagor is a party are required solely by reason of that relationship.

Section 7.7 Mortgage Absolute. The obligations of the Mortgagor under this Mortgage are independent of all obligations of the Mortgagor under the other Loan Documents, and a separate action or actions may be brought and prosecuted against the Mortgagor to enforce this Mortgage. All rights of the Mortgagor and the mortgage, assignment, and security interest hereunder, and all obligations of the Mortgagor hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any other Loan Document or any other agreement or instrument relating thereto;

(b) any change in the time, manner, or place of payment of, or in any other term of, all or any of the obligations of the Mortgagor under any of the other Loan Documents, or any other amendment or waiver of or any consent to any departure from the other Loan Documents;

(c) any taking, exchange, release, or nonperfection of any of the Collateral, or any taking, release, or amendment or waiver of or consent to depart from any guaranty, for all or any of the obligations of the Mortgagor under the other Loan Documents;

(d) any manner of application of the Collateral, or proceeds thereof, to all or any of the obligations of the Mortgagor under the other Loan Documents, or any manner of sale or other disposition of any of the Collateral for all or any of such obligations.

Section 7.8 Interpretation. It is acknowledged and agreed that, in the preparation of this Mortgage, indistinguishable contributions were made by representatives of both the Mortgagor and the Mortgagee and that the Mortgagor and the Mortgagee each waives any and all rights, both in law or in equity, to have the provisions of this Mortgage or any part thereof interpreted in favor of one over the other based upon a claim that representatives of one or the other were the principal draftsmen of such document.

THUS DONE AND PASSED in the place and on the day, month and year first above written in the presence of the undersigned competent witnesses, who hereunto sign their names with Mortgagor and me, Notary, after due reading of the whole.

WITNESS: WEST CAMPUS HOUSING, LLC
By: New Jersey City University Foundation, Incorporated,
a New Jersey Nonprofit Corporation
its Sole Member

By: ______________________
Daniel P. Elwell
Executive Director

NOTARY PUBLIC
Name: ______________________
My Commission Expires ______________________

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E-10
Mortgage Signature Page
APPENDIX F

FORM OF BOND COUNSEL OPINION
March 17, 2015

New Jersey Economic Development Authority
P.O. Box 990
Trenton, New Jersey 08625

Re: Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project), Series 2015A
Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project), Series 2015B (Federally Taxable)

Ladies and Gentlemen:

We have acted as bond counsel to the New Jersey Economic Development Authority (the “Authority”) in connection with the issuance by the Authority of its Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project), Series 2015A (the “Series 2015A Bonds”), and its Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project), Series 2015B (Federally Taxable) (the “Series 2015B Bonds”; the Series 2015A Bonds and the Series 2015B Bonds shall be referred to collectively herein as the “Bonds”), each in the aggregate principal amount set forth in the Indenture (as defined herein). The Bonds are dated, mature, bear interest and are subject to redemption prior to maturity upon the terms and conditions stated therein and in the Indenture. All capitalized terms used herein and not defined herein shall have the meaning ascribed to such terms in the Indenture.

The Bonds are issued under and pursuant to the New Jersey Economic Development Authority Act, constituting Chapter 80 of the Pamphlet Laws of 1974 of the State of New Jersey, approved August 7, 1974, as amended and supplemented (the “Act”), a resolution adopted by the members of the Authority on January 13, 2015, authorizing, among other things, the issuance of the Bonds (the “Resolution”), and a Trust Indenture dated as of March 1, 2015 (the “Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”).

Concurrently with the issuance of the Bonds, the Authority and West Campus Housing, LLC (the “Borrower”) have entered into a Loan Agreement, dated as of March 1, 2015 (the “Loan Agreement”) which provides for the proceeds of the Bonds to be loaned to the Borrower to finance the Project. Pursuant to the Loan Agreement, the Borrower has executed and delivered a promissory note (the “Note”) payable to the Authority in a principal amount equal to the aggregate principal amount of the Bonds to evidence its obligations under the Loan Agreement.

Pursuant to the Indenture, the Authority has transferred and assigned to the Trustee certain of its right, title and interest in the Loan Agreement and the Note, subject to certain reserved rights as described therein.
The Bonds are being issued for the purpose of financing a project consisting of: (a) the financing of the Costs of the Facilities; (b) the funding of a deposit to the Debt Service Reserve Fund for the Bonds; (c) the payment of capitalized interest on the Bonds; and (d) the payment of costs of issuance of the Bonds (collectively, the “Project”).

Pursuant to an Indenture of Lease, dated as of March 1, 2015 (the “Lease”), by and between New Jersey City University (the “University”) and the Borrower, the University, as lessor, will grant the Borrower, as lessee, a leasehold interest in the Land on which the Facilities are to be located (the “Facilities Site”). To provide security for the obligations of the Borrower pursuant to the Loan Agreement and the Note, the Borrower has executed and delivered, in favor of the Trustee, a Leasehold Mortgage, Security Agreement and Fixture Filing, dated as of March 1, 2015, (the “Leasehold Mortgage”), granting to the Trustee a mortgage on the Borrower’s leasehold interest in the Facilities Site and the improvements to be renovated and constructed on the Facilities Site. Pursuant to an Assignment of Leases, dated as of March 1, 2015, from the Borrower to the Trustee (the “Assignment of Leases”) the Borrower has assigned to the Trustee its interests in the leases and licenses with respect to the Facilities.

In our capacity as bond counsel to the Authority, we have examined the Act and the proceedings relating to the authorization and issuance of the Bonds including, among other things: (i) certified copies of the Resolution; (ii) an executed Series 2015A Bond and an executed Series 2015B Bond; (iii) original counterparts or certified copies of the executed Indenture, Loan Agreement, Lease, Mortgage and Assignment of Leases; (iv) the Project Development Agreement, dated as of March 1, 2015, by and between the Borrower and AUDG Jersey City, LLC (the “Developer”); (v) the Project Management Agreement, dated as of March 1, 2015, by and among the Borrower, the University and AUDG Management, LLC (the “Manager”); (vi) the opinion of Windels Marx Lane & Mittendorf, LLP, counsel to the Borrower, dated the date hereof and addressed to McCarter & English, LLP, on which we have relied with your permission, as to the matters set forth therein; (vii) the opinion of Hartman & Winnicki, P.C., counsel to the Trustee, dated the date hereof and addressed to McCarter & English, LLP, on which we have relied with your permission, as to the matters set forth therein; (viii) the Tax Regulatory Agreement and No Arbitrage Certificate of the Company dated the date hereof, executed by the Borrower, the University, the sole member of the Borrower and the Manager, on which we have relied in expressing the opinion set forth in the following paragraph 5; (ix) such matters of law, including, inter alia, the Act and the Internal Revenue Code of 1986, as amended (the “Code”); (x) various certificates executed by the Authority, the Borrower, and other parties to the aforementioned documents, and including a certificate pursuant to Section 148 of the Code; and (xi) such other opinions, agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary.
For purposes of rendering the opinions set forth below, we have assumed, with your permission: (i) the accuracy and genuineness of all representations of fact made by the Authority in the Indenture and the Loan Agreement; (ii) the genuineness of the signatures of all persons (other than the officers of the Authority on the Indenture and the Loan Agreement) and the authenticity of all documents submitted to us purporting to be originals and conformity with the originals of all documents submitted to us as copies and the legal capacity of all natural persons; and (iii) the proper authorization and due execution and delivery by, and enforceability against, all parties, other than the Authority, of the documents and other instruments that we have examined.

The Code imposes certain requirements which must be met on the date of issuance of the Series 2015A Bonds and on a continuing basis subsequent to the issuance of the Series 2015A Bonds in order for interest on the Series 2015A Bonds to be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority, the Borrower, the sole member of the Borrower, the University or the Manager to comply with such requirements may cause interest on the Series 2015A Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2015A Bonds. The Authority, the Borrower, the sole member of the Borrower, the University and the Manager have provided written representations of their officers and agents with respect to certain material facts that are solely within their knowledge relating to the use of the proceeds of the Series 2015A Bonds, and the construction, use and management of the Project. The Authority, the Borrower, the sole member of the Borrower, the University and the Manager have covenanted not to take any action or fail to take any action which would cause the interest on the Series 2015A Bonds to be included in gross income under Section 103 of the Code. We have assumed, with your permission, continuing compliance by the Authority, the Borrower, the sole member of the Borrower, the University and the Manager with the above covenants in rendering our federal income tax opinion with respect to the exclusion of interest on the Series 2015A Bonds from gross income for federal income tax purposes.

Based upon and subject to the foregoing and the further assumptions and qualifications set forth below, we are of the opinion that:

1. The Authority is a public body corporate and politic and an instrumentality of the State of New Jersey, duly and legally organized and validly existing under the Act, and is authorized to issue the Bonds for the purpose of financing, among other things, the Project. The Project is authorized to be financed under the Act.

2. The Bonds have been duly authorized, issued and sold by the Authority, are valid and binding special, limited obligations of the Authority, enforceable in accordance with their terms and payable as to principal, interest and all other obligations thereunder solely from, and enforceable only against, amounts
payable by the Borrower pursuant to the Loan Agreement and the other revenues and rights assigned or pledged to the Trustee pursuant to the Indenture as security for the debt evidenced by the Bonds.

3. The Authority has the power to enter into and perform its obligations pursuant to the Indenture and Loan Agreement, which have been duly authorized, executed and delivered by the Authority and are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.

4. The Authority has duly and validly assigned to the Trustee, as security for the Bonds, its rights and benefits under the Loan Agreement and the Note, as and to the extent provided in the Indenture.

5. Under existing law, interest on the Series 2015A Bonds is excluded from the gross income of the owners of the Series 2015A Bonds for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Series 2015A Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the federal alternative minimum tax. The difference between the initial public offering price of the Series 2015A Bonds maturing on July 1 in each of the years 2019, 2020, 2021, 2022, 2030 and 2041 (collectively, the “Discount Bonds”) at which price a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes original issue discount. The appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Series 2015A Bonds.

6. Under existing law, the interest on the Bonds and any gain on the sale thereof are exempt from the tax imposed by the existing New Jersey Gross Income Tax Act.

7. All consents, approvals and authorizations of any governmental or regulatory authority which are required to be obtained by the Authority in connection with the issuance or delivery of the Bonds or its entering into and performing its obligations under the Bonds, the Loan Agreement and the Indenture have been obtained, except that no opinion is expressed concerning compliance with state or federal securities law.

The foregoing opinions are qualified to the extent that the enforceability of the Bonds, the Loan Agreement, the Indenture and the other documents mentioned herein may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws or equitable principles affecting rights or remedies of creditors and secured parties, from time to time in effect relating to the
enforcement of creditors’ rights generally, and that the availability of specific enforcement, injunctive relief or other equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

The opinions expressed herein are based upon, and limited to, the laws and judicial decisions of the State of New Jersey, exclusive of conflicts of law provisions, and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the Authority with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

This opinion letter is being furnished solely to the party to whom it is addressed and may not be relied upon by any other person or quoted in whole or in part or otherwise referred to without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

We have made no investigation of, and express no opinion on, the legality of the proposed construction or use of the Project under applicable federal, state or local laws or the compliance of the proposed construction or use with any such laws.

Very truly yours,
APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT
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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”) dated as of March 1, 2015, is executed and delivered by West Campus Housing, LLC, a New Jersey limited liability company (the “Borrower”), and U.S. Bank National Association (the “Dissemination Agent”) in connection with the issuance by New Jersey Economic Development Authority (the “Issuer”) of its $50,320,000 New Jersey Economic Development Authority Revenue Bonds (West Campus Housing, LLC - New Jersey City University Student Housing Project) Series 2015A and $325,000 New Jersey Economic Development Authority Student Housing Revenue Bonds (West Campus Housing, LLC - New Jersey City University Student Housing Project) Series 2015B (Federally Taxable) (collectively, the “Series 2015 Bonds”). The Series 2015 Bonds are being issued pursuant to the Indenture described below.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders and Beneficial Owners (defined below) of the Series 2015 Bonds and in order to assist RBC Capital Markets, LLC (the “Participating Underwriter”), in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required to be provided under this Agreement, and has no liability to any Person, including (without limitation) any holder or Beneficial Owner of the Series 2015 Bonds, with respect to any such reports, notices or disclosures.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“Beneficial Owner” shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2015 Bonds (including Persons holding Series 2015 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2015 Bonds for federal income tax purposes.

“Bond Trustee” shall mean U.S. Bank National Association, as trustee under the Indenture.

“Disclosure Representative” shall mean such person or persons as the Borrower shall designate in writing to the Dissemination Agent and the Bond Trustee from time to time.

“Dissemination Agent” shall mean U.S. Bank National Association, acting in its capacity as dissemination agent hereunder, or any successor dissemination agent designated in writing by
the Borrower and which has filed with the Bond Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board as provided at http://www.emma.msrb.org, or any similar system that is acceptable to or as may be specified by the Securities and Exchange Commission from time to time. A current list of such systems may be obtained from the Securities and Exchange Commission at http://www.sec.gov/info/municipal/nrnsir.html.

“Indenture” shall mean the Trust Indenture dated as of March 1, 2015, by and between the Issuer and the Bond Trustee.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Agreement.

“Loan Agreement” shall mean the Loan Agreement dated as of March 1, 2015, by and between the Issuer and the Borrower.

“Participating Underwriter” shall mean RBC Capital Markets, LLC, as the original Participating Underwriter of the Series 2015 Bonds required to comply with the Rule in connection with the offering of the Series 2015 Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Series 2015 Project” means the (i) financing of the design, construction, furnishing and equipping of student housing and related facilities and infrastructure; (ii) financing of the partial renovation, design, furnishing and equipping of the University’s existing Co-Op Hall and Vodra Hall dormitories, including the dining facilities located in Vodra Hall; (iii) funding of a deposit to the Debt Service Reserve Fund for the Series 2015 Bonds; (iv) payment of capitalized interest on the Series 2015 Bonds; and (v) payment of costs of issuance of the Series 2015 Bonds.

“State” means the State of New Jersey.

SECTION 3. Provision of Annual Reports; Other Reporting Requirements.

(a) The Borrower shall provide, or shall cause the Dissemination Agent to provide, not later than 150 days after the end of each Fiscal Year, commencing with the report for the Fiscal Year ending June 30, 2015, to EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement. If the Fiscal Year of the Borrower changes, the Borrower shall notify the Dissemination Agent and the Bond Trustee in writing of such change.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Reports to EMMA, the Borrower shall provide the Annual Report to the Dissemination Agent. If, by such date, the Dissemination Agent has not
received a copy of an Annual Report, the Dissemination Agent shall contact the Borrower to determine if the Borrower is in compliance with subsection (a) above.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (a) above, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent shall, if and to the extent the Borrower has provided the Annual Report to the Dissemination Agent, file a report with the Bond Trustee (if the Dissemination Agent is not the Bond Trustee) certifying that the Annual Report has been provided pursuant to this Agreement and stating the date it was provided.

(e) Additionally, the Borrower shall provide or cause the Dissemination Agent to provide to EMMA, within 45 days of the end of each calendar month through Final Completion (as defined in the Loan Agreement), monthly construction progress reports received by the Borrower from the Developer (as defined in the Loan Agreement).

(f) Additionally, commencing with the quarter in which Substantial Completion (as defined in the Project Development Agreement) occurs, the Borrower shall provide, or cause the Dissemination Agent to provide to EMMA, within 55 days of the end of each quarter of the Fiscal Year, quarterly unaudited financial reports for the Facilities (as defined in the Loan Agreement).

(g) Additionally, the Borrower shall provide or cause the Dissemination Agent to provide to EMMA by the following December 25 and June 25, leasing reports providing the number of beds for which Residential License Agreements (as defined in the Loan Agreement) have been executed as of January 1 and July 1.

(h) Additionally, the Borrower shall provide or cause the Dissemination Agent to provide to EMMA, no later than 30 days after the receipt by the Borrower of its annual audited financial statement, a certificate in connection with the Debt Service Coverage Ratio as described in the Indenture.

SECTION 4. Content of Annual Report. The Annual Report of the Borrower shall contain or include by reference the following information:

(a) The audited financial statements of the Borrower for the Series 2015 Project for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles for nonprofit corporations as promulgated from time to time by the Financial Accounting Standards Board.

The audited financial statements described above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Borrower is an “obligated person” (as defined by the Rule), which have been filed with EMMA. If the document included by reference is a final limited offering memorandum, it must be available from the Municipal Securities Rulemaking Board. The Borrower shall clearly identify each such other document so included by reference.
(b) Statistical information received by the Borrower from the University for the preceding Fiscal Year consisting of the type of information included under the heading “NEW JERSEY CITY UNIVERSITY,” including but not limited to updated enrollment statistics, tuition and fee data, on-campus residence hall rates and on-campus occupancy levels and the rental information under the heading “CASH FLOW FORECAST” in the Official Statement for the Series 2015 Bonds.

(c) A statement from the University disclosing any change in its residency policy.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”):

i. Principal and interest payment delinquencies;

ii. Non-payment related defaults, if material;

iii. Unscheduled draws on debt service reserves reflecting financial difficulty;

iv. Unscheduled draws on credit enhancements reflecting financial difficulty;

v. Substitution of credit or liquidity providers, or their failure to perform;

vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other Listed Events affecting the tax status of the Bonds;

vii. Modifications to rights of Bondholders, if material;

viii. Bond calls, if material, and tender offers;

ix. Defeasances;

x. Release, substitution or sale of property securing repayment of the Bonds, if material;

xi. Rating changes;

xii. Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur:
the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;

xiii. The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

xiv. Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of a Listed Event or an event that might constitute a Listed Event, provide the Borrower with written notice. The Dissemination Agent shall not be deemed to have actual knowledge of those items listed in clauses (ii), (vi), (vii), (x), (xi), (xii) or (xiii) without the Dissemination Agent having received written notice of such event.

(c) Whenever the Borrower obtains knowledge of the occurrence of a Listed Event or an event that might constitute a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Borrower shall, within five (5) Business Days after obtaining such knowledge and in any event no more than seven (7) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event and provide the Dissemination Agent with written notice pursuant to subsections (d) or (e) below, as applicable.

(d) If the Borrower determines that an event is a Listed Event, the Borrower shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (f). Such notice shall include sufficient information concerning the Listed Event to enable the Dissemination Agent to report the occurrence.

(e) If the Borrower determines that an event is not a Listed Event, the Borrower shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).
(f) If the Dissemination Agent has been instructed by the Borrower in writing to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the EMMA within three (3) Business Days of its receipt of such instructions from the Borrower and in any event no more than ten (10) Business Days after the occurrence of such event. Notwithstanding the foregoing, notice of Listed Events described in clauses (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the holders of affected Bonds pursuant to the Indenture.

SECTION 6. Termination of Reporting Obligation. Except as otherwise provided herein, the obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2015 Bonds. If the Borrower’s obligations under the Loan Agreement are assumed in full by another Person, such other Person shall be responsible for compliance with this Agreement in the same manner as if it were the Borrower and the Borrower shall have no further responsibility hereunder (except with respect to obligations of the Borrower which survive the termination hereof pursuant to Section 11 hereof). If such termination or substitution occurs prior to the final maturity of the Series 2015 Bonds, the Borrower shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f) hereof.

SECTION 7. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower pursuant to this Agreement. The initial Dissemination Agent shall be U.S. Bank National Association. The Dissemination Agent may resign at any time by providing at least 30 days’ written notice to the Borrower, and such resignation shall be effective as of the date of the appointment of a designated Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Borrower and the Dissemination Agent may amend this Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Borrower other than amendments increasing or affecting the obligations or duties of the Dissemination Agent, which amendments shall require the consent of the Dissemination Agent, as applicable) and any provision of this Agreement may be waived if such amendment or waiver would not, in the opinion of nationally recognized federal securities law counsel, cause the undertakings herein to violate the Rule as in effect at the time of the original issuance of the Series 2015 Bonds, after taking into account any amendments or interpretations of the Rule.

In the event of any amendment or waiver of a provision of this Agreement, the Borrower shall describe such amendment in the next Annual Report of the Borrower, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Reports for the year in which the change is made should present a comparison (in
narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the Borrower shall not have any obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Borrower to comply with any provision of this Agreement, the Dissemination Agent, at the written direction of the Participating Underwriter, or any holder or Beneficial Owner of the Series 2015 Bonds (but only if and to the extent the Dissemination Agent is indemnified to its satisfaction from any costs, liability, or expense including, without limitation, fees and expenses of its attorneys, as provided in the Indenture) may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, the Loan Agreement, or the Leasehold Mortgage and the sole remedy under this Agreement in the event of a failure of the Borrower to comply with this Agreement shall be an action to compel performance; provided, however that nothing in this Agreement shall limit any holder’s rights under applicable federal securities laws.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Dissemination Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Dissemination Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Dissemination Agent in its individual capacity may be sold or otherwise transferred, shall be the Dissemination Agent under this Agreement without further act. The Borrower covenants and agrees to indemnify and hold the Dissemination Agent and its directors, officers, agents and employees (collectively, the “Indemnitees”) harmless from and against any and all liabilities, losses, damages, fines, suits, actions, demands, penalties, costs and expenses, including out-of-pocket, incidental expenses, legal fees and expenses, the allocated costs and expenses of in-house counsel and legal staff and the costs and expenses of defending or preparing to defend against any claim (“Losses”) that may be imposed on, incurred by, or asserted against, the Indemnitees or any of them for following any instruction or other direction upon which the Dissemination Agent’s authorized to rely pursuant to the terms of this Agreement. Provided the Dissemination Agent has not acted negligently, the Borrower also covenants and agrees to indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against the
Indemnitees or any of them in connection with or arising out of the Dissemination Agent’s performance under this Agreement. The provisions of this Section 11 shall survive the termination of this Agreement and the resignation or removal of the Dissemination Agent for any reason. Anything in this Agreement to the contrary notwithstanding, in no event shall the Dissemination Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to loss profits), even if the Dissemination Agent has been advised of such loss or damage and regardless of the form of action. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2015 Bonds or the termination hereof.

(b) The Issuer shall have no responsibility or liability in connection with the Borrower’s compliance with the Rule, its filing obligations under this Agreement or in connection with the contents of such filings. The Borrower agrees to indemnify and save the Issuer, and its members, officers, employees and agents, harmless against any loss, expense (including reasonable attorneys’ fees) or liability arising out of (i) any breach by the Borrower of this Agreement or (ii) any Annual Report or notices provided under this Agreement or any omissions therefrom.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Agreement may be given as follows:

To the Borrower: West Campus Housing, LLC
c/o New Jersey City University Foundation, Incorporated
2039 John F. Kennedy Boulevard
Jersey City, New Jersey 07305

with a copy to:

New Jersey City University
Dr. Aaron Aska, Vice President for Administration & Finance
2039 Kennedy Boulevard
Jersey City, NJ 07305
Telephone: (201) 200-3111

To the Dissemination Agent: U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960
Attention: Corporate Trust Services

Any person may, by written notice to the other persons listed above, designate a different address to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Agreement shall inure solely to the benefit of the Borrower, the Dissemination Agent, the Issuer, the Participating Underwriter, and the holders and Beneficial Owners from time to time of the Series 2015 Bonds, and shall create no rights in any other person or entity.
SECTION 14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Applicable Law. This Agreement shall be construed under the laws of the State.

SECTION 16. No Liability of Borrower’s Officers. No recourse under or upon any obligation, covenant, or agreement contained in this Agreement or in any other documents delivered in connection with the issuance of the Series 2015 Bonds, or for any claim based thereon, or under any judgment obtained against the Borrower, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any incorporator, director, member, or officer, as such, past, present, or future of the Borrower or the Foundation, or any incorporator, director, member, or officer of any successor entity, as such, either directly or through the Borrower or any successor entity, or otherwise, for the payment for or to the Borrower or any receiver thereof, of any sum that may be due and unpaid by the Borrower under this Agreement or any other documents delivered in connection with the issuance of the Series 2015 Bonds.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]
IN WITNESS WHEREOF, the Borrower and the Dissemination Agent have executed this Agreement under seal on the date and year first written above.

WEST CAMPUS HOUSING, LLC

By: New Jersey City University Foundation, Incorporated, its sole member

By: ____________________________
   Name: Daniel P. Elwell
   Title: Executive Director

U.S. BANK NATIONAL ASSOCIATION, as Dissemination Agent

By: ____________________________
   Name: Paul O’Brien
   Title: Vice President
EXHIBIT A
NOTICE TO EMMA OF FAILURE TO FILE REPORT

Name of Issuer: New Jersey Economic Development Authority

Name of Bond Issue: $50,320,000 New Jersey Economic Development Authority Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project) Series 2015A and $325,000 New Jersey Economic Development Authority Revenue Bonds (West Campus Housing, LLC – New Jersey City University Student Housing Project) Series 2015B (Federally Taxable)

Name of Borrower: West Campus Housing, LLC

Date of Issuance: March 17, 2015

NOTICE IS HEREBY GIVEN that the Borrower has not provided an Annual Report with respect to the above-named Series 2015 Bonds.

Dated: ________________________

U.S. Bank National Association, on behalf of West Campus Housing, LLC

By: ____________________________

Name: _________________________

Title: __________________________