

*In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Authority and the University (as each term is defined herein) with certain tax covenants described herein, under existing law, interest on the 2025 Bonds (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the 2025 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the 2025 Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the 2025 Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

## NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**\$595,000,000\* Princeton University Revenue Bonds, 2025 Series A**  
consisting of

\$ \_\_\_\_\_ \* 2025 Series A-1  
\$ \_\_\_\_\_ \* 2025 Series A-2  
\$ \_\_\_\_\_ \* 2025 Series A-3

**\$110,000,000\* Princeton University Revenue Refunding Bonds, 2025 Series B**

Dated: Date of Delivery

Due: July 1, as shown on the inside cover hereof

The New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2025 Series A, consisting of 2025 Series A-1, 2025 Series A-2 and 2025 Series A-3 (collectively, the "2025 Series A Bonds") and Princeton University Revenue Refunding Bonds, 2025 Series B (the "2025 Series B Bonds"; and collectively with the 2025 Series A Bonds, the "2025 Bonds") will be issued by the New Jersey Educational Facilities Authority (the "Authority") for the benefit of The Trustees of Princeton University (the "University") as fully-registered bonds by means of a book-entry system evidencing ownership and transfer thereof on the records of The Depository Trust Company, Brooklyn, New York ("DTC"), and its participants. The 2025 Series A Bonds will be issued initially in the Long-Term Mode for a Long-Term Interest Rate Period commencing on their date of issuance and ending on the date set forth on the day immediately preceding the Long-Term Rate Mandatory Purchase Date set forth on the inside cover hereof (the "Initial Long-Term Period"). The 2025 Series B Bonds will be issued initially in the Fixed Mode for a Fixed Period from their date of issuance to their maturity date. Purchases of the 2025 Series A Bonds in the Long-Term Mode and purchases of the 2025 Series B Bonds in the Fixed Mode will be made in book-entry form in denominations of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the 2025 Bonds purchased. So long as DTC or its nominee is the registered owner of the 2025 Bonds, payments of the principal of and redemption premium, if any, and interest on the 2025 Bonds will be made directly to DTC. Disbursement of such payments to the Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners of the 2025 Bonds is the responsibility of the Direct Participants and the Indirect Participants. See "DESCRIPTION OF THE 2025 BONDS – Book-Entry-Only System" herein. The Bank of New York Mellon, Jersey City, New Jersey, shall act as Trustee, Bond Registrar and Paying Agent for the 2025 Bonds. Interest on the 2025 Bonds will be payable initially on January 1, 2026 and semiannually thereafter on each January 1 and July 1 until maturity or earlier redemption or conversion to a new Interest Rate Mode, as described herein. The 2025 Series A Bonds are subject to optional redemption prior to maturity, as more fully described herein. The 2025 Series B Bonds are not subject to optional redemption prior to maturity. The 2025 Series A Bonds in the Initial Long-Term Period are subject to mandatory tender for purchase on the Long-Term Rate Mandatory Purchase Date set forth herein, and on any earlier Conversion Date.

**This Official Statement provides information with respect to the 2025 Series A Bonds while bearing interest in the Initial Long-Term Period only and the 2025 Series B Bonds while bearing interest in the Fixed Period only. In the event the University elects to convert the 2025 Series A Bonds (or a portion thereof) to a new Interest Rate Mode or a new Long-Term Period, the affected 2025 Series A Bonds must be purchased from the holders pursuant to the mandatory tender provisions of the 2025 Series Resolution and simultaneously remarketed to investors at the new Interest Rate Mode or the new Long-Term Period, as applicable, under a supplement to this Official Statement or other disclosure document that will be prepared if such 2025 Series A Bonds are publicly offered in connection with any such Conversion.**

The 2025 Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law (N.J.S.A. 18A:72A-1 et seq.), as amended and supplemented, the Princeton University Revenue Bond Resolution adopted by the Authority on February 16, 1999, as heretofore amended and supplemented (collectively, the "General Resolution"), and as further amended and supplemented by the 2025 Series A and 2025 Series B Series Resolution adopted by the Authority on April 29, 2025 (the "2025 Series Resolution"; and together with the General Resolution, the "Resolution"). The 2025 Bonds are being issued for the purpose of making a loan to the University to (i) finance and refinance certain capital projects for the University; (ii) finance the current refunding and defeasance of certain outstanding bonds issued by the Authority for the benefit of the University and; (iii) pay certain costs incidental to the sale and issuance of the 2025 Bonds. See "INTRODUCTORY STATEMENT – Purpose" and "INTRODUCTORY STATEMENT – Plan of Finance and Plan of Refunding" herein. The Authority and the University will enter into a Loan Agreement, dated as of May 1, 2025, with respect to such loan.

**THE 2025 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION), OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION). THE AUTHORITY HAS NO TAXING POWER. SEE "SECURITY FOR 2025 BONDS" HEREIN FOR A DESCRIPTION OF THE SECURITY FOR THE 2025 BONDS AND THE OTHER PARITY BONDS OUTSTANDING UNDER THE GENERAL RESOLUTION.**

This cover page, including the inside cover page, contains certain information for quick reference only. It is not intended to be a summary of this issue or of all factors relevant to an investment in the 2025 Bonds. For a discussion of certain factors that should be considered, in addition to the other matters set forth on this cover page, in evaluating the investment quality of the 2025 Bonds, investors must read the entire Official Statement, including, without limitation, Appendix A and Appendix B, to obtain information essential to the making of an informed investment decision on the 2025 Bonds.

The 2025 Bonds are offered when, as and if issued by the Authority and subject to the approval of their legality by McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the University by Ballard Spahr LLP, Mount Laurel, New Jersey, and by Ramona E. Romero, Esq., General Counsel to the University. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, Newark, New Jersey. The 2025 Bonds are expected to be available for delivery through the facilities of DTC on or about May \_\_, 2025.

Morgan Stanley

J.P. Morgan Securities LLC

Goldman Sachs &amp; Co. LLC

TD Securities

Dated: May \_\_, 2025

\* Preliminary, subject to change.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**\$595,000,000\***

**Princeton University Revenue Bonds, 2025 Series A  
consisting of**

\$ \_\_\_\_\_ \* Princeton University Revenue Bonds, 2025 Series A-1

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Initial Long- Term Interest Rate</u>	<u>Yield</u>	<u>Last Day of the Initial Long-Term Period</u>	<u>Long-Term Rate Mandatory Purchase Date</u>	<u>CUSIP</u> <sup>†</sup>
	\$	%				

\$ \_\_\_\_\_ \* Princeton University Revenue Bonds, 2025 Series A-2

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Initial Long- Term Interest Rate</u>	<u>Yield</u>	<u>Last Day of the Initial Long-Term Period</u>	<u>Long-Term Rate Mandatory Purchase Date</u>	<u>CUSIP</u> <sup>†</sup>
	\$	%				

\$ \_\_\_\_\_ \* Princeton University Revenue Bonds, 2025 Series A-3

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Initial Long- Term Interest Rate</u>	<u>Yield</u>	<u>Last Day of the Initial Long-Term Period</u>	<u>Long-Term Rate Mandatory Purchase Date</u>	<u>CUSIP</u> <sup>†</sup>
	\$	%				

**\$110,000,000\***

**Princeton University Revenue Refunding Bonds, 2025 Series B**

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u> <sup>†</sup>
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\* Preliminary, subject to change.

<sup>†</sup> Registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders of the 2025 Bonds only at the time of issuance of the 2025 Bonds, and the Authority and the University do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specified maturity is subject to being changed after the issuance of the 2025 Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2025 Bonds.

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 2025 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The purchase of the 2025 Bonds involves certain investment risks. Accordingly, each prospective purchaser of the 2025 Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement, including its Appendices, to obtain information essential to the making of an informed investment decision in the 2025 Bonds.

The information contained herein relating to the New Jersey Educational Facilities Authority (the “*Authority*”) under the headings “THE AUTHORITY” and “LITIGATION – The Authority” has been obtained from the Authority. Certain information contained herein has been obtained from The Trustees of Princeton University (the “*University*”) and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation of the Authority. The Authority has not reviewed or approved any information in this Official Statement, except for the information under the headings “THE AUTHORITY” and “LITIGATION – The Authority”, and the Authority does not represent that any such statements are accurate or complete for purposes of investors making an investment decision with respect to the 2025 Bonds.

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

No dealer, broker, salesperson or other person has been authorized by the Authority or the University to give any information or to make any representations with respect to the 2025 Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of, the 2025 Bonds by any person in any such jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information herein is 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 the affairs of the Authority or the University since the date hereof.

The information set forth herein relative to The Depository Trust Company, Brooklyn, New York (“*DTC*”), and DTC’s book-entry-only system has been supplied to the Authority by DTC for inclusion herein, and neither the Authority nor the University takes any responsibility for the accuracy thereof. Such information has not been independently verified by the Authority or the University, and neither the Authority nor the University makes any representation as to the accuracy or completeness of such information.

The 2025 Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution (as hereinafter defined) has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the 2025 Bonds and the security therefor, including an analysis of the risk involved. The 2025 Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the

2025 Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2025 Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the 2025 Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

References in this Official Statement to statutes, laws, rules, regulations, resolutions (including the Resolution), agreements (including the Loan Agreement and the Continuing Disclosure Agreement) (as each such term is hereinafter defined), reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is submitted in connection with the sale of the 2025 Bonds referred to herein and may not be reproduced or used, in the whole or in part, for any other purpose.

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

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**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
5 VAUGHN DRIVE, SUITE 300  
PRINCETON, NEW JERSEY 08540-6313**

**OFFICIAL STATEMENT  
RELATING TO**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**\$595,000,000\***  
**Princeton University Revenue Bonds, 2025 Series A**  
**consisting of**

\$ \_\_\_\_\_ \* 2025 Series A-1  
\$ \_\_\_\_\_ \* 2025 Series A-2  
\$ \_\_\_\_\_ \* 2025 Series A-3

**\$110,000,000\***  
**Princeton University Revenue Refunding Bonds, 2025 Series B**

**INTRODUCTORY STATEMENT**

**General**

The purpose of this Official Statement, which includes the cover page, the inside cover page and the Appendices hereto, is to furnish information concerning the New Jersey Educational Facilities Authority (the “*Authority*”) and its \$595,000,000\* Princeton University Revenue Bonds, 2025 Series A, consisting of 2025 Series A-1, 2025 Series A-2 and 2025 Series A-3 (collectively, the “*2025 Series A Bonds*”) and its \$110,000,000\* Princeton University Revenue Refunding Bonds, 2025 Series B (the “*2025 Series B Bonds*”, and collectively with the 2025 Series A Bonds, the “*2025 Bonds*”), to be dated the date of issuance thereof, authorized by the Princeton University Revenue Bond Resolution adopted by the Authority on February 16, 1999, as heretofore amended and supplemented (collectively, the “*General Resolution*”), and as further amended and supplemented by the 2025 Series A and 2025 Series B Series Resolution adopted by the Authority on April 29, 2025 (the “*2025 Series Resolution*”, and together with the General Resolution, the “*Resolution*”). Capitalized terms used but not defined in this Official Statement shall have the respective meanings assigned to such terms in the Resolution.

**Authority for Issuance**

The 2025 Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law, constituting Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the “*Act*”). The Act, among other things, empowers the Authority to issue its bonds, notes and other obligations to obtain funds to finance and refinance an eligible project as such may be required or convenient for the purpose of a public or private participating institution of higher education, such as The Trustees of Princeton University, a New Jersey not-for-profit corporation and a privately endowed, non-sectarian institution for higher education (the “*University*”). For information concerning the University, see “APPENDIX A – PRINCETON UNIVERSITY” and “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023, AND REPORT OF INDEPENDENT AUDITORS” hereto.

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\* Preliminary, subject to change.

## Plan of Finance and Plan of Refunding

The 2025 Series A Bonds are being issued to provide funds to be loaned to the University to: (i) finance (in whole or in part) the costs of the acquisition, construction, renovation, campus improvement, installation and equipping of certain capital assets to be located at or near the University's Main/Meadows Campus in Princeton and West Windsor Township, New Jersey, at its Forrester Campus in Plainsboro and South Brunswick, New Jersey, at its administrative building along Canal Pointe Boulevard in West Windsor, New Jersey, or at its Hopewell Campus in Hopewell, New Jersey, consisting of (A) the construction, renovation, improvement, installation, equipping and repair of various University buildings, including, but not limited to, administrative, athletic, academic, staff, faculty and student housing and other facilities, including utility systems, roads, grounds, parking and infrastructure, (B) the purchase of capital equipment for academic departments and administrative and supporting units, and (C) the acquisition of land and other projects in or on University-owned or -leased buildings and land (collectively, the "2025 Series A Project Facilities"); and (ii) pay certain costs incidental to the sale and issuance of the 2025 Series A Bonds, including deposits to certain funds created under the General Resolution and the 2025 Series Resolution.

The 2025 Series B Bonds are being issued to provide funds to be loaned to the University to: (i) finance the current refunding and defeasance of all or a portion of the Authority's outstanding Princeton University Revenue Refunding Bonds, 2015 Series A, and Princeton University Revenue Bonds, 2015 Series D (collectively, the "*Bonds to be Refunded*"), such refunding of the Bonds to be Refunded and the financing of the 2025 Series A Project Facilities are collectively referred to herein as the "2025 Project"); and (ii) pay certain costs incidental to the sale and issuance of the 2025 Series B Bonds. See "APPENDIX F – DESCRIPTION OF BONDS TO BE REFUNDED" hereto. In order to effect the refunding and defeasance of the Bonds to be Refunded, on the date of issuance and delivery of the 2025 Series B Bonds, a portion of the proceeds of the 2025 Series B Bonds, together with other available funds of the University, will be deposited in the Redemption Fund held by the Trustee pursuant to a Letter of Instruction (the "*Letter of Instruction*") from the Authority and the University to the Trustee. The portion of the proceeds of the 2025 Series B Bonds and the other available funds on deposit in the Redemption Fund, together with investment earnings thereon, will be sufficient to pay when due the principal or Redemption Price of and interest on the Bonds to be Refunded. See "VERIFICATION OF MATHEMATICAL CALCULATIONS" herein. Upon deposit of such funds in the Redemption Fund, the Bonds to be Refunded will be deemed paid under the Resolution and will no longer be Outstanding thereunder.

## Security

The 2025 Bonds will be issued on a parity with the Authority's outstanding Princeton University Revenue (Refunding) Bonds, 2015 Series A<sup>1</sup>, 2015 Series D<sup>1</sup>, 2016 Series A, 2016 Series B, 2017 Series B, 2017 Series C, 2017 Series I, 2021 Series B, 2021 Series C, 2022 Series A, 2024 Series A, 2024 Series B, and 2024 Series C, heretofore issued under the General Resolution to finance and refinance certain facilities of the University and that will remain outstanding after the issuance of the 2025 Bonds (the "*Outstanding Parity Bonds*") and any additional parity bonds that may hereafter be issued under the General Resolution (the "*Additional Parity Bonds*"). The 2025 Bonds are secured by a pledge of the revenues (the "*Revenues*") derived by the Authority pursuant to a Loan Agreement dated as of May 1, 2025 (the "*Loan Agreement*"), by and between the Authority and the University relating to the 2025 Project, pursuant to loan agreements relating to the facilities financed by the Outstanding Parity Bonds (the "*Prior Loan Agreements*") and pursuant to any subsequent loan agreements relating to any approved facility that the Authority may finance in the future.

Pursuant to the Loan Agreement, the Prior Loan Agreements and any subsequent loan agreements relating to any approved facility, the University agrees to make loan repayments to the Authority equal to all sums necessary for the payment of the debt service on the 2025 Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds, and the full faith and credit of the University is pledged to the payments required to be made thereunder. See "SECURITY FOR 2025 BONDS" herein.

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<sup>1</sup> All or a portion of the 2015 Series A Bonds and the 2015 Series D Bonds are expected to be refunded by the 2025 Series B Bonds.



THE 2025 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY (THE “STATE”) OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION), OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION). THE AUTHORITY HAS NO TAXING POWER. SEE “SECURITY FOR 2025 BONDS” HEREIN FOR A DESCRIPTION OF THE SECURITY FOR THE 2025 BONDS AND THE OTHER PARITY BONDS OUTSTANDING UNDER THE GENERAL RESOLUTION.

## **THE AUTHORITY**

### **Powers of the Authority**

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

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

### **Authority Organization and Membership**

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

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

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

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

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

The Honorable Brian Bridges, Ph.D., Member; Secretary of Higher Education, *ex officio*.

Erik K. Yngstrom, Esq., Member; term as a member expires April 30, 2027; Co-Managing Partner, Lomurro Munson, LLC; Freehold, New Jersey.

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

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

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

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

### **Outstanding Obligations of the Authority**

As of December 31, 2024, the Authority has heretofore authorized and issued its obligations in a total outstanding amount of \$3,027,760,000 to finance and refinance eligible projects at certain of the participating public and private colleges and universities and public libraries located in the State.

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

## **STATE OF NEW JERSEY HIGHER EDUCATION**

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

As of January 2025, New Jersey institutions of higher education licensed by OSHE include twenty-nine (29) public colleges and universities and fifty-two (52) independent (not-for-profit and for-profit) institutions and, as of the 2023-2024 fiscal year, enrolls over 498,208 full-time and part-time credit-seeking students statewide. OSHE licenses out-of-state institutions of higher education that have physical presence in New Jersey at one or more locations within the State. There are approximately eleven (11) additional out-of-state institutions with licensure to offer one or more degrees in the State.

The twenty-nine (29) public colleges and universities are comprised of four (4) public research universities (Rutgers, The State University of New Jersey; Rowan University; New Jersey Institute of Technology; and Montclair State University), one (1) public urban research university (Kean University), two (2) state colleges (The College of New Jersey and Ramapo College of New Jersey), four (4) state universities (Stockton University; Thomas Edison State University; New Jersey City University; and William Paterson University) and eighteen (18) community colleges. The fifty-two (52) independent, non-profit institutions consist of fourteen (14) four-year colleges and universities, one (1) stand-alone medical school, twenty-six (26) rabbinical schools and theological seminaries, ten (10) proprietary institutions with degree-granting authority and one (1) two-year religious college.

## **DESCRIPTION OF THE 2025 BONDS**

### **General**

**The 2025 Series A Bonds will initially be issued in the Long-Term Mode bearing interest at the Long-Term Rate set forth on the inside cover page hereof for the Initial Long-Term Period ending on the date set forth on the inside cover page hereof, subject to earlier redemption or conversion to a new Interest Rate Mode or a new Long-Term Period as described herein. The 2025 Series B Bonds will be issued in the Fixed Mode bearing interest at the Fixed Rate set forth on the inside cover page hereof, to their maturity date. Pursuant to the 2025 Series Resolution, the University may elect to convert all or a portion of the 2025 Series A Bonds in the Initial Long-Term Period to a new Long-Term Period or to a new Interest Rate Mode on the Initial Long-Term Rate Mandatory Purchase Date or any date when the 2025 Series A Bonds are subject to optional redemption, as described herein.**

**This Official Statement provides information with respect to the 2025 Series A Bonds while bearing interest in the Initial Long-Term Period only and the 2025 Series B Bonds while bearing interest in the Fixed**

**Mode only. In the event the University elects to convert the 2025 Series A Bonds (or a portion thereof) to a new Interest Rate Mode, or a new Long-Term Period, the affected 2025 Series A Bonds must be purchased from the holders pursuant to the mandatory tender provisions of the 2025 Series Resolution and simultaneously remarketed to investors at the new Interest Rate Mode or the new Long-Term Period, as applicable, under a supplement to this Official Statement or other disclosure document that will be prepared if such 2025 Series A Bonds are publicly offered in connection with any such Conversion.**

The 2025 Series A Bonds will be issued in the aggregate principal amount of \$595,000,000\*, consisting of \$\_\_\_\_\_ \* 2025 Series A-1, \$\_\_\_\_\_ \* 2025 Series A-2 and \$\_\_\_\_\_ \* 2025 Series A-3. The 2025 Series B Bonds will be issued in the aggregate principal amount of \$110,000,000\*. The 2025 Series A Bonds of each sub-series will be initially dated their date of delivery and will bear interest from their dated date initially in the Long-Term Mode and the 2025 Series B Bonds will be initially dated their date of delivery and will bear interest from their dated date in the Fixed Mode, each at the rates per annum and will mature on July 1 in the years and in the principal amounts shown on the inside front cover page of this Official Statement. The 2025 Series A Bonds in the Initial Long-Term Period shall be subject to optional redemption and Conversion as described herein and mandatory tender on the date(s) set forth on the inside cover page of this Official Statement. The 2025 Series B Bonds are not subject to optional redemption prior to maturity and are not subject to Conversion to a different Interest Rate Mode.

The 2025 Bonds will be issued in fully-registered form, without coupons, in denominations of \$5,000 each or any integral multiple thereof, all in accordance with the Resolution. Interest on the 2025 Bonds in the Initial Long-Term Period and in the Fixed Period will be payable initially on January 1, 2026 and semiannually thereafter on each January 1 and July 1 (each, an “*Interest Payment Date*”) until maturity or, with respect to the 2025 Series A Bonds, earlier redemption or Conversion. Interest on the 2025 Bonds will be credited to the participants of DTC (as hereinafter defined) as listed on the records of DTC as of each June 15 and December 15 (the “*Record Dates*”). Any Conversion Date or redemption date and the Long-Term Rate Mandatory Purchase Date are also Interest Payment Dates with respect to such 2025 Series A Bonds. Interest on the 2025 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

### **Book-Entry-Only System**

The Depository Trust Company, Brooklyn, New York (“*DTC*”), will act as securities depository for the 2025 Bonds. The 2025 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 2025 Bond certificate will be issued for each stated series, sub-series and maturity of the 2025 Bonds in the principal amounts shown on the inside front cover page of this Official Statement, and will be deposited with DTC.

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

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\* Preliminary, subject to change.

DTC has a 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](http://www.dtcc.com).

Purchases of the 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2025 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 2025 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2025 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the 2025 Bonds may wish to ascertain that the nominee holding the 2025 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 the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a maturity of the 2025 Bonds within a series or sub-series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to the Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificated bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In such event, certificated bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

### **Redemption Provisions\***

*Optional Redemption.* The 2025 Series A-1 Bonds in the Initial Long-Term Period are subject to redemption prior to maturity (i) on any date on or after \_\_\_\_\_, and (ii) on the Long-Term Rate Mandatory Purchase Date shown on the inside front cover page, at the option of the Authority upon the consent of the University or by operation of the Redemption Fund, as a whole or in part at any time, at a Redemption Price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date.

The 2025 Series A-2 Bonds in the Initial Long-Term Period are subject to redemption prior to maturity (i) on any date on or after \_\_\_\_\_, and (ii) on the Long-Term Rate Mandatory Purchase Date shown on the inside front cover page, at the option of the Authority upon the consent of the University or by operation of the Redemption Fund, as a whole or in part at any time, at a Redemption Price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date.

The 2025 Series A-3 Bonds in the Initial Long-Term Period are subject to redemption prior to maturity (i) on any date on or after \_\_\_\_\_, and (ii) on the Long-Term Rate Mandatory Purchase Date shown on the inside front cover page, at the option of the Authority upon the consent of the University or by operation of the Redemption Fund, as a whole or in part at any time, at a Redemption Price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date.

If less than all of the Outstanding 2025 Series A Bonds of any maturity within a subseries shall be called for redemption, such 2025 Series A Bonds to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee.

The 2025 Series B Bonds are not subject to redemption prior to their stated maturity.

*Purchase in Lieu of Redemption.* Under any circumstance where a redemption is authorized under the 2025 Series Resolution, the 2025 Series A Bonds are subject to purchase in lieu of redemption by the University prior to their maturity date at any time, in whole or in part, if each of the following conditions are satisfied:

(i) The University and the holder(s) of the applicable 2025 Series A Bonds negotiate and agree upon a purchase price, which is communicated to the Trustee in writing.

(ii) Upon written agreement as described in (i) above, the University shall direct the Trustee to purchase all or a portion of the 2025 Series A Bonds and shall have provided funds to the Trustee for deposit in the Debt Service Fund in the amount necessary to pay the purchase price of the selected portion of the 2025 Series A Bonds equal to that amount required to fully satisfy the next scheduled interest and principal payments due on such portion of the 2025 Series A Bonds. Once purchased, such portions of the 2025 Series A Bonds shall be delivered to the Trustee and cancelled.

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\* Preliminary, subject to change.

(iii) The Trustee confirms that the amount provided for by the University pursuant to (ii) above is sufficient to purchase the applicable 2025 Series A Bonds at the purchase price agreed to by the University and the holder(s) of the 2025 Series A Bonds pursuant to (i) above.

(iv) The holders of the 2025 Series A Bonds to be purchased shall timely tender their 2025 Series A Bonds to the Trustee for purchase. So long as the 2025 Series A Bonds are held by DTC, such tender shall be accomplished by delivery versus payment settlement using DTC's standing procedures.

### **Notice of Redemption**

Notice of redemption will be mailed by the Trustee to DTC, as the registered owner of the 2025 Series A Bonds, and such mailing shall be a condition precedent to such redemption; *provided, however*, that the failure of any holder to receive any such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any 2025 Series A Bonds. If less than all of the 2025 Series A Bonds of one maturity within a series shall be called for redemption, the Trustee, at the direction of the Authority, shall notify DTC not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption of the particular amount of such maturity to be redeemed. DTC shall determine the amount of each Participant's interest in such maturity to be called for redemption, and each Participant shall then select the ownership interest in such maturity to be redeemed. At such time as DTC or its nominee is not the registered owner of the 2025 Series A Bonds, the transfer provisions and notice of redemption provisions applicable to the 2025 Series A Bonds will be adjusted pursuant to the Resolution. Any notice of optional redemption of any 2025 Series A Bonds may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the Redemption Price of all the 2025 Series A Bonds or portions thereof that are to be redeemed on that date.

### **Mandatory Tender of 2025 Series A Bonds for Purchase on Long-Term Rate Mandatory Purchase Date at End of Initial Long-Term Period; Conversions**

*Mandatory Tender.* The 2025 Series A Bonds in the Initial Long-Term Period shall be subject to mandatory tender for purchase on the Long-Term Rate Mandatory Purchase Date(s) set forth on the inside cover hereof following the end of the Initial Long-Term Period at a Purchase Price equal to the aggregate principal amount thereof, plus accrued interest to such Mandatory Purchase Date. Payment of the Purchase Price of the 2025 Series A Bonds in the Initial Long-Term Period on the Long-Term Rate Mandatory Purchase Date will be made from remarketing proceeds, and, in the event of any shortfall in remarketing proceeds, from funds provided by the University. The payment of the Purchase Price of the 2025 Series A Bonds in the Initial Long-Term Period is not supported by any third-party liquidity support. Failure by the University to pay the Purchase Price of the 2025 Series A Bonds on the Long-Term Rate Mandatory Purchase Date shall constitute an Event of Default, and such 2025 Series A Bonds shall bear interest at the Maximum Rate from the Purchase Date until such 2025 Series A Bonds have been purchased or payment of the principal of and interest thereon has been otherwise provided for by the University.

*Notice of Mandatory Tender.* Notice of mandatory tender of 2025 Series A Bonds at the end of the initial Long-Term Interest Rate Period shall be given by the Trustee to the holders of the 2025 Series A Bonds no less than ten (10) days prior to the Long-Term Rate Mandatory Purchase Date. If the holder of any 2025 Series A Bond (or portion thereof) that is subject to mandatory tender for purchase on the Long-Term Rate Mandatory Purchase Date fails to deliver such 2025 Series A Bond to the Trustee for purchase on such Long-Term Rate Mandatory Purchase Date, and if the Trustee is in receipt of funds sufficient to pay the Purchase Price therefor, such 2025 Series A Bond (or portion thereof) shall nevertheless be deemed purchased on the Long-Term Rate Mandatory Purchase Date and ownership of such 2025 Series A Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in the Resolution. Any holder who fails to deliver such 2025 Series A Bond for purchase shall have no further rights thereunder or under the Resolution except the right to receive the Purchase Price thereof upon presentation and surrender of said 2025 Series A Bond to the Trustee.

*Conversions.* The University may elect to convert all or a portion of the 2025 Series A Bonds in the Initial Long-Term Period to another Interest Rate Mode or to a new Long-Term Interest Rate Period on the Long-Term Rate Mandatory Purchase Date or any date when the 2025 Series A Bonds are subject to optional redemption, as described herein. Any Conversion of 2025 Series A Bonds shall be in Authorized Denominations in a minimum

aggregate principal amount of the lesser of \$5,000,000 or the full principal amount thereof. Such 2025 Series A Bonds shall be purchased on the Conversion Date at a Purchase Price equal to 100% of the principal amount thereof. With respect to any proposed Conversion of 2025 Series A Bonds (or a portion of the 2025 Series A Bonds, as applicable) on a Purchase Date that is not otherwise a Long-Term Rate Mandatory Purchase Date, the University shall have the right to deliver to the Trustee and the Authority, on or prior to 10:00 a.m., New York City time, on the effective date of any such Conversion, a notice to the effect that the University elects to rescind its election to implement any such Conversion. If the University rescinds its election to implement any such Conversion, then the Conversion shall not occur, the mandatory tender shall not occur and, except as otherwise provided in the Resolution, the 2025 Series A Bonds shall continue to bear interest at the Long-Term Rate in effect immediately prior to such proposed Conversion Date until the applicable Long-Term Rate Mandatory Purchase Date.

*Conversion Notice; Notice to Owners.* Notice of the proposed Conversion Date shall be given by the Trustee to the owners of the applicable 2025 Series A Bonds not less than the fifteenth (15th) day next preceding the proposed Conversion Date. Such notice shall state, among other things: (i) the Conversion Date; (ii) that such 2025 Series A Bonds will be subject to mandatory tender for purchase on such Conversion Date; and (iii) the Interest Rate Mode that will be effective upon Conversion.

Such Conversion from the Initial Long-Term Period and mandatory tender of all or a portion of the 2025 Series A Bonds will not occur unless the following shall occur: (i) an Opinion of Bond Counsel shall be provided with respect to such Conversion; (ii) the remarketing proceeds and funds in the University Funds Account available on the Conversion Date shall not be less than the amount required to purchase all of the 2025 Series A Bonds to be converted at the applicable Purchase Price; (iii) prior to the Conversion Date, the University shall have appointed a Remarketing Agent and there shall have been executed and delivered a Remarketing Agreement; and (iv) if such Conversion is with respect to less than all of the 2025 Series A Bonds, the 2025 Series A Bonds shall be designated as separate subseries as provided in the 2025 Series Resolution.

## Negotiable Instruments

The 2025 Bonds will be fully negotiable within the meaning of the Uniform Commercial Code of the State, subject only to the provisions for registration contained in the 2025 Bonds.

## ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 2025 Bonds, along with other available moneys of the University, will be applied approximately as follows:

<i>Sources:</i>	2025 Series A Bonds	2025 Series B Bonds	Total
Principal Amount of 2025 Bonds	\$	\$	\$
[Net] Original Issue			
[Premium/Discount]			
Available Funds on Deposit with Trustee			
University Contribution for Costs of Issuance			
<b>TOTAL SOURCES:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Uses:</i>			
Deposit to Construction Fund	\$	\$	\$
Deposit to Redemption Fund			
Underwriters' Discount			
Costs of Issuance Expenses <sup>1</sup>			
<b>TOTAL USES:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

<sup>1</sup> Includes fees and expenses of Bond Counsel, the Trustee, the Verification Agent and other associated issuance costs.

## SECURITY FOR 2025 BONDS

The 2025 Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds that may hereafter be issued under the General Resolution are special and limited obligations of the Authority payable from the Revenues received by the Authority pursuant to the Loan Agreement, the Prior Loan Agreements and any subsequent loan agreements relating to future facilities to be financed or refinanced by Additional Parity Bonds.

The General Resolution provides, among other things, that (i) the General Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the owners, from time to time, of the 2025 Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds; (ii) the pledge made and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the owners of all of the 2025 Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds, which, regardless of their times of issue or maturity, shall be of equal rank without preference, priority or distinction of any of the 2025 Bonds, the Outstanding Parity Bonds or any Additional Parity Bonds over any other thereof, except as expressly provided by or permitted under the General Resolution; (iii) the Authority pledges and assigns to the Trustee the Revenues as security for the payment of the 2025 Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds and the interest thereon and as security for the performance of any other obligation of the Authority under the General Resolution; (iv) the pledge made by the General Resolution is valid and binding from the time when such pledge is made, the Revenues shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof; and (v) the 2025 Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds shall be special and limited obligations of the Authority payable from and secured by a pledge of the Revenues as provided in the General Resolution.

**THE 2025 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION), OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION). THE AUTHORITY HAS NO TAXING POWER.**

The 2025 Bonds are secured by a pledge of the Revenues. The payments of the University required under the Loan Agreement are general, unconditional obligations of the University. The University has pledged its full faith and credit to make such payments pursuant to the Loan Agreement.

## CONTINUING DISCLOSURE

Pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the University will enter into an undertaking in the form of a Continuing Disclosure Agreement, substantially in the form included as Appendix D to this Official Statement, in which the University will covenant, for the benefit of the holders of the 2025 Bonds, to provide or cause a dissemination agent to provide certain financial information and operating data and notice of certain enumerated events to the MSRB (as such term is defined in the Continuing Disclosure Agreement) through its electronic data program, Electronic Municipal Market Access (“EMMA”), or such other program required by Rule 15c2-12. The financial information and operating data to be provided will be substantially similar to the general information and statistical data set forth in “APPENDIX A – PRINCETON UNIVERSITY” and “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023, AND REPORT OF INDEPENDENT AUDITORS” hereto.

The Underwriters’ obligation to purchase and accept delivery of the 2025 Bonds is conditioned upon their receiving, at or prior to the delivery of the 2025 Bonds, evidence that the University has made the continuing disclosure undertaking set forth in the applicable Continuing Disclosure Agreement for the 2025 Bonds.



A failure by the University to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in the Continuing Disclosure Agreements will not constitute an Event of Default under either the Resolution or the Loan Agreement, and the holders of the 2025 Bonds are limited to the remedies set forth in the Continuing Disclosure Agreement for the 2025 Bonds.

The Authority and the holders of the 2025 Bonds are recognized under the applicable Continuing Disclosure Agreement for the 2025 Bonds as being third-party beneficiaries thereunder and may enforce any such right, remedy or claim conferred, given or granted thereunder in favor of the Trustee or the holders of the 2025 Bonds, as the case may be.

In connection with the issuance of the Outstanding Parity Bonds, the University entered into continuing disclosure undertakings and is obligated to provide certain financial information, operating data and notices of certain listed events with certain national repositories in accordance with the terms thereof. The University's dissemination agent posted the required annual financial and operating data for the fiscal year ended June 30, 2023 (the "2023 Annual Report") on a timely basis on EMMA in accordance with the University's existing continuing disclosure undertakings; however, the 2023 Annual Report was not properly linked on EMMA to certain CUSIP numbers for the 2017 Series C Bonds and the 2017 Series I Bonds. The University's dissemination agent linked the 2023 Annual Report to those CUSIP numbers on February 9, 2024. The University also incurred certain new financial obligations on June 29, 2023 and July 11, 2023. Although the University gave timely notice and instructions to the dissemination agent to post notice of incurrence of such financial obligations on July 13, 2023 to all CUSIP numbers for the University's Outstanding Parity Bonds, the dissemination agent posted the notice on July 13, 2023 only to the CUSIP numbers relating to the University's 2014 Series A Bonds. A corrective filing to link the notice to all CUSIP numbers for all of the University's Outstanding Parity Bonds was made on December 13, 2023.

## **RATINGS**

Moody's Ratings ("*Moody's*") and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("*S&P*"), have assigned the 2025 Bonds ratings of "Aaa" and "AAA", respectively. The ratings represent the respective rating agency's evaluation of debt service repayment capacity of the University.

Such ratings reflect the views of Moody's and S&P at the time such ratings were given and the Authority makes no representation as to the appropriateness of the ratings. Any explanation of the significance of the ratings may be obtained from Moody's and S&P. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by Moody's and/or S&P if, in the judgment of Moody's and/or S&P, circumstances so warrant. Any such downward revision, qualification or withdrawal of the ratings can be expected to have an adverse effect on the market price or marketability of the 2025 Bonds.

## **TAX MATTERS**

### **Exclusion of Interest on the 2025 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 2025 Bonds in order to assure that interest on the 2025 Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority or the University to comply with such requirements may cause interest on the 2025 Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the 2025 Bonds. The Authority and the University will make certain representations in their Arbitrage and Tax Certificates, which will be executed on the date of issuance of the 2025 Bonds, as to various tax requirements. The Authority and the University have covenanted to comply with the provisions of the Code applicable to the 2025 Bonds and have covenanted not to take any action or fail to take any action that would cause interest on the 2025 Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificates and will assume continuing compliance by the Authority and the University with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the 2025 Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the 2025 Bonds for the purposes of alternative minimum tax.

Assuming the Authority and the University observe their covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC, Bond Counsel to the Authority (“*Bond Counsel*”), is of the opinion that, under existing law, interest on the 2025 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 2025 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the 2025 Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the 2025 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“*IRS*”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel’s engagement with respect to the 2025 Bonds ends with the issuance of the 2025 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the owners of the 2025 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the 2025 Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the 2025 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the 2025 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the 2025 Bonds.

Payments of interest on tax-exempt obligations, including the 2025 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a 2025 Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

### **Original Issue Discount**

Certain maturities of the 2025 Bonds may be sold at an initial offering price less than the principal amount payable on such 2025 Bonds at maturity (the “*Discount Bonds*”). 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 2025 Bonds may be 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, as 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 that 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.

### **Bank-Qualification**

The 2025 Bonds will not be designated as qualified under Section 265 of the Code by the Authority for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues that are eligible to be designated, and that are designated, by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

### **Additional Federal Income Tax Consequences of Holding the 2025 Bonds**

Prospective purchasers of the 2025 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the 2025 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 2025 Bonds from gross income pursuant to Section 103 of the Code and interest on the 2025 Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the 2025 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the 2025 Bonds.

### **Changes in Federal Tax Law Regarding the 2025 Bonds**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2025 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2025 Bonds will not have an adverse effect on the tax status of interest on the 2025 Bonds or the market value or marketability of the 2025 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the 2025 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

### **State Taxation**

Bond Counsel is of the opinion that, based upon existing law, interest on the 2025 Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE 2025 BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE 2025 BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT

THERE TO. PROSPECTIVE PURCHASERS OF THE 2025 BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

### **LEGALITY FOR INVESTMENT**

Pursuant to the Act, all bonds, notes and other obligations issued by the Authority under the provisions of the Act, including the 2025 Bonds, are securities in which the State and all political subdivisions of the State, their officers, boards, commissions, departments or other agencies, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever who now or hereafter may be authorized to invest in bonds or other obligations of the State, may properly and legally invest any funds, including capital belonging to them or within their control. Bonds, notes or other securities or obligations of the Authority are also securities that may properly and legally be deposited with and received by any State or municipal officer or agency of the State for any purpose for which the deposit of bonds or other obligations of the State are authorized by law.

### **PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS**

Pursuant to the provisions of the Act, the State has pledged to and agrees with the holders of the 2025 Bonds issued pursuant to authority contained in the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter or restrict the rights vested by the Act in the Authority and the participating colleges (as defined in the Act) to maintain, construct, reconstruct and operate any project (as defined in the Act) or to establish and collect such rents, fees, receipts or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the holders of the 2025 Bonds authorized by the Act, and with the parties who may enter into contracts with the Authority pursuant to the provisions of the Act, or in any way impair the rights or remedies of such holders or such parties until the 2025 Bonds, together with interest thereon, are fully paid and discharged and such other contracts are fully performed on the part of the Authority.

### **LEGAL MATTERS SUBJECT TO APPROVAL OF COUNSEL**

All legal matters incident to the authorization and issuance of the 2025 Bonds are subject to the unqualified approving opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Copies of said approving opinion, in substantially the form included as Appendix E to this Official Statement, will be available at the time of delivery of the 2025 Bonds. Certain legal matters will be passed upon for the University by Ballard Spahr LLP, Mount Laurel, New Jersey, Counsel to the University, and by Ramona E. Romero, Esq., Princeton, New Jersey, General Counsel to the University. Certain legal matters will be passed upon for the Underwriters by Hawkins Delafield & Wood LLP, Newark, New Jersey.

### **LITIGATION**

#### **The Authority**

There is not now pending or, to the knowledge of the Authority, threatened any proceeding or litigation restraining or enjoining the issuance or delivery of the 2025 Bonds or questioning or affecting the validity of the 2025 Bonds or the proceedings or authority under which the 2025 Bonds are to be issued. There is no litigation pending or, to the knowledge of the Authority, threatened that in any manner questions the right of the Authority to adopt the Resolution, to enter into the Loan Agreement or to secure the 2025 Bonds in the manner herein described.

#### **The University**

There is not now pending or, to the knowledge of the University, threatened any proceeding or litigation contesting the 2025 Project, the Loan Agreement or the 2025 Bonds or the ability of the University to perform its obligations under the Loan Agreement.

## **FINANCIAL ADVISOR TO THE AUTHORITY**

The Authority has engaged Hilltop Securities Inc. (“*Hilltop*”) to act as its financial advisor for this issue and as its Independent Registered Municipal Advisor for purposes of SEC Rule 15B1-1(d)(3)(vi). Hilltop’s role has been limited to advice regarding the final structuring and pricing of the 2025 Bonds. Hilltop did not participate in the preparation of this Official Statement. Hilltop’s fee is not contingent upon the sale and closing of the 2025 Bonds.

## **FINANCIAL ADVISOR TO THE UNIVERSITY**

The Yuba Group LLC is serving as financial advisor to the University (the “*University Financial Advisor*”) in connection with the issuance of the 2025 Bonds. The University Financial Advisor does not receive a fee related to or contingent upon the sale and closing of the 2025 Bonds. The University Financial Advisor is not contractually obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement and the appendices hereto. The University Financial Advisor is a financial advisory and consulting organization, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instruments.

## **INDEPENDENT AUDITORS**

The financial statements of the University as of June 30, 2024 and 2023 and for the years then ended, included in Appendix B to this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report appearing therein.

## **UNDERWRITING**

Morgan Stanley & Co. LLC, as representative of the Underwriters of the 2025 Bonds shown on the cover page hereof (the “*Underwriters*”), has agreed to purchase the 2025 Bonds pursuant to the terms of a contract of purchase (the “*Purchase Contract*”) by and among the Authority, the University and the Underwriters, at an aggregate purchase price of \$\_\_\_\_\_ (said aggregate purchase price reflecting the par amount of the 2025 Bonds, [plus/less] [net] original issue [premium/discount] of \$\_\_\_\_\_, and minus an Underwriters’ discount of \$\_\_\_\_\_). The Purchase Contract provides that the Underwriters will be obligated to purchase all of the 2025 Bonds if any 2025 Bonds are purchased. The Underwriters intend to offer the 2025 Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the 2025 Bonds to the public. The Underwriters may offer and sell the 2025 Bonds to certain dealers (including dealers depositing the 2025 Bonds into investment trusts) at yields higher than the public offering yields set forth on the inside front cover page, and such public offering yields may be changed, from time to time, by the Underwriters without prior notice.

Morgan Stanley & Co. LLC, one of the Underwriters of the 2025 Bonds, has provided the following three sentences for inclusion in the Official Statement.

Morgan Stanley & Co. LLC, one of the Underwriters of the 2025 Bonds, has entered into a retail distribution arrangement with its affiliate, Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2025 Bonds.

Neither the Authority nor the University has been furnished with any documents relating to the Morgan Stanley Smith Barney LLC retail distribution agreement referenced above and make no representations of any kind with respect thereto. Neither the Authority nor the University is a party to such distribution agreement and has not entered into any agreement or arrangement with Morgan Stanley Smith Barney LLC with respect to the offering and sale of the 2025 Bonds.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the 2025 Bonds, has provided the following two sentences for inclusion in the Official Statement.

JPMS, one of the Underwriters of the 2025 Bonds, has entered into negotiated dealer agreements (each, a “*Dealer Agreement*”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase the 2025 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Neither the Authority nor the University has been furnished with any documents relating to the CS&Co. and LPL Dealer Agreements referenced above and make no representations of any kind with respect thereto. Neither the Authority nor the University is a party to the Dealer Agreements and has not entered into any agreement or arrangement with CS&Co. or LPL with respect to the offering and sale of the 2025 Bonds.

#### **VERIFICATION OF MATHEMATICAL CALCULATIONS**

American Municipal Tax-Exempt Compliance, Avon, Connecticut (the “*Verification Agent*”), will verify from the information provided to it the mathematical accuracy, as of the date of delivery of the 2025 Series B Bonds, of the computations contained in the provided schedules to determine that the anticipated receipts from the securities and cash deposits listed in such schedules, to be held in escrow pursuant to the Letter of Instruction, will be sufficient to pay when due the principal or Redemption Price of and interest on the Bonds to be Refunded. The Verification Agent will express no opinion on the assumptions provided to it.

#### **MISCELLANEOUS**

The foregoing summaries of the provisions of the Act, the Resolution, the 2025 Bonds and the Continuing Disclosure Agreement, and the summaries of the General Resolution, the 2025 Series Resolution and the Loan Agreement contained in Appendix C of this Official Statement, do not purport to be complete and are made subject to the detailed provisions thereof to which reference is hereby made. Copies of the above and of the most recent financial statements of the Authority are available for inspection at the office of the Authority. So far as any statements are made in this Official Statement involving estimates, projections or matters of opinion whether or not expressly so stated, such statements are intended as such and not as representations of fact.

Appendices A, B, C, D, E, F and G attached to this Official Statement are hereby expressly incorporated as a part hereof. The Authority has not participated in the making of statements contained within this Official Statement other than the information under the headings “THE AUTHORITY” and “LITIGATION – The Authority”, and the Authority does not represent that any such statements are accurate or complete for purposes of investors making an investment decision with respect to the 2025 Bonds. Except as otherwise stated, the Authority makes no representations or warranties whatsoever with respect to the information contained herein. This Official Statement is not to be construed as a contract or agreement between or among the Authority, the University, the Underwriters or the Beneficial Owners of any of the 2025 Bonds.

The description of the University contained in Appendix A to this Official Statement, the information contained in Appendix B to this Official Statement and the information under the headings “LITIGATION – The University” and “CONTINUING DISCLOSURE” have all been provided by the University.

The information herein regarding DTC has been provided by DTC and is not to be construed as a representation of either the Authority or the University.

The execution and delivery of this Official Statement have been duly authorized by the Authority and approved by the University.

**NEW JERSEY EDUCATIONAL FACILITIES  
AUTHORITY**

By: \_\_\_\_\_  
**Sheryl A. Stitt**  
**Executive Director**

**Approved:**

**THE TRUSTEES OF PRINCETON UNIVERSITY**

By: \_\_\_\_\_  
**Timothy A. Graf**  
**Associate Vice President for**  
**Treasury Services**

Dated: May \_\_, 2025

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**APPENDIX A**

**PRINCETON UNIVERSITY**

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# PRINCETON UNIVERSITY

## General

The Trustees of Princeton University (the “*University*” or “*Princeton*”) is a private, not-for-profit, non-sectarian institution of higher learning. When Princeton University was chartered in 1746 as The Trustees of the College of New Jersey, it became the fourth college in British North America. It was renamed Princeton University in 1896. Originally located in Elizabeth, New Jersey, and later located in Newark, New Jersey, the school was moved to Princeton, New Jersey, in 1756.

Midway between New York and Philadelphia, the University has expanded considerably since its early years. It now covers over 2,500 acres, of which about 600+ acres comprise Princeton’s main campus. The Forrestal campus, located approximately three miles from the main campus in Plainsboro Township, contains mostly support and research facilities. The University has approximately 14 million gross square feet of building space on- and off-campus: over 36% for academic buildings including the Firestone Library, about 29% for administrative and athletic facilities, about 28% for dormitories and graduate housing and about 3% for off-campus housing and about 3% for commercial real estate properties.

As of the fall of 2024, the student body numbers 5,726 undergraduate and 3,324 graduate students. The University grants degrees to graduate students in 45 departments that admit graduate students into 55 separate programs, and awards undergraduate degrees in 37 majors, or an independent major. Undergraduates may also choose to pursue further study in 59 minor programs and 11 interdisciplinary certificate programs. The University offers instruction in the liberal arts and sciences along with professional programs of the School of Architecture, the School of Engineering and Applied Science and the School of Public and International Affairs. The faculty numbers approximately 1,315, including part-time appointments.

## Governance and Administration

The University is governed by a Board of Trustees (the “*Trustees*”) whose number, unless otherwise approved by the board, is set at not fewer than twenty-three nor more than forty, with two members *ex officio* (the Governor of the State of New Jersey and the President of the University), not more than twenty-one Charter Trustees, not fewer than four nor more than ten Term Trustees, and not more than thirteen Alumni Trustees. As of July 1, 2024, the Trustees are as follows:

### Ex Officio

Christopher L. Eisgruber  
President of the  
University

Philip D. Murphy  
Governor of the State of New Jersey

## Charter Trustees

José B. Alvarez (Vice Chair)	Anthony H.P. Lee
Beth F. Cobert	Paul A. Maeder
Blair W. Effron	Bob Peck
Lori D. Fouché (Clerk)	Louise S. Sams (Chair)
Heather K. Gerken	Bradford L. Smith
Robert J. Hugin	Sarah E. Stein
Kimberly H. Johnson	Anthony A. Yoseloff

## Term Trustees

Joshua B. Bolten	Elizabeth Prus Myers
Ann Chen	Carol Quillen
Yan Huo	Gordon P. Ritter
Timothy M. Kingston	Anthony D. Romero

## Alumni Trustees

Kamil Ali-Jackson	Nandi O. Leslie
Sarah Marie Bruno	Mutemwa R. Masheke
Aisha F. Chebbi	Kathryn Roth-Douquet
Marisa J. Demeo	Morgan A. Smith
Edward H. Felsenthal	Yolandra Gomez
Naomi I. Hess	Jackie Yi-Ru Ying
Kathy F. Kiely	

The principal trustee committees are the Executive Committee, the Committee on Finance, the Audit and Compliance Committee, the Committee on Grounds and Buildings, the Committee on Academic Affairs, the Committee on Student Life, Health and Athletics, and the Committee on Advancement. The Committee on Finance is responsible for the financial management and budgeting of the University. In April 1987, the responsibility for day-to-day oversight of the University's investment portfolio was delegated to the directors of the Princeton University Investment Company ("*PRINCO*"). The directors of PRINCO are responsible to the Trustees for the management of the portfolio, reporting directly to the Committee on Finance. PRINCO has a twelve-member Board of Directors. Eight members are elected; the President and the Vice President for Finance and Treasurer of the University, the President of PRINCO and the Chair of the Committee on Finance serve as *ex officio* members. Vince Tuohey is the President of PRINCO and Bob Peck is the Chair of its Board of Directors.

The policies of the Trustees are carried out under the direction of the President of the University, Christopher L. Eisgruber. Among the other principal officers of the University are the Provost – Jennifer Rexford; Executive Vice President – Katie Callow-Wright; Vice President for Finance and Treasurer – James S. Matteo; Vice President and Secretary – Hilary A. Parker; Vice President for Advancement – Kevin J. Heaney; Vice President for Facilities – KyuJung Whang; and Vice President and General Counsel – Ramona E. Romero.

A brief description of each of these University Officials, including the President of PRINCO, follows:

Christopher L. Eisgruber has served as the University's 20th president since July 2013. He is the Laurance S. Rockefeller Professor of Public Affairs in the Princeton School of Public and International Affairs and the University Center for Human Values. Before becoming president, he served as Princeton's provost from 2004 – 2013 and as director of Princeton's Program in Law and Public Affairs from 2001 – 2004. A renowned constitutional scholar, he is the author of *The Next Justice: Repairing the Supreme Court Appointments Process* (Princeton 2007), *Religious Freedom and the Constitution* (co-authored with Lawrence G. Sager, Harvard 2007) and *Constitutional Self-Government* (Harvard 2001), as well as numerous articles in books and academic journals. His next book, *Terms of Respect: How Colleges Get Free Speech Right*, will be published by Basic Books in September 2025. He is a member of the American Academy of Arts and Sciences. Before joining the Princeton faculty in 2001, he clerked for Judge Patrick Higginbotham of the United States Court of Appeals for the Fifth Circuit and for Justice John Paul Stevens of the United States Supreme Court, and then served on the faculty of the New York University School of Law for eleven years. President Eisgruber received an A.B. magna cum laude in physics from Princeton, an M.Litt. in politics from Oxford University, and a J.D. from the University of Chicago Law School. He serves as chair of the Association of American Universities (AAU) Board of Directors, on the steering committee of the American Talent Initiative (ATI), and as a member of the United States Navy's Education for Seapower Advisory Board.

Jennifer Rexford was appointed Provost effective March 13, 2023. As provost, Dr. Rexford ensures the continued vitality of Princeton's academic mission and its long-term financial security. Dr. Rexford is the Gordon Y.S. Wu Professor in Engineering and a 1991 graduate of Princeton with a B.S.E. in electrical engineering. After completing her Ph.D. in electrical engineering and computer science at the University of Michigan in 1996, she worked as a researcher at AT&T Labs for more than eight years, creating techniques deployed in the company's backbone networks. Following her years in industry, Dr. Rexford joined Princeton's Department of Computer Science as a full professor in 2005. She received her named professorship in 2012, became acting chair of computer science in 2013 and was named chair in 2015. Her research focuses on computer networking, with the larger goal of making the Internet worthy of society's trust. She is an affiliated faculty member in electrical and computer engineering, operations research and financial engineering, applied and computational mathematics, gender and sexuality studies, Center for Information Technology Policy, High Meadows Environmental Institute and Princeton Institute for Computational Science and Engineering. She is a member of the National Academy of Sciences, American Academy of Arts and Sciences and National Academy of Engineering.

Katie Callow-Wright was appointed Executive Vice President of the University effective July 24, 2023. Prior to coming to Princeton, she served as the University of Chicago's executive vice president from 2020 to 2023 after two decades of service there in other senior administrative roles, including assistant vice president for campus life, assistant dean of the college, and chief of staff in the Office of the President. Ms. Callow-Wright's experience in higher education also includes previous appointments in student life at Baldwin Wallace College and Colorado College. She holds a bachelor's degree in economics from DePauw University and a master's degree in education from Bowling Green State University.

Jim Matteo was appointed Vice President for Finance and Treasurer effective February 2019 and is Princeton's chief financial officer. He oversees the offices of Treasury Services, Risk Management, Planning, Budget and Analysis, Controller, Financial Services (including procurement and bursar), Finance Technology, and Finance Administration. He is an ex officio member of the PRINCO board and a member of the Princeton University Press board. Before coming to Princeton, Mr. Matteo was the University of Virginia's associate vice president and treasurer. Prior to that he worked in the internal audit and finance divisions at PPL Corporation. Mr. Matteo is a trustee of Bryn Mawr College, a board member of the National Association of College and University Business Officers (NACUBO), and the former board chair of the Treasury Institute for Higher Education. He has served on NACUBO's Research Universities Council, Awards Council, and the advisory board for the NACUBO-Commonfund Study of Endowments. Mr. Matteo holds a B.S. in Finance from Penn State University and an MBA from Moravian University. He is a Certified Treasury Professional (CTP) and a Certified Management Accountant (CMA).

Hilary A. Parker was appointed Vice President and Secretary of the University effective July 1, 2019. In this capacity, she has administrative responsibility for the Board of Trustees of the University; serves as a senior adviser to the president; oversees the Office of Community and Regional Affairs and the Office of State Affairs; oversees the official convocations of the University; and manages a range of projects related to the University's strategic initiatives, major development priorities, and presidential outreach. Prior to her appointment as Vice President and Secretary, Ms. Parker served as assistant vice president and chief of staff in the Office of the President and also previously worked in the Offices of the Executive Vice President, the Dean for Research, and the School of Engineering and Applied Science at the University. Before joining the University administration, she was a writer and science teacher in central New Jersey. She earned her bachelor's degree in ecology and evolutionary biology from Princeton in 2001 and also holds a master of arts in teaching degree from The College of New Jersey.

Kevin J. Heaney was appointed the University's first Vice President for Advancement on November 19, 2016. In this role, he leads the University's alumni engagement and fundraising efforts in support of its mission. Mr. Heaney previously served as Acting Vice President for Development starting in March 2016 and joined Princeton in 2015 as Deputy Vice President for Development. Prior to his time at Princeton, he spent nearly a decade at Oregon State University Foundation, where he held leadership roles including Vice President for Constituent and Central Development Programs and Deputy Campaign Director. Mr. Heaney's extensive career also includes development positions at Georgetown University, Johns Hopkins University, and Harvard

University. He holds a B.A. from the University of Cincinnati, an M.A. from Columbia University, and a J.D. from Boston College Law School.

KyuJung Whang was appointed Vice President for Facilities of the University effective January 2017. Prior to his appointment he led Cornell University's Division of Infrastructure, Properties and Planning which encompasses all the traditional facilities functions as well as Cornell Real Estate, the Office of Sustainability, and Transportation and Mail Services. Mr. Whang has been a licensed architect and professional planner since graduating from Syracuse University in 1981 with a Bachelors of Architecture degree. He has extensive backgrounds in capital project management, facilities management and campus planning in the private and public sectors. He previously served as the Vice President for Facilities and Capital Planning at Rutgers University. Mr. Whang currently serves as a board member for the Trenton Area Soup Kitchen. He previously served as a board member for Princeton Community Housing, the Princeton Plasma Physics Laboratory (PPPL), Association for the Advancement of Sustainability in Higher Education (AASHE), and both the New Jersey and New York State Boards of Architecture.

Ramona E. Romero is Vice President and General Counsel of the University. Ms. Romero was appointed to this position effective December 1, 2014. Previously, Ms. Romero served as General Counsel of the United States Department of Agriculture (USDA). As the USDA's chief legal officer, she collaborated with the White House, the Department of Justice and other federal agencies. She also interacted with Congress and led the USDA Office of Ethics. Before joining the USDA, Ms. Romero served in a series of roles as a lawyer at E.I. DuPont de Nemours & Co. in Wilmington, Delaware. She spent the first decade of her career as a litigator in Washington, D.C. Ms. Romero earned a B.A. from Barnard College and a J.D. from Harvard Law School.

Vince Tuohey became president of PRINCO on May 23, 2024. Prior to joining Princeton, he was an investment director at the Massachusetts Institute of Technology Investment Management Company (MITIMCo). At MITIMCo, he managed a multi-billion-dollar portfolio of funds and direct investments across multiple asset classes, including private equity, venture capital, public equity, hedge funds, commodities, and real estate. Before working for MITIMCo, he was on the investment team at Littlejohn & Co., a private equity and distressed debt investment firm. Mr. Tuohey earned his M.B.A. from Harvard Business School, an M.Phil. from the University of Cambridge and a bachelor's degree in economics from Harvard University, which he attended on an Army ROTC scholarship. He served as an officer in the U.S. Army from 2002 to 2006, where he led reconnaissance units in combat in Iraq. Mr. Tuohey serves on the board of advisors for the Museum of Fine Arts in Boston and is a member of its investment committee and audit committee. He is also a member of the investment committee for the Buckingham Browne & Nichols School (BB&N), a private PreK-12 school in Cambridge, Massachusetts. He is a former term member of the Council on Foreign Relations.

## **Academic Programs and Facilities**

The University is a relatively small university that combines many of the advantages of a small liberal arts college with those of a large research-oriented university. As measured by enrollment, the University is smaller than most major research universities, yet its faculty is one of the most distinguished in the world and its research activities are internationally recognized.

The University offers two undergraduate degree programs: the Bachelor of Arts and the Bachelor of Science in Engineering. Programs of study in the humanities, the natural sciences and the social sciences lead to the Bachelor of Arts degree, and students choose to concentrate their studies in one of thirty-one different departments. The Bachelor of Science in Engineering degree is offered in the departments of Chemical and Biological Engineering, Civil and Environmental Engineering, Operations Research and Financial Engineering, Electrical and Computer Engineering, Computer Science and Mechanical and Aerospace Engineering.

The Graduate School comprises 45 degree granting academic departments and programs offering over 60 areas of concentration. Fields of study leading to doctorate degrees are offered in humanities, social and natural sciences, engineering, architecture and public affairs. In addition, the Graduate School offers courses of study leading to the degrees of Master of Architecture, Master of Arts in Near Eastern Studies, Master in Public Affairs, Master in Public Policy, Master of Engineering, Master of Finance and Master of Science in Engineering. The Master of Arts and Master of Fine Arts (music only) are incidental degrees for which doctoral students may apply after passing the appropriate department requirements.

The University is accredited by the Middle States Commission on Higher Education. It also has professional accreditation from the National Architectural Accreditation Board and the Council for the Accreditation of Educator Preparation. Programs of study in aerospace engineering, chemical engineering, civil engineering, electrical engineering, and mechanical engineering are accredited by the Engineering Accreditation Commission of ABET.

The University is a member of roughly forty organizations focused on advancing higher education, research, scholarship, and community engagement. Most organizations are national in scope including the Association of American Universities and the Consortium on Financing Higher Education. A smaller number of organizations are regional including the Association of Independent Colleges and Universities in New Jersey, and the Chamber of Commerce of the Princeton Area. In addition to the memberships managed by the central administration, many departments are members of local, national, and international associations.

The Princeton University Library is one of the world's leading research libraries. Its holdings include more than ten million printed volumes, five million manuscripts, two million non-print items and extensive collections of digital text, data and images. The Library employs more than 300 staff members working in a large central library (Firestone Library), nine branch libraries and three storage facilities.

## **Faculty**

The University consists of a single faculty that teaches both the graduate and undergraduate levels. There are 1,084 full-time faculty members with the titles Professor, Associate Professor, Assistant Professor, Instructor, Senior Lecturer, Professor of the Practice, University Lecturer, and Lecturer. In addition, approximately 156 people each year are appointed to the positions of part-time faculty (excluding visiting faculty). Including all faculty, there is one faculty member for every five students (graduate plus undergraduate).



Approximately 61% of the University’s full-time faculty is tenured. The University has generally followed a policy of not paying the academic year salaries of its tenured faculty members with sponsored research funds. Although there are certain exceptions to this policy, the University has been generally successful in allocating other funds to support faculty positions, including endowment earnings and tuition revenues. This policy is specifically designed to protect the University’s instructional program from the inevitable fluctuations in federal support for sponsored research. See “Additional Considerations” herein for a discussion regarding potential future reductions in federal funding for research costs and other expenses.

The table below sets forth the full-time equivalent faculty in the current academic year and in the last four academic years:

Full-Time Equivalent Faculty

Academic Year	Tenured	Non-Tenured on Tenure Track	Other Non-Tenured	Total
2020 – 21	619	181	198	998
2021 – 22	619	190	198	1,007
2022 – 23	617	190	212	1,019
2023 – 24	633	190	229	1,052
2024 – 25	665	180	239	1,084

## Student Enrollment

The University places primary emphasis on undergraduate education within the setting of a major research university. The following table provides data on student enrollment and the number of degrees awarded in the current academic year and in the last four academic years:

Academic Year	Enrollment			Degrees Awarded	
	Undergraduate	Graduate	Total	Bachelor	Advanced
2020 – 21	4,688	3,079	7,767	1,175	898
2021 - 22	5,240	3,157	8,397	1,257	1,127
2022 - 23	5,540	3,238	8,778	1,284	1,106
2023 – 24	5,598	3,251	8,849	1,324	1,058
2024 - 25	5,726	3,324	9,050		

The University’s students come from every section of the country, with students from each of the fifty states represented in the student body almost every year. The retention rate for students from their first-year to sophomore year is 98% in 2024-25. The 6-year graduation rate is approximately 97.6%.

The table below sets forth the recent undergraduate applicants to the University, the number of such applicants admitted by the University and the resulting enrollment number:

Undergraduate Application & Enrollment\*

<u>Academic Year of Matriculation</u>	<u>Completed Applications</u>	<u>Total Admitted</u>	<u>Selectivity Rate</u>	<u>Total Enrolled</u>	<u>Yield Rate**</u>
2020 – 21	32,835	1,848	6%	1,154	62%
2021 – 22	37,601	1,647	4%	1,346*	67%
2022 – 23	38,019	2,167	6%	1,499	72%
2023 – 24	39,644	1,782	5%	1,366	75%
2024 – 25	40,468	1,868	5%	1,410	75%

\* 2021-22 enrolled counts include 55 students that previously enrolled in Fall 2020, took a leave of absence, and returned to enroll in Fall 2021. Historically, returning students have not been included in enrolled counts, but given the unique circumstances of that year, they are included in the enrolled counts for the 2021-22 academic year.

\*\* Beginning with the 2021-22 academic year, the University is using a modified formula to calculate yield percentage. The new formula will include students deferring enrollment to a future term as part of the yield rate and exclude previous year deferrals from the yield rate.

The average freshman typically scores in the top 5% of the high school seniors who annually take the College Entrance Examination Board's SAT. The middle 50% of the fall 2024 freshman class scored between 740 and 780 on the evidence-based reading and writing section of the SAT and between 770 and 800 on the math section. 96.3% of the entering students had a GPA of 3.6 or higher in their high school careers. A significant percentage of Princeton graduates pursue graduate and professional education. In recent years, roughly 23% of each senior class has planned to attend graduate or professional school after graduation from the University.

The table below sets forth the annual first generation and Pell grant eligible students for each incoming class:

Percentage of Incoming Class  
First Generation, Pell Grant Recipients

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
First Generation	15.6%	17.8%	17.0%	17.4%	16.3%
Pell Grant Recipients	19.3%	21.6%	20.7%	22.3%	21.7%

For the 2023-24 academic year, approximately 20% of the entire student body received Pell grants.

The table below sets forth applications and acceptance statistics for the graduate school:

Graduate Applications & Acceptances\*

Academic Year of Matriculation	Completed Applications	Total Admitted	Total Enrolled
2020 – 21	12,553	1,322	672
2021 – 22	14,343	1,268	675
2022 – 23	13,607	1,443	748
2023 – 24	14,577	1,369	742
2024 – 25	19,931	1,465	773

\*Excludes visitors and non-degree candidates.

### **Tuition and Fees**

The full-time tuition charge for the 2024 – 2025 academic year is \$62,400 for both the undergraduate and graduate students. The table below provides a five-year summary of annual tuition rates:

Academic Year	Tuition Rate (\$)
2020 – 21	\$53,890*
2021 - 22	56,010
2022 - 23	57,410
2023 - 24	59,710
2024 – 25	62,400

\*Represents the approved tuition rate prior to the pandemic. The University subsequently discounted the tuition rate for all undergraduate students in FY21 by 10%, to \$48,501.

In addition, the approved standard room rate for undergraduates for the 2024–25 academic year is \$11,910 and the board rate is \$8,340.

For graduate students, the average room rate is \$8,315 and the average board rate is \$3,758.

### **Financial Aid**

As a matter of policy, the University’s undergraduate admission decisions are made without any consideration of a student’s financial need, and all admitted students who have demonstrated financial need are provided the financial aid they require. The formulas for determining student and parental contributions were substantially liberalized for all classes entering in 1998 and subsequent years. Starting with fiscal year 2002, the Trustees approved further significant expansions in aid for undergraduate and graduate students, including the elimination of any loan requirement for all undergraduate aid students. Another change in financial

aid methodology was approved and introduced starting in fiscal year 2024. The University has been able to sustain its commitment to financial aid for several reasons. First, financial aid is given a high priority in the University's annual budgeting process. Second, alumni and other benefactors have been especially generous in providing endowment support for the financial aid program; earnings from the endowment are expected to provide approximately \$196 million for undergraduate scholarships in fiscal year 2025. Third, state and federal student aid programs complement the funds the University itself has provided in this area. The University expects to meet all of its commitments to students, using University funds as necessary in order to continue to admit students, without consideration of financial need.

Approximately 68% of the current undergraduate student body receives need-based financial aid from the University or from outside sources. In fiscal year 2025, a total of \$283 million is projected for undergraduate scholarship aid. State and federal government funds account for 3% of this figure, and outside scholarships (such as National Merit awards and other similar scholarships supported by non-University groups) and restricted gifts and trusts make up another 3% of the total. The remaining 94% is provided from income earned on restricted and designated scholarship endowment funds and from general University funds, including unrestricted central endowments.

Graduate student aid is substantial and awarded largely on the basis of merit. In fiscal year 2025, approximately \$341 million is projected for this purpose, including research and teaching assistantships. This total reflects expanded support for first-year fellowships in engineering and the natural sciences and summer support for students in the humanities and social sciences, both of which began in fiscal year 2002, along with the major step increase in graduate student stipends that took effect in fiscal year 2023.

## **Alumni**

Princeton University alumni have contributed with leadership and distinction to many fields of human endeavor. Alumni include Presidents of the United States, distinguished public servants and diplomats, Nobel Prize winners in several academic fields, outstanding writers, and recognized leaders in business, law and finance. The University has assisted in the education of talented and diverse individuals from throughout the country and the world. At present, the University has approximately 97,000 living alumni with the greatest concentrations in New York, California, New Jersey, Massachusetts, and Pennsylvania.

## **Fundraising**

For the fiscal years 2020 through 2024, the University has received average revenue of \$380 million per year in gifts from alumni and other supporters of the University, not including the substantial support provided by the federal government for sponsored research and student aid. Support from alumni, corporations and foundations is generally used for capital projects or is added to the University's endowment, and substantial sums, primarily from the University's Annual Giving campaign, are included in the annual operating budget.

For the fiscal year ended June 30, 2024, revenue from private gifts and grants totaled \$331.6 million, while the present value of outstanding pledges at year-end is \$365 million. Annual Giving for fiscal year 2024 was \$66.7 million, with 45% participation by undergraduate alumni.

## **Financial Statements**

The University presents its consolidated financial statements in accordance with the reporting and accounting standards established by the Financial Accounting Standards Board for not-for-profit organizations. Under these standards, resources are grouped into separate classes of net assets based on the existence or absence of donor-imposed use and/or time restrictions. Net assets that have similar characteristics are combined into one of the net asset classes briefly described below:

Net assets without donor restrictions are derived from gifts and other institutional resources that are not subject to explicit donor-imposed restrictions. This category also includes income and gains or losses on these funds.

Net assets with donor restrictions are generally established to fund specific purposes such as professorships, research, faculty support, scholarships and fellowships, athletics, library and art museum, building construction and other donor-specified purposes. Net assets with donor restrictions include donor-restricted gifts, pledges, trusts and remainder interests, and income and gains that can be expended but for which restrictions have not yet been met or that are required to be permanently retained. Such restrictions include purpose restrictions and time restrictions imposed by donors or implied by the nature of the gift, or by the interpretations of law. Restrictions are normally released upon the passage of time or the incurrence of expenditures that fulfill the donor-imposed purpose. Investment earnings are spent for general or specific purposes in accordance with donor wishes, based on the University's endowment spending rule.

The financial statements of the University include the Consolidated Statements of Financial Position as of June 30, 2024 and 2023, and the Consolidated Statements of Activities and the Consolidated Statements of Cash Flows for the years ended June 30, 2024 and 2023. The University's consolidated financial statements include the accounts of its wholly-owned subsidiaries, foundation, and investments controlled by the University.

The Consolidated Statement of Activities reflects the annual change in the amount and nature of the University's net assets. The following selected financial data for the five years ended June 30, 2024 are derived from the audited consolidated financial statements of the University. The data should be read in conjunction with the audited consolidated financial statements and related notes.

<i>(in \$ thousands)</i>	As of June 30, 2020	As of June 30, 2021	As of June 30, 2022	As of June 30, 2023	As of June 30, 2024
Operating activities:					
Total revenues	\$2,173,076	\$2,162,491	\$2,357,149	\$2,489,634	\$2,609,708
Total expenses	<u>(1,796,225)</u>	<u>(1,839,930)</u>	<u>(1,999,188)</u>	<u>(2,263,259)</u>	<u>(2,468,072)</u>
Net increase	\$ 376,851	\$ 322,561	\$ 357,961	\$ 226,375	\$ 141,636
Non-operating activities:					
Net increase (decrease)	\$ 15,171	\$10,661,037	\$(1,634,060)	\$(2,000,794)	\$ (191,285)
Change in non-controlling interest	<u>(8,388)</u>	<u>22,656</u>	<u>509</u>	<u>6,368</u>	<u>(45,559)</u>
Increase (decrease) in net assets	<u>\$ 383,634</u>	<u>\$11,006,254</u>	<u>\$(1,275,590)</u>	<u>\$(1,768,051)</u>	<u>\$ (95,208)</u>

Note: Totals may not add due to rounding.

From fiscal year 2020 to fiscal year 2024, total revenues increased from approximately \$2.2 billion to \$2.6 billion. Over the same five-year period, total expenses increased from approximately \$1.8 billion to \$2.5 billion.

Operating activities include sources of revenue such as tuition, gifts and grants, auxiliary activities and investment income made available for spending pursuant to the University's spending rule. The costs and expenses necessary to meet the University's education and research mission are deducted from operating revenue. Non-operating activities include all investment income (less the amount made available for spending), including realized and unrealized gains, the present value of promises to give, certain contributions subject to donor-imposed restrictions, and other non-recurring activities.

The Consolidated Statement of Activities is designed to illustrate an organization's financial performance over a period of time, generally twelve months, and reflects the University's ability to meet its annual operating costs and expenses from current revenues. Explanations of the major revenue and expense categories in the Statement are given in the following paragraphs.

Tuition and Fees represent an important source of the University's income. Revenue from tuition and fees are presented at transaction prices, which typically are determined based on standard published rates for the services provided, less any institutional financial aid awarded by the University to qualifying students. For fiscal year 2025, the overall tuition and fee package rate increase is 4.5% on the base rates.

Government Grants and Contracts represent another important source of University income. Approximately 47% of the funds were for the Princeton Plasma Physics Laboratory. Although the bulk of total grant receipts comes from the federal government, the State of New Jersey contributed approximately \$1.5 million in fiscal year 2024 for a variety of specific purposes.

In addition to funds for direct research expenditures on federal government grants and contracts, the University is permitted to recover indirect costs for a percentage share of administrative costs, library expenditures, maintenance of the physical plant and similar items that are essential components of the University's operations, and therefore are necessary to conduct research. These facilities and administrative recoveries totaled approximately \$78 million of revenues in fiscal year 2024.

See “Additional Considerations” herein for a discussion regarding potential future reductions in federal funding for research costs and other expenses.

Private Gifts, Grants and Contracts consist of two major components: support for particular projects sponsored by foundations, corporations or individuals; and spendable gifts and grants, including the University’s Annual Giving campaign. Gift revenues include amounts that are with and without restrictions imposed by donors. Under FASB Accounting Standards Codification 958-310, *Not-for-Profit Entities-Receivables*, unconditional promises to give are recognized as revenues in the year made, not in the year in which the cash is received, and the amounts are present-valued based on expected collections.

Sales and Services of Auxiliary Activities include revenues from dormitory and dining services, less any institutional financial aid awarded by the University to qualifying students, as well as conference services and faculty and senior staff rental housing.

Investment Income includes dividends, interest and realized and unrealized appreciation and depreciation arising from the investments in the University’s portfolio. The University follows a policy of reinvesting a portion of the portfolio’s return, in order to provide some protection against inflation and, in general, in managing the endowment in such a way that its value will be preserved in order to meet future needs. Consistent with the spending assumption, the amount of investment earnings made available for spending is shown as operating revenue and the balance as non-operating activities.

The University’s spending policy is reviewed regularly by the Trustees in light of the actual investment performance of the endowment and inflation expectations, and adjustments are made as required. The current, standard assumption calls for the spending distribution to grow at a rate of 5% annually if the resulting spending rate, expressed as a percentage of the endowment market value, remains within a band between 4% and 6.25%. If the standard assumption results in a spending rate that falls outside of the recommended band, then it may be modified for a given year. The current spending rate is within the policy band.

The principal functions affecting expenditures of the University, which are disclosed in the notes to the financial statements, are as follows:

Academic and Research reflect instructional and research costs of the faculty during the academic year, plus all other direct costs of operating academic departments and programs and the University’s library system.

Student Services and Support include the costs of those offices dealing directly with students, such as Admission, Financial Aid, Registrar, Career Services, University Health Services, and the Athletics Department, as well as auxiliary enterprises and related student aid.

General Administration and Operations reflect the expenditures of the departmental “business offices” and other administrative offices that serve the University.

Operation and Maintenance of Plant reflect the cost of operating and maintaining the University’s buildings and grounds, and is allocated among the above functional expense categories. The University expenses operating maintenance as incurred, and has followed a policy

of not deferring maintenance costs in order to avoid even larger capital rehabilitation expenditures in the future.

Independent Operations include the Princeton Plasma Physics Laboratory, which is operated by the University on behalf of the United States Department of Energy.

## Investments

Below are the market values of all the University's investments at the end of the most recent five fiscal years:

<u>Investments</u> <i>(in thousands of dollars)</i>	
Year Ended June 30	Market Value
2020	\$27,511,276
2021	38,700,638
2022	37,353,038
2023	34,718,527
2024	35,228,163

In order to oversee the management of the endowment and related investments, the University established PRINCO in January 1987. PRINCO administers the procedure for selection and oversight of external investment managers and advisors who make daily decisions about investments. See "Additional Considerations" herein for a discussion regarding potential future reductions in financial performance of the University's endowment as a result of, among other things, adverse economic conditions and potential actions by the federal government.

## Self-Liquidity

The University provides self-liquidity for its existing \$1 billion commercial paper programs from its investment resources. As of June 30, 2024, there was approximately \$1.8 billion in daily liquidity consisting primarily of United States Treasury Securities, Treasury repos and cash. The University provides detail on its commercial paper programs in the Short-Term Borrowing section further below.

## Third-Party Indebtedness

As of June 30, 2024, the University had outstanding indebtedness of approximately \$5.42 billion (including unamortized premium/discount) in the form of taxable debt, loans through the New Jersey Educational Facilities Authority ("NJEFA"), advances from a commercial bank to fund a parental loan program, and commercial paper.



## University Indebtedness

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
	<i>(dollars in thousands)</i>	
NJEFA Bonds – Tax-Exempt Revenue Bonds, 2014 Series A through 2024 Series C	\$3,555,525	\$2,165,446
Taxable Bonds, Series 2009A	499,176	499,121
Taxable Bonds, Series 2016A	75,000	75,000
Taxable Bonds, Series 2017A	150,000	150,000
Taxable Bonds, Series 2020A	500,000	500,000
Taxable Bonds, Series 2022	300,000	300,000
Taxable Notes, 2012 and 2013	245,000	245,000
NJEFA Higher Education Capital Improvement Fund Issue, Series 2014 B*	2,022	2,179
Parental Loans	32,516	34,212
Commercial Paper:		
Taxable	11,000	66,600
Tax-Exempt	64,800	
Total Borrowings	\$5,435,039	\$4,037,558
Unamortized Debt Issuance Costs	<u>(12,646)</u>	<u>(9,834)</u>
Total Borrowings Net of Unamortized Issuance Costs	<u>\$5,422,393</u>	<u>\$4,027,724</u>

Note: Totals may not add due to rounding.

\* Refunded with a portion of the proceeds of the NJEFA Higher Education Capital Improvement Fund Issue, Series 2024 A on December 4, 2024.

The debt of the University described in the table above is unsecured general obligation debt of the University. Although the University has issued debt designated as “Senior Unsecured Taxable Notes,” no debt of the University is senior in right of payment to any other debt of the University. The debt service on the NJEFA revenue bond issues in the above table is payable by the NJEFA from loan payments received from the University.

On April 22, 2025 the University issued \$320,000,000 of its Taxable Bonds, Series 2025, the proceeds of which will be used by the University for general corporate purposes, including, without limitation, financing and refinancing capital expenditures.

The 2015 Series A Bonds, which are expected to be refunded in whole or in part with a portion of the proceeds of the 2025 Series B Bonds, were issued to partially refund the 2005 Series A Bonds and the 2005 Series B Bonds. The 2015 Series D Bonds, which are expected to be refunded in whole or in part with a portion of the proceeds of the 2025 Series B Bonds, and the 2016 Series A Bonds were issued to provide funds for the construction, renovation and repair of various University facilities and to refund taxable and tax-exempt commercial paper notes. The

2016 Series B Bonds were issued to partially refund the 2006 Series D Bonds and the 2006 Series E Bonds. The 2017 Series B Bonds were issued for the purpose of the current refunding and defeasance of the 2007 Series E, and 2007 Series F, and for the purpose of advance refunding and defeasance of a portion of the 2008 Series K Bonds. The 2017 Series C Bonds were issued for the purpose of funding new construction and renovations, and for the refunding of taxable and tax-exempt commercial paper notes. The 2017 Series I Bonds were issued for the purpose of the advance refunding and defeasance of a portion of the 2008 Series J and the 2010 Series B Bonds. The 2021 Series B Bonds were issued for the purpose of funding construction, renovation, and installation of certain capital assets and for the refunding of all or a portion of taxable and tax-exempt commercial paper notes. The 2021 Series C Bonds were issued for the purpose of the current refunding and defeasance of the callable 2011 Series B Bonds. The 2022 Series A Bonds were issued for the purpose of financing the costs of the acquisition, construction, renovation, and installation of certain capital assets. The 2024 Series A/B and C bonds were issued for the purpose of financing the costs of the acquisition, construction, renovation, and installation of certain capital assets as well as the defeasance of the 2014 Series A Bonds.

The 2009 Series A Taxable Bonds were issued to provide funds for working capital and other corporate purposes. In May 2018, the University completed an early partial redemption of the 2009 Series A Taxable Bonds, which resulted in a cash defeasance of \$250 million of the \$500 million bullet maturity due on March 1, 2019 and a make-whole redemption expense of \$4.3 million. In March 2019, the University paid off the remainder of the \$500 million bullet maturity. The 2016 Series A and 2017 Series A Taxable Bonds were issued to provide funds for general corporate purposes. The 2020 Series A Taxable Bonds were issued for general corporate purposes. The 2022 Taxable Bonds were issued for general corporate purposes.

In August 2012 and December 2013, the University privately placed Senior Unsecured Taxable Notes in the amounts of \$170 million and \$75 million, respectively, for capital and other purposes. The notes were structured as bullet maturities due July 1, 2042 and July 1, 2044, respectively.

In fiscal year 1999, the University entered into a loan facility (subsequently converted to two separate loan facilities) with a commercial bank to fund its parental loan program, which is currently authorized by the Trustees up to \$100 million. Fixed or variable rates may be selected on a pass-through basis to the borrowers; terms may be as long as 14 years.

In fiscal year 2023, the University entered into a new fixed rate loan facility of up to \$30 million and increased the amount of the variable rate loan facility from \$25 million to \$48.5 million. As of June 30, 2024 and 2023, the balances outstanding were \$32.5 million and \$34.2 million, respectively.

As of June 30, 2024, the University had available bank lines of credit totaling \$948.5 million under which the University may borrow on an unsecured basis. In fiscal year 2024, the University increased its committed bank lines of credit from \$675 million to \$948.5 million, in addition to the two fixed and variable rate loan facilities noted above, under which the University may borrow on an unsecured basis at agreed-upon rates. As of June 30, 2024, approximately \$8.9 million was utilized in the form of outstanding letters of credit. There are currently no drawn balances on these lines.

Long-term debt service for each of the past five fiscal years has been (\$ in thousands):

2020	\$224,859
2021	244,832
2022	226,994
2023	236,613
2024	247,709

The following is the long-term projected debt service for fiscal years 2025 through 2029 for the debt outstanding as of June 30, 2024 (\$ in thousands):

Year Ended June 30	Principal	Interest	Totals
2025	\$ 99,976	\$217,892	\$317,868
2026	115,078	214,482	329,560
2027	260,927	209,402	470,329
2028	111,802	196,398	308,200
2029	113,099	190,826	303,925

Note: Totals may not add due to rounding.

### Short-Term Borrowing

In fiscal year 1998, a commercial paper program of \$120 million was authorized and the University's first commercial paper program was implemented through the NJEFA. In fiscal year 2024, the University increased the capacity of the commercial paper program through the NJEFA from \$120 million to \$300 million. In fiscal year 2013, the University initiated a separate taxable commercial paper program of \$180 million under which the University directly issues commercial paper. The University implemented a \$100 million increase to the authorized limit of the taxable commercial paper program in fiscal year 2019 to \$280 million. In fiscal year 2021, the University increased the authorized amount for its taxable commercial paper program from \$280 million to \$480 million. In fiscal year 2024, the University increased the authorized amount for its taxable commercial paper program from \$480 million to \$700 million. Proceeds of the NJEFA and University commercial paper programs are authorized to a maximum combined level of \$1 billion. As of June 30, 2024 and 2023, the University's tax-exempt commercial paper outstanding was \$64.8 and \$0 million, respectively. As of June 30, 2024 and 2023, the University's taxable commercial paper outstanding was \$11 million and \$66.6 million, respectively.

## **Capital Planning**

The University employed a ten-year planning framework for the capital plan (FY08-FY17), which ended officially on June 30, 2017 at a final plan total of \$3.25 billion (some residual portion of this amount was expended in FY18 and beyond). A similar planning structure was utilized for the University's second Capital Plan (the "*Plan*"). The University initiated the Plan in the beginning of FY18 to serve as an overarching framework for its capital activity from FY18 through FY30. The Plan integrates capital activity undertaken by the University during this period, including the construction of new facilities, the renovation of existing buildings, as well as implementing infrastructure upgrades. The Plan also includes ongoing annual commitments to major maintenance and other renewal programs – which include health, safety, security, and accessibility initiatives, laboratories, classrooms, furnishings and landscaping – as well as the University's real estate activity. Also included under the Plan umbrella is the enabling of expansion of the University student body, which includes residential accommodations, as well as expansions to facilities supporting health and wellness and campus life. The Plan incorporates funding from multiple sources including annual contributions from the operating budget, donor gifts, strategic reserves, and other revenue allocated to capital purposes. In addition, the University plans to issue long-term debt to finance a portion of its capital program – which focuses on long-term assets. As of FY24, the University moved to a rolling Capital Plan and plans to extend the planning window each year. In the spring of FY25, the Plan window was extended through 2031. The Plan is updated regularly and is reviewed in detail with the Trustees no less than annually and each individual project within the Plan undergoes a separate review and approval process.

The Plan calls for projected new construction that includes the following major initiatives: expanding and enhancing computer science, engineering and environmental studies; development of a new campus across Lake Carnegie from the main campus, as well as updating and expanding the University's energy, transportation, and technology infrastructure. Investments in undergraduate and graduate student and faculty/staff housing, athletic fields and complexes, the art museum and other improvements are also included in the period covered by the Plan.

The Plan also incorporates a significant investment in the maintenance of the University's physical assets through its renovation, major maintenance and annual renewal program components. Included in the renovation component are academic projects, campus life, health services, housing, athletics projects, and infrastructure improvements. The University anticipates that it will access the capital markets from time to time to provide a portion of the financing for the Plan during the period covered by the Plan.

See "Additional Considerations" herein for a discussion regarding the University's recently announced financial contingency planning efforts which may impact future capital spending.

## **Sustainability**

### **Green House Gas Reductions**

Released on Earth Day 2019, Princeton University's Sustainability Action Plan sets bold sustainability targets across seven performance areas. The plan centers on the University's aim to achieve net zero Scope 1 and 2 greenhouse gas emissions by 2046, Princeton's 300th anniversary.

Since 2008, Princeton has reduced emissions by over 124,000 metric tons of carbon dioxide equivalent compared to business-as-usual projections. To achieve these reductions, the University conducted energy conservation projects, central plant improvements, renewable energy expansion, and behavior change initiatives, including:

- Launching an all-electric bus fleet to serve the campus and local community.
- Significant expansion of solar power on main and satellite campuses.
- Coordinated energy conservation and behavioral science efforts in laboratories and event spaces across campus.

Princeton has invested hundreds of millions of dollars to overhaul its heating and cooling system with state-of-the-art geo-exchange technology. This once-in-a-generation construction project will allow the University to reach its net-zero goal while drastically improving its energy efficiency and resilience. The system will rely on over 2,000 geo-exchange bores and upgraded central plants to heat and cool the growing campus, reducing energy needs by up to 80%.

The Sustainability Action plan also features goals, strategies, and tactics related to Stormwater Management, Water Reduction, Waste Reduction, and Sustainable Design and Development.

### **Stormwater Management**

The 2026 Campus Plan established the University's approach to stormwater management by focusing on restoring natural resources, incorporating an ecological systems approach, and promoting the implementation of green infrastructure (GI) for all new developments on campus. Through the 2016 and 2026 Campus Plans, the University has built an extensive network of green infrastructure best management practices (GI BMPs) to reduce rainwater runoff and improve water quality. These GI BMPs include green roofs, bioretention systems, porous pavement on paths and parking, infiltrating turf fields, subsurface storage, rainwater harvesting systems, and manufactured treatment devices. Today, there are over 150 GI BMP installations on campus. This equates to 191 acres under enhanced stormwater management throughout campus.

### **Water Reduction**

Princeton looks to improve water efficiencies on a per-person and campus-wide level, with a target to reduce 2046 annual campus water usage by 26% compared to 2008 levels. The University intends to reduce water consumption primarily through the aforementioned heating and cooling improvements, implementing landscape management practices, and installing low-flow and high-efficiency infrastructure. Currently, the University is tracking a 15% reduction in water consumption per person from the 2008 baseline.

### **Waste Reduction**

The University is in a process to evaluate various waste streams to improve data quality. This includes planning several waste audits in the coming year, and identifying waste data streams that were not previously accounted for. There are already in place significant waste reduction

programs including sending all pre-consumer organic waste to Trenton Renewables, operating an on-campus aerobic composting system for post-consumer organics and compostables, an end-of-year move-out collections and beginning-of-year resale program and moving towards the elimination of single use plastics.

### **Sustainable Design and Development**

The University intends to be an exemplar of green design and infrastructure in the community. The University recently achieved its first Phius certification for Passive House design and construction for one of the modules of graduate housing at the Meadows Campus and expects several more certifications. The University is seeking LEED certification for the following currently-in-construction projects: the Environmental Studies and School of Engineering and Applied Science buildings, the Princeton University Art Museum and the TIGER building, which combines geo-exchange utility facilities and operations space for thermal energy. Additionally, the University has adopted bird safe glass requirement in the Design Standards Manual and is wrapping up the first phase of work for an Embodied Carbon and Healthy Materials Framework that will assist all future projects to incorporate impactful solutions into the design and then construction.

### **Employees**

As of June 30, 2024, 8,191 people were employed by the University (not including students), consisting of 1,362 faculty members, 4,930 other professionals and 1,899 other employees. Included in these totals are 980 maintenance, service and support staff who are represented by six unions. Separately, the University is negotiating a new collective bargaining agreement with the Princeton University Postdocs and Scholars - UAW (PUPS-UAW) representing approximately 1,000 postdoctoral and associate research scholars employed by the University. Princeton is engaging constructively and in good faith with the union to support all postdoctoral and associate research scholars at the University. Relationships with both organized and unorganized groups have been good with no significant labor disputes in about thirty years.

### **Retirement Plans**

Effective January 1, 1994, faculty and staff who meet specific employment requirements participate in the Princeton University Retirement Plan. This is a non-contributory, tax-qualified defined contribution plan funded through a third-party administrator, TIAA. The University also provides a voluntary contributory 403(b) retirement savings plan through TIAA with qualified pre-tax and Roth options for all faculty and staff.

Prior to January 1, 1994, faculty and monthly paid staff who met specific requirements participated in a non-contributory defined contribution plan and biweekly staff who met certain requirements participated in a non-contributory, tax-qualified benefit plan. The latter was terminated in 2000.

## **Litigation**

The University is subject to certain legal claims that have arisen in the normal course of operations. In the opinion of management, the ultimate outcome of these actions will not have a material effect on the University's financial position, statement of activities or cash flows.

## **Insurance**

The University currently has a primary general liability policy in the amount of \$5 million, with a deductible of \$500,000 per occurrence. The University has an automobile liability policy in the amount of \$3 million, with a deductible of \$25,000 per occurrence. Above the primary layer for general liability, the University has various umbrella and excess layers of coverage, which generally follow the form of the commercial primary coverage, with total umbrella and excess limits of \$145 million. The University also carries property insurance for all of its buildings and contents with a limit of liability of \$1 billion for any occurrence at replacement cost with a deductible amount of \$250,000 per occurrence. The University separately insures its fine arts and rare books in the amount of \$1 billion with a deductible of \$1,000. The University has Trustees and Officers liability coverage in the amount of \$35 million with a \$300,000 deductible for all claims. The University has Cyber Liability insurance which provides coverage for network security/privacy breach, cyber extortion, reputation harm and business interruption from a covered loss.

## **Cybersecurity**

To address evolving cybersecurity threats and risks facing similar large institutions, Princeton has a dedicated Information Security Office, whose mission is to make information security programmatic and cultural throughout the University. The University has developed and invested in multiple forms of cybersecurity and operational controls, including system-wide policies and procedures for incident management and a written information security plan (WISP) that follows the NIST Cybersecurity Framework model.

The University is staffed with expertise in architecture, engineering, operations, training and awareness, and risk assessment and has both disaster recovery and business continuity capabilities under the leadership of the security office. Princeton currently maintains a cyber insurance policy as described hereinabove under the heading "Insurance" to provide coverage for network security/privacy breach, cyber extortion, reputation harm and business interruption from a covered loss.

## **Additional Considerations**

Princeton's revenues, expenses and net assets may be impacted by numerous conditions and events. These include, among other things, actions by the federal government, including without limitation, legal actions such as audits, investigations, lawsuits, charges, or other proceedings. Further, federal government actions may have the direct or indirect effect of reducing federal support for the University's research costs (including facilities and administrative cost reimbursements), reducing the University's fundraising or other revenue sources (including financial performance of the University's endowment) as a result of current adverse economic conditions, income tax rates or tax law changes affecting the deductibility of charitable

contributions, increasing taxes or other costs borne by the University, or otherwise adversely affecting the section 501(c)(3) status or other tax benefits afforded to the University.

The University historically has received substantial support for research from the federal government through both direct and indirect research funding. The University is monitoring and responding to developments regarding this funding. Among other developments: on March 31, 2025 and April 1, 2025, the University received notifications from federal government agencies, including without limitation the Department of Energy (“DOE”), NASA, and the Defense Department, suspending several dozen research grants pending review. The University does not know if those suspensions will result in terminations. In addition, the National Institutes of Health (“NIH”) recently announced that institutions of higher education would be limited to a 15% indirect cost recovery rate on new and existing NIH grants. This limit on indirect cost recovery for existing NIH grants has been enjoined by a court. DOE subsequently announced that it would also limit institutions of higher education to a 15% indirect cost recovery rate on new and existing DOE grants. The University and 11 other plaintiffs have filed a lawsuit to challenge and enjoin the DOE’s action. Similarly, on May 2, 2025, the National Science Foundation (“NSF”) announced plans to limit indirect cost recoveries to 15% for all grants awarded on or after May 5, 2025. The University and 15 other plaintiffs have filed a lawsuit to challenge and enjoin the NSF’s action. If limits on indirect cost recovery for either new or existing grants by NIH, DOE, NSF or other government agencies take effect, it would result in a reduction in federal funding for indirect costs associated with the University’s research.

On March 10, 2025, the Department of Education (“ED”) sent letters to 60 institutions of higher education, including Princeton, warning them of potential enforcement actions if they do not fulfill their obligations under Title VI of the Civil Rights Act regarding antisemitism on American campuses. ED also indicated that it views as unlawful racial discrimination a wide variety of actions that may have been taken by institutions of higher education to increase diversity, and that such actions may result in the loss of federal funding.

While the financial impact on the University resulting from the totality of potential developments by the federal government cannot be quantified at this time, any such developments could, directly or indirectly, have a significant adverse effect on the current and future financial profile and operating performance of the University. Financial planning by the University to support strategic priorities is underway. The University is undertaking a review of its budget to make the University more nimble as it seizes opportunities and responds to the shifting higher education landscape. For example, on May 12, 2025, the University announced financial contingency planning efforts in response to the uncertainty surrounding higher education funding and policy at the federal level. This planning exercise includes, without limitation, asking units to prepare plans for potential five percent and ten percent budget cuts to be phased in over the next three years, freezing most staff hiring, pausing or canceling some capital projects, and evaluating plans for capital investments to identify opportunities to reduce scope and costs. The University community continues to demonstrate operating discipline as it navigates toward collective goals and advances Princeton’s mission of teaching, research, and service.



**APPENDIX B**

**CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2024 AND 2023, AND REPORT OF INDEPENDENT AUDITORS**

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# Princeton University

## *Consolidated Financial Statements*

June 30, 2024 and 2023



## Report of Independent Auditors

To the Trustees of Princeton University:

### ***Opinion***

We have audited the accompanying consolidated financial statements of Princeton University and its subsidiaries (the "University", which as described in Note 2 is legally known as The Trustees of Princeton University), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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



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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

*Princeton University* LLP

New York, New York  
November 25, 2024

# Consolidated Statements of Financial Position

Princeton University  
June 30, 2024 and 2023

<i>(dollars in thousands)</i>	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Cash	\$ 32,291	\$ 42,404
Accounts receivable	177,714	183,065
Receivables associated with investments	2,918	35,178
Educational and mortgage loans receivable	488,009	472,631
Contributions receivable	365,022	381,179
Managed investments at fair value	33,722,131	33,750,097
Funds held in trust by others	142,469	133,718
Other investments	1,506,032	968,430
Property, net of accumulated depreciation	6,523,466	5,692,647
Other assets	83,866	86,011
<b>Total assets</b>	<b>\$ 43,043,918</b>	<b>\$ 41,745,360</b>
<b>Liabilities</b>		
Accounts payable	\$ 160,129	\$ 145,574
Liabilities associated with investments	17,727	41,654
Deposits, advance receipts, and accrued liabilities	334,052	336,101
Deposits held in custody for others	147,973	179,348
Liability under planned giving agreements	85,138	83,409
Indebtedness to third parties	5,422,393	4,027,724
Accrued postretirement benefits	552,521	512,357
<b>Total liabilities</b>	<b>\$ 6,719,933</b>	<b>\$ 5,326,167</b>
<b>Net assets</b>		
Without donor restrictions controlled by the University	\$ 16,444,619	\$ 16,352,682
Without donor restrictions attributable to noncontrolling interests	172,354	217,913
<b>Total net assets without donor restrictions</b>	<b>16,616,973</b>	<b>16,570,595</b>
<b>Total net assets with donor restrictions</b>	<b>19,707,012</b>	<b>19,848,598</b>
<b>Total net assets</b>	<b>\$ 36,323,985</b>	<b>\$ 36,419,193</b>
<b>Total liabilities and net assets</b>	<b>\$ 43,043,918</b>	<b>\$ 41,745,360</b>

See notes to consolidated financial statements.

# Consolidated Statements of Activities

Princeton University

Year ended June 30, 2024

<i>(dollars in thousands)</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2024 Total</b>
<b>Revenues and other sources</b>			
Tuition and fees, net of financial aid	\$ 136,643	-	\$ 136,643
Government grants and contracts	455,777	-	455,777
Private gifts, grants, and contracts	85,946	\$ 80,416	166,362
Auxiliary sales and services, net of financial aid	83,029	-	83,029
Other operating revenues	52,957	-	52,957
Investment earnings distributed	784,812	930,128	1,714,940
<b>Total operating revenues</b>	<b>1,599,164</b>	<b>1,010,544</b>	<b>2,609,708</b>
Net assets released from restrictions	1,050,246	(1,050,246)	-
<b>Total revenues and other sources</b>	<b>2,649,410</b>	<b>(39,702)</b>	<b>2,609,708</b>
<b>Operating expenses</b>			
Salaries and wages	1,070,545	-	1,070,545
Employee benefits	306,068	-	306,068
Supplies, services, and other	545,642	-	545,642
Space and occupancy	97,335	-	97,335
Student stipends and prizes	104,743	-	104,743
Depreciation	210,883	-	210,883
Interest on indebtedness	132,856	-	132,856
<b>Total operating expenses</b>	<b>2,468,072</b>	<b>-</b>	<b>2,468,072</b>
<b>Results of operations</b>	<b>181,338</b>	<b>(39,702)</b>	<b>141,636</b>
<b>Nonoperating activities</b>			
Adjustments to planned giving agreements	-	10,404	10,404
Increase in value of assets held in trust by others	-	12,607	12,607
Private gifts, noncurrent	48,210	116,985	165,195
Net realized and unrealized appreciation on investments	685,391	688,234	1,373,625
Distribution of investment earnings	(784,812)	(930,128)	(1,714,940)
Net periodic benefit cost other than service cost	(8,445)	-	(8,445)
Other postretirement benefit changes	8,113	-	8,113
Reclassifications, transfers, and other nonoperating	(37,858)	14	(37,844)
<b>Decrease from nonoperating activities</b>	<b>(89,401)</b>	<b>(101,884)</b>	<b>(191,285)</b>
<b>Increase (decrease) in net assets - University</b>	<b>91,937</b>	<b>(141,586)</b>	<b>(49,649)</b>
Change in noncontrolling interests	(45,559)	-	(45,559)
<b>Total increase (decrease) in net assets</b>	<b>46,378</b>	<b>(141,586)</b>	<b>(95,208)</b>
Net assets at the beginning of the year	16,570,595	19,848,598	36,419,193
<b>Net assets at the end of the year</b>	<b>\$ 16,616,973</b>	<b>\$ 19,707,012</b>	<b>\$ 36,323,985</b>

See notes to consolidated financial statements.

# Consolidated Statements of Activities

Princeton University

Year ended June 30, 2023

<i>(dollars in thousands)</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2023 Total</b>
<b>Revenues and other sources</b>			
Tuition and fees, net of financial aid	\$ 154,514	-	\$ 154,514
Government grants and contracts	406,180	-	406,180
Private gifts, grants, and contracts	96,395	\$ 86,876	183,271
Auxiliary sales and services, net of financial aid	85,335	-	85,335
Other operating revenues	31,693	-	31,693
Investment earnings distributed	748,561	880,080	1,628,641
<b>Total operating revenues</b>	<b>1,522,678</b>	<b>966,956</b>	<b>2,489,634</b>
Net assets released from restrictions	1,039,284	(1,039,284)	-
<b>Total revenues and other sources</b>	<b>2,561,962</b>	<b>(72,328)</b>	<b>2,489,634</b>
<b>Operating expenses</b>			
Salaries and wages	969,089	-	969,089
Employee benefits	274,041	-	274,041
Supplies, services, and other	472,515	-	472,515
Space and occupancy	99,656	-	99,656
Student stipends and prizes	98,796	-	98,796
Depreciation	216,182	-	216,182
Interest on indebtedness	132,980	-	132,980
<b>Total operating expenses</b>	<b>2,263,259</b>	<b>-</b>	<b>2,263,259</b>
<b>Results of operations</b>	<b>298,703</b>	<b>(72,328)</b>	<b>226,375</b>
<b>Nonoperating activities</b>			
Adjustments to planned giving agreements	-	3,354	3,354
Increase in value of assets held in trust by others	-	10,027	10,027
Private gifts, noncurrent	37,421	134,269	171,690
Net realized and unrealized loss on investments	(190,940)	(373,964)	(564,904)
Distribution of investment earnings	(748,561)	(880,080)	(1,628,641)
Net periodic benefit cost other than service cost	(5,806)	-	(5,806)
Other postretirement benefit changes	13,486	-	13,486
Reclassifications, transfers, and other nonoperating	17,438	(17,438)	-
<b>Decrease from nonoperating activities</b>	<b>(876,962)</b>	<b>(1,123,832)</b>	<b>(2,000,794)</b>
<b>Decrease in net assets - University</b>	<b>(578,259)</b>	<b>(1,196,160)</b>	<b>(1,774,419)</b>
Change in noncontrolling interests	6,368	-	6,368
<b>Total decrease in net assets</b>	<b>(571,891)</b>	<b>(1,196,160)</b>	<b>(1,768,051)</b>
Net assets at the beginning of the year	17,142,486	21,044,758	38,187,244
<b>Net assets at the end of the year</b>	<b>\$ 16,570,595</b>	<b>\$ 19,848,598</b>	<b>\$ 36,419,193</b>

See notes to consolidated financial statements.



# Consolidated Statements of Cash Flows

Princeton University

Years ended June 30, 2024 and 2023

<i>(dollars in thousands)</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (95,208)	\$ (1,768,051)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	210,883	216,182
Amortization of bond issuance costs and premiums	(18,480)	(19,465)
Property gifts-in-kind	(1,115)	(1,826)
Adjustments to planned giving agreements	(10,404)	(3,354)
Net realized and unrealized (gains) losses on investments	(1,109,424)	788,936
(Gains) loss on disposal of fixed assets	189	(13,849)
Increase in value of assets held in trust by others	(8,751)	(10,027)
Contributions received for long-term investment	(169,221)	(242,391)
Net realized and unrealized gains on noncontrolling interests	(30,441)	(6,368)
Changes in operating assets and liabilities:		
Receivables	6,131	(64,888)
Other assets	2,145	(17,257)
Accounts payable	(12,017)	58,724
Deposits, advance receipts, and accrued liabilities	(2,049)	(60,853)
Deposits held in custody for others	(31,376)	(2,346)
Accrued postretirement benefits	40,164	28,132
Net cash and restricted cash used in operating activities	(1,228,974)	(1,118,701)
<b>Cash flows from investing activities</b>		
Purchases of property, plant, and equipment	(1,018,648)	(924,300)
Proceeds from disposal of property, plant, and equipment	4,444	6,112
Purchases of investments	(22,547,819)	(30,693,312)
Proceeds from maturities/sales of investments	24,092,888	32,500,661
Net cash and restricted cash provided by investing activities	530,865	889,161
<b>Cash flows from financing activities</b>		
Issuance of indebtedness to third parties	2,495,408	238,500
Payment of debt principal	(1,082,259)	(293,035)
Contributions received for long-term investment	169,221	242,391
Transactions on planned giving agreements	12,133	5,565
Proceeds from noncontrolling interests	76,000	-
Net cash and restricted cash provided by financing activities	1,670,503	193,421
Net increase (decrease) in cash and restricted cash	972,394	(36,119)
Cash and restricted cash at the beginning of the year	351,298	387,417
Cash and restricted cash at the end of the year	\$ 1,323,692	\$ 351,298
<b>Supplemental disclosures</b>		
Interest paid	\$ 166,293	\$ 159,105
<b>Supplemental Information on cash and restricted cash</b>		
Cash as shown in the Consolidated Statements of Financial Position	\$ 32,291	\$ 42,404
Cash and restricted cash included in Managed Investments	1,287,518	279,471
Cash included in Other Investments	3,883	29,423
Total cash and restricted cash as shown on the Consolidated Statements of Cash Flows	\$ 1,323,692	\$ 351,298

See notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

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## 1. NATURE OF OPERATIONS

Princeton University (the “University”) is a private, not-for-profit, nonsectarian institution of higher learning. When originally chartered in 1746 as the College of New Jersey, it became the fourth college in British North America. It was renamed Princeton University in 1896. First located in Elizabeth, and briefly in Newark, the school moved to Princeton in 1756.

The student body numbers 5,598 undergraduates and 3,251 graduate students in more than 90 departments and programs. The University offers instruction in the liberal arts and sciences and in professional programs of the School of Architecture, the School of Engineering and Applied Science, and the Princeton School of Public and International Affairs. The faculty numbers approximately 1,315, including visitors and part-time appointments.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Princeton University (legally known as “The Trustees of Princeton University”) are prepared on the accrual basis and include the accounts of its wholly owned subsidiaries, foundation, and investments controlled by the University. Financial information conforms to the statements of accounting principles of the Financial Accounting Standards Board (FASB) and to the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not-for-Profit Entities*. Relevant pronouncements include FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

External consolidated financial statements of not-for-profit organizations require the preparation of a consolidated statement of financial position, a consolidated statement of activities, and a consolidated statement of cash flows. The classification of the organization’s net assets and its revenues and expenses into two categories according to the existence or absence of donor-imposed restrictions — net assets with donor restrictions and net assets without donor restrictions — is also required. Changes, including reclassification and transfers, in each category are reflected in the Consolidated Statements of Activities, certain of which are further categorized as nonoperating. Such nonoperating activities primarily reflect transactions of a long-term investment or capital nature, contributions receivable in future periods, contributions subject to donor-imposed restrictions, gains and losses on investments in excess of the University’s spending rule, postretirement benefit changes, and other nonrecurring activities.

Cash and cash equivalents are recorded at fair value and include several depository accounts, checking accounts, institutional money market funds, and similar temporary investments with maturities of three months or less at the date of purchase. The University classifies cash equivalents that are part of the University’s investments as short-term investments.

Unconditional promises to give are recognized as revenues in the year made, not in the year in which the cash is received. The amounts are discounted based on timing of expected collections. Amounts received from donors to planned giving programs consist primarily of charitable trusts and charitable gift annuities. The assets related to these agreements are included in Other investments at fair value and the liability for the present value of annuity payments to the donor in Liability under planned giving agreements in the Consolidated Statements of Financial Position.

Other significant accounting policies are described elsewhere in these notes.

The preparation of the University’s consolidated financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the Consolidated

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

Statements of Financial Position, and the reported amounts of revenues and expenses included in the Consolidated Statements of Activities. Actual results could differ from such estimates.

Certain prior-year balances have been reclassified to conform to the current-year presentation.

## Revenue from Tuition, Fees, and Auxiliary Services

Revenue from tuition, fees, and auxiliary services, which consist primarily of student room and board, are presented at transaction prices, which typically are determined based on standard published rates for the services provided, less any institutional financial aid awarded by the University to qualifying students. For the years ended June 30, 2024 and 2023, revenue from tuition, fees, and auxiliary services was as follows:

<b>2024</b>	<b>At published</b>	<b>Institutional</b>	
<i>(dollars in thousands)</i>	<b>rates</b>	<b>aid</b>	<b>Total net</b>
Tuition and fees	\$ 512,654	\$ (376,011)	\$ 136,643
Room, board, and other	121,343	(38,314)	83,029
<b>Total</b>	<b>\$ 633,997</b>	<b>\$ (414,325)</b>	<b>\$ 219,672</b>

<b>2023</b>	<b>At published</b>	<b>Institutional</b>	
<i>(dollars in thousands)</i>	<b>rates</b>	<b>aid</b>	<b>Total net</b>
Tuition and fees	\$ 485,857	\$ (331,343)	\$ 154,514
Room, board, and other	110,840	(25,505)	85,335
<b>Total</b>	<b>\$ 596,697</b>	<b>\$ (356,848)</b>	<b>\$ 239,849</b>

Of the \$220 million in net total tuition, fees, and auxiliary revenue recognized in fiscal year 2024, \$177 million was from undergraduate students, \$28 million was from graduate students, and \$15 million was from other sources. Of the \$240 million in net total tuition, fees, and auxiliary revenue recognized in fiscal year 2023, \$203 million was from undergraduate students, \$25 million was from graduate students, and \$12 million was from other sources.

Tuition, fees, and auxiliary revenues are recognized and associated performance obligations are satisfied over time during the course of the fiscal year in which the student services are provided.

## Revenue from Sponsored Grants and Contracts

The University receives sponsored program funding in the form of grants and contracts from governments, foundations, industry, and other private sources generally for research activities. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large.

Grants and contracts that are reciprocal in nature include certain private grants and the contract with the U.S. Department of Energy to operate the Princeton Plasma Physics Laboratory. Revenue from exchange agreements generally is recognized over time as performance obligations are satisfied, which in most cases occur as related costs are incurred.

Revenue from nonexchange transactions (contributions/gifts and certain grants) may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenue from conditional nonexchange transactions is recognized when the barrier is satisfied, which is generally as costs are incurred

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

or certain milestones are achieved. Conditions on grants, such as Federal government grants, typically include limitations on how research activities must be conducted, such as compliance with OMB cost principles. In addition, the University has elected the simultaneous release option for conditional contributions that are subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized. Revenue from nonexchange agreements that are considered unconditional, such as most foundation grants, generally is recognized as revenue with donor restrictions when the grant funds are awarded, and is released into net assets without donor restrictions when the purpose has been met.

As of June 30, 2024, the University has unrecorded conditional grant agreements of \$480 million from government sponsors and \$119 million from nongovernment sponsors. As of June 30, 2023, the University had unrecorded conditional grant agreements of \$403 million from government sponsors and \$121 million from nongovernment sponsors. Indirect costs recovered on federally sponsored programs generally are based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors.

## Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. The ASU improves financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. This ASU is effective for fiscal years beginning after December 15, 2022. The University adopted ASU 2016-13 for the fiscal year ended June 30, 2024 with no material impact on the consolidated financial statements.

On December 13, 2023, the FASB issued ASU 2023-08, *Intangibles-Goodwill and Other-Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets*, which addresses the accounting and disclosure requirements for certain crypto assets. The new guidance requires entities to subsequently measure certain crypto assets, that meet the definition of intangible assets, at fair value, with changes in fair value recorded in net income in each reporting period. In addition, entities are required to provide additional disclosures about the holdings of certain crypto assets. This ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The University is evaluating the impact of the new standard on the University's consolidated financial statements.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

## 3. INVESTMENTS

### Managed Investments

All managed investments are reported at fair value. The fair value of marketable equity, debt, and certain derivative securities (which include both domestic and foreign issues) generally is based upon a combination of published current market prices and exchange rates. The fair value of restricted securities and other investments for which published market prices are not available is based on estimated values using discounted cash flow analysis and other industry standard methodologies. Where applicable, independent appraisers and engineers assist in the valuation. The fair value of limited partnerships and similar investment vehicles is based on the net asset value of such investments and generally is estimated by external investment managers, including general partners or valuation committees. These valuations necessarily involve assumptions and methods that are reviewed, evaluated, and adjusted, if necessary, by the University. Changes in assumptions could have a significant effect on the fair values of these investments. Actual results could differ from these estimates and could have a material impact on the consolidated financial statements. These investments generally are less liquid than other investments, and the values reported may differ from the values that would have been reported had a ready market for these securities existed. Securities transactions are reported on a trade-date basis. Realized gains and losses are calculated using the specific identification cost method.

A summary of managed investments by asset category at fair value at June 30, 2024 and 2023 is presented below. The managed investment categories are presented on a “manager-mandate” basis, that is, all of the assets and market value of the underlying funds and accounts are included in the asset class that is the primary focus of the fund or account (many funds and accounts have contractual flexibility to invest across more than one asset class).

<i>(dollars in millions)</i>	<b>2024</b>	<b>2023</b>
Managed investments:		
Developed markets	\$ 3,468.2	\$ 3,773.6
Emerging markets	2,607.4	2,751.0
Independent return	8,709.1	8,535.0
Private equity	14,042.7	14,075.5
Real assets	3,568.2	3,793.2
Fixed income	66.9	498.6
Cash and other	1,259.6	323.2
<b>Gross managed Investments<sup>1</sup></b>	<b>\$ 33,722.1</b>	<b>\$ 33,750.1</b>
Receivables (liabilities) associated with investments — net	(14.8)	(6.5)
Noncontrolling interests	(172.3)	(217.9)
<b>Net managed investments</b>	<b>\$ 33,535.0</b>	<b>\$ 33,525.7</b>

<sup>1</sup>Includes derivative financial instruments at fair value

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

The Princeton University Investment Company (PRINCO) manages investments for a foundation that the University controls, the Stanley J. Seeger Hellenic Fund, and deposits held in custody for others. The investment balances managed by PRINCO for these entities as of June 30, included in the University's consolidated financial statements, are as follows:

<i>(dollars in millions)</i>	<b>2024</b>	<b>2023</b>
Princeton University	\$ 33,343.9	\$ 33,319.8
Stanley J. Seeger Hellenic Fund	62.4	63.3
Deposits held in custody for others	128.7	142.6
<b>Net managed investments</b>	<b>\$ 33,535.0</b>	<b>\$ 33,525.7</b>

The composition of net investment return from managed and other investments for the years ended June 30 is as follows:

<i>(dollars in millions)</i>	<b>2024</b>	<b>2023</b>
Net realized and unrealized gains (losses)	\$ 1,109.4	\$ (788.9)
Interest, dividends, and other income	264.2	224.0
<b>Total</b>	<b>\$ 1,373.6</b>	<b>\$ (564.9)</b>

Princeton University investments, together with the Stanley J. Seeger Hellenic Fund and deposits held in custody for others, are invested in a single unitized pool. The market value of each unit was \$14,888.42 and \$15,097.06 at June 30, 2024 and 2023, respectively. The average value of a unit during the years ending June 30, 2024 and 2023 was \$14,945.54 and \$15,642.12, respectively.

The average invested market balance in the unitized pool during the years ending June 30, 2024 and 2023 was \$33.292 billion and \$34.625 billion, respectively.

The University follows a spending rule for its unitized investments, including funds functioning as endowment, that provides for regular increases in spending while preserving the long-term purchasing power of the endowment. Earnings distributed and available for spending are shown in operating revenue, and the balance is shown as nonoperating revenue. Amounts distributed per unit under that rule were \$760.88 and \$731.62 for fiscal years 2024 and 2023, respectively.

The University invests in various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

## Derivative Financial Instruments

As part of its investment strategy, the University enters into transactions utilizing a variety of financial instruments and strategies, including futures, swaps, options, short sales, and forward foreign currency contracts. These financial instruments and strategies allow the University to fine-tune the asset allocation of the investment portfolio. In the case of forward currency exchange contracts, options, and swap contracts, these instruments are traded through securities and commodities exchanges. These financial instruments are executed with creditworthy banks and brokerage firms, are subject to an enforceable master netting arrangement or similar agreement, and are presented at fair value on a net basis on the Consolidated Statements of Financial Position.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

Investment-related derivative exposures at June 30 are as follows:

<b>2024</b> (dollars in millions)	Long Notional <sup>1</sup>	Short Notional <sup>1</sup>	Net Derivative Assets (Liabilities)	Gains (Losses) <sup>2</sup>
Index futures	-	\$ (74.8)	\$ (0.1)	\$ (59.2)
Equity swaps	\$ 1,138.3	(1,497.5)	17.3	(68.5)
Options contracts	-	(66.1)	3.4	(156.4)
<b>Total</b>	<b>\$ 1,138.3</b>	<b>\$ (1,638.4)</b>	<b>\$ 20.6</b>	<b>\$ (284.1)</b>

  

<b>2023</b> (dollars in millions)	Long Notional <sup>1</sup>	Short Notional <sup>1</sup>	Net Derivative Assets (Liabilities)	Gains (Losses) <sup>2</sup>
Index futures	\$ 498.9	\$ (228.3)	\$ 5.2	\$ 81.6
Equity swaps	845.7	(1,419.1)	(9.6)	(153.5)
Options contracts	44.4	(808.8)	60.7	(277.0)
<b>Total</b>	<b>\$ 1,389.0</b>	<b>\$ (2,456.2)</b>	<b>\$ 56.3</b>	<b>\$ (348.9)</b>

<sup>1</sup> Notional amounts are representative of the volume and activity of each derivative type during the years ended June 30, 2024 and 2023

<sup>2</sup> Gains and losses on derivatives are recorded under "Net realized and unrealized appreciation on investments" in the Consolidated Statements of Activities

Investment-related derivative assets, liabilities, and collateral by counterparty at June 30 are as follows:

<b>2024</b> (dollars in millions)	# of Contracts	Gross Derivative Assets	Gross Derivative Liabilities	Fair Value Collateral (Held) Pledged	Net
Counterparty A	1	-	\$ (0.1)	\$ 4.6	\$ 4.5
Counterparty B	10	\$ 36.8	(7.4)	(1.6)	27.8
Counterparty C	5	17.4	(29.8)	-	(12.4)
Counterparty D	4	3.8	(0.1)	(3.7)	-
<b>Total</b>	<b>20</b>	<b>\$ 58.0</b>	<b>\$ (37.4)</b>	<b>\$ (0.7)</b>	<b>\$ 19.9</b>

  

<b>2023</b> (dollars in millions)	# of Contracts	Gross Derivative Assets	Gross Derivative Liabilities	Fair Value Collateral (Held) Pledged	Net
Counterparty A	7	\$ 6.3	\$ (19.7)	\$ 27.6	\$ 14.2
Counterparty B	7	21.3	(11.6)	-	9.7
Counterparty C	10	71.2	(11.2)	(63.5)	(3.5)
<b>Total</b>	<b>24</b>	<b>\$ 98.8</b>	<b>\$ (42.5)</b>	<b>\$ (35.9)</b>	<b>\$ 20.4</b>

## Funds Held in Trust by Others

The University is the income beneficiary of various trusts that are held and controlled by independent trustees. In addition, the University is the income beneficiary of entities that qualify as supporting organizations under Section 509(a)(3) of the U.S. Internal Revenue Code. Funds held in trust by others are recognized at the estimated fair value of the assets or the present value of the future cash flows when the irrevocable trust is established or the University is notified of its existence. Funds held in trust by others, stated at fair value, amounted to \$142.5 million in 2024 and \$133.7 million in 2023 in the Consolidated Statements of Financial Position.

## Other Investments

Other investments include working capital (consisting primarily of U.S. Treasury bonds), a small number of funds that must be separately invested due to donor or legal restrictions, planned giving investments, proceeds from debt, and local real estate holdings expected to be liquidated strategically over several years.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

A summary of other investments at fair value at June 30, 2024 and 2023 is as follows:

(dollars in millions)	2024	2023
Working capital	\$ 364.1	\$ 507.3
Planned giving investments	158.5	155.9
Proceeds from debt	850.4	152.7
Strategic real estate investments	16.0	48.0
Other	117.0	104.5
Total	\$ 1,506.0	\$ 968.4

## 4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosure about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Fair value should be based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. Fair value measurements assume that the transaction occurs in the principal market for the asset or liability (the market with the most volume and activity for the asset or liability from the perspective of the reporting entity), or in the absence of a principal market, the most advantageous market for the asset or liability (the market in which the reporting entity would be able to maximize the amount received or minimize the amount paid). The University applies fair value measurements to certain assets and liabilities, including the University's managed investments, other investments, and funds held in trust by others, in accordance with the requirements described above.

The University maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications, is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, then judgment is required to develop the estimates of fair value using discounted cash flow and other income valuation approaches.

The University utilizes the following fair value hierarchy, which prioritizes, into three broad levels, the inputs to valuation techniques used to measure fair value:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities that the University has the ability to access at the measurement date. Instruments categorized in Level 1 primarily consist of a broadly traded range of equity and debt securities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means.

**Level 3:** Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity for the asset or liability. Instruments categorized in Level 3 primarily consist of limited partnership interests and other similar investment vehicles.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to



# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

the asset or liability. Fair value measurements are categorized as Level 3 when a significant proportion of price or other inputs that are considered to be unobservable are used in their valuations.

Investments in investee funds that are valued using the net asset value (NAV) of the underlying investee fund as a practical expedient have been excluded from the fair value hierarchy and are shown as a separate column in the fair value leveling table. Where the University has the ability to redeem its investment with the investee at net asset value per share (or its equivalent) using the practical expedient, such investments have been excluded from the fair value hierarchy. Certain of these investments may be subject to modest holdback provisions to cover audit and other potential expenses or adjustments in the event of a complete withdrawal.

The University has various processes and controls in place to ensure that investment fair value is reasonable and performs due diligence procedures on its investments, including an assessment of applicable accounting policies, a review of the valuation procedures employed, and consideration of redemption features and price transparency. The University holds direct real estate investments categorized as Level 3. Valuation for material directly held real estate investments is determined from periodic valuations prepared by independent appraisers or broker opinions.

The following tables present the University's assets that are measured at fair value for each hierarchy level, at June 30, 2024 and 2023:

<b>2024</b> (dollars in millions)	Fair Value Measurements at Reporting Date Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient
<b>Assets at fair value</b>					
Managed investments (gross):					
Developed markets	\$ 3,468.2	\$ 20.3	\$ (0.6)	\$ 0.5	\$ 3,448.0
Emerging markets	2,607.4	0.2	16.6	-	2,590.6
Independent return	8,709.1	6.6	(0.3)	-	8,702.8
Private equity	14,042.7	-	-	-	14,042.7
Real assets	3,568.2	124.6	13.6	10.8	3,419.2
Fixed income	66.9	66.9	-	-	-
Cash and other	1,259.6	1,287.5	(27.9)	-	-
<b>Total managed investments (gross)</b>	<b>33,722.1</b>	<b>1,506.1</b>	<b>1.4</b>	<b>11.3</b>	<b>32,203.3</b>
Funds held in trust by others	142.5	-	-	142.5	-
Other investments	1,506.0	1,333.7	-	172.3	-
<b>Total</b>	<b>\$ 35,370.6</b>	<b>\$ 2,839.8</b>	<b>\$ 1.4</b>	<b>\$ 326.1</b>	<b>\$ 32,203.3</b>

<b>2023</b> (dollars in millions)	Fair Value Measurements at Reporting Date Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient
<b>Assets at fair value</b>					
Managed investments (gross):					
Developed markets	\$ 3,773.6	\$ 15.5	\$ (0.6)	\$ 0.5	\$ 3,758.2
Emerging markets	2,751.0	0.2	(7.3)	-	2,758.1
Independent return	8,535.0	6.9	(1.2)	-	8,529.3
Private equity	14,075.5	-	7.8	-	14,067.7
Real assets	3,793.2	439.1	13.8	-	3,340.3
Fixed income	498.6	498.6	-	-	-
Cash and other	323.2	351.0	(27.8)	-	-
<b>Total managed investments (gross)</b>	<b>33,750.1</b>	<b>1,311.3</b>	<b>(15.3)</b>	<b>0.5</b>	<b>32,453.6</b>
Funds held in trust by others	133.7	-	-	133.7	-
Other investments	968.4	764.0	-	204.4	-
<b>Total</b>	<b>\$ 34,852.2</b>	<b>\$ 2,075.3</b>	<b>\$ (15.3)</b>	<b>\$ 338.6</b>	<b>\$ 32,453.6</b>

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

Assets and liabilities of a majority-owned and -controlled investment fund have been consolidated for reporting purposes at June 30, 2024 and 2023. Gross managed investments include consolidated investment fund assets of \$995.0 million and \$1,135.6 million at June 30, 2024 and 2023, respectively, and liabilities associated with investments include consolidated investment fund liabilities of \$14.9 million and \$8.1 million at June 30, 2024 and 2023, respectively. The portion of consolidated net assets not owned by the University is reported as a noncontrolling interest.

The following tables present the net change in the assets measured at fair value on a recurring basis and included in the Level 3 fair value category for the years ended June 30, 2024 and 2023:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)							
(dollars in millions)	June 30, 2023	Total gains or losses included in changes in net assets	Purchases	Sales and settlements	Transfers into Level 3	Transfers out of Level 3	June 30, 2024
<b>Assets at fair value</b>							
Managed investments (gross):							
Developed markets	\$ 0.5	-	-	-	-	-	\$ 0.5
Emerging markets	-	-	-	-	-	-	-
Independent return	-	-	-	-	-	-	-
Private equity	-	-	-	-	-	-	-
Real assets	-	\$ (3.5)	\$ 0.4	\$ (1.0)	\$ 14.9	-	10.8
<b>Total managed</b>							
investments (gross)	0.5	(3.5)	0.4	(1.0)	14.9	-	11.3
Funds held in trust by others	133.7	14.7	-	(5.9)	-	-	142.5
Other investments	204.4	47.2	5.4	(84.7)	-	-	172.3
<b>Total Level 3 investments</b>	<b>\$ 338.6</b>	<b>\$ 58.4</b>	<b>\$ 5.8</b>	<b>\$ (91.6)</b>	<b>\$ 14.9</b>	<b>-</b>	<b>\$ 326.1</b>

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)							
(dollars in millions)	June 30, 2022	Total gains or losses included in changes in net assets	Purchases	Sales and settlements	Transfers into Level 3	Transfers out of Level 3	June 30, 2023
<b>Assets at fair value</b>							
Managed investments (gross):							
Developed markets	\$ 0.4	\$ 0.1	-	-	-	-	\$ 0.5
Emerging markets	-	-	-	-	-	-	-
Independent return	-	-	-	-	-	-	-
Private equity	2.9	(2.9)	-	-	-	-	-
Real assets	21.8	10.1	-	\$ (12.5)	-	\$ (19.4)	-
<b>Total managed</b>							
investments (gross)	25.1	7.3	-	(12.5)	-	(19.4)	0.5
Funds held in trust by others	123.7	6.6	\$ 3.5	(0.1)	-	-	133.7
Other investments	195.4	8.9	4.2	(4.1)	-	-	204.4
<b>Total Level 3 investments</b>	<b>\$ 344.2</b>	<b>\$ 22.8</b>	<b>\$ 7.7</b>	<b>\$ (16.7)</b>	<b>-</b>	<b>\$ (19.4)</b>	<b>\$ 338.6</b>

The University assesses the valuation hierarchy for each asset or liability measured on an annual basis. From time to time, assets or liabilities will be transferred within hierarchy levels as a result of changes in valuation methodologies, liquidity, and/or redemption terms. One transfer from NAV into level 3 assets occurred in the year ended June 30, 2024. The University's policy is to recognize transfers at the beginning of the reporting period.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

Realized gains of \$51.0 million and \$8.9 million related to Level 3 investments and unrealized losses of \$7.3 million and unrealized gains of \$7.3 million related to Level 3 investments are included in net realized and unrealized loss on investments in the Consolidated Statements of Activities for the years ended June 30, 2024 and 2023, respectively.

The following tables and disclosures set forth the significant terms of the agreements with investment managers or funds by major category at June 30, 2024 and 2023. The information is presented on a “manager-mandate” basis.

<b>2024</b> (dollars in millions)	June 30 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<b>Managed Investments (gross)</b>				
Developed markets (a)	\$ 3,468.2	\$ 114.5	monthly—annually	10-180 days
Emerging markets (b)	2,607.4	151.2	daily—annually	7-90 days
Independent return (c)	8,709.1	589.6	monthly—annually	3-90 days
Fixed income, cash & other (d)	1,326.5	-	daily	1 day
Marketable asset classes	\$ 16,111.2	\$ 855.3		
Private equity (e)	14,042.7	3,786.9		
Real assets (f)	3,568.2	2,674.0		
Nonmarketable asset classes	\$ 17,610.9	\$ 6,460.9		
Total gross managed investments	\$ 33,722.1	\$ 7,316.2		

<b>2023</b> (dollars in millions)	June 30 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<b>Managed Investments (gross)</b>				
Developed markets (a)	\$ 3,773.6	\$ 68.2	monthly—annually	10-180 days
Emerging markets (b)	2,751.0	75.1	daily—annually	7-90 days
Independent return (c)	8,535.0	540.1	monthly—annually	3-90 days
Fixed income, cash & other (d)	821.8	-	daily	1 day
Marketable asset classes	\$ 15,881.4	\$ 683.4		
Private equity (e)	14,075.5	3,820.6		
Real assets (f)	3,793.2	2,735.2		
Nonmarketable asset classes	\$ 17,868.7	\$ 6,555.8		
Total gross managed investments	\$ 33,750.1	\$ 7,239.2		

**(a) Developed Markets:** This asset class includes funds and accounts primarily invested in equities traded on domestic exchanges, over-the-counter markets, or equity and debt securities traded on exchanges in countries with developed economies. The fair values of the investments in this asset class have been estimated using the net asset value per share of the investee funds. Investments representing approximately 3 percent of the market value of this asset class are in nonredeemable assets.

**(b) Emerging Markets:** This asset class includes funds primarily invested in public equity and debt securities traded in countries with emerging economies. The fair values of the investments in this asset class have been

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

estimated using the net asset value per share of the investee funds or, in the case of custodied accounts, the fair value of the securities held, at prevailing exchange rates. Investments representing approximately 34 percent of the market value of this asset class are invested in nonredeemable assets.

**(c) Independent Return:** This asset class includes funds invested in equity and debt securities and financial instruments such as options, swaps, futures, and other derivatives. Funds in this asset class may hold both long and short positions in any of these instruments and pursue a variety of investment strategies such as long/short equity investments and event-driven/arbitrage based upon the fund's investment mandate and the current opportunity set. Investments representing approximately 27 percent of the market value of this asset class are invested in nonredeemable assets.

**(d) Fixed Income, Cash and Other:** On a combined basis, these asset classes primarily include U.S. government and U.S. government-guaranteed securities held in separate accounts at the custodial bank. The majority of the investments in these asset classes can be liquidated on a daily basis.

**(e) Private Equity:** This asset class includes funds primarily invested in buyouts or venture capital. The fair values of the investments in this asset class generally have been estimated using partners' capital statements issued by the funds, which reflect the University's ownership interest. Generally, investments in this asset class are not redeemable. Distributions from investee funds in the portfolio are received as the underlying investments of the funds are liquidated.

**(f) Real Assets:** This asset class includes funds primarily invested in real estate and natural resources. The fair values of the investments in this asset class have been estimated using partners' capital statements issued by the funds, which reflect the University's ownership interest. Generally, investments in this asset class are not redeemable. However, \$132.2 million at June 30, 2024 and \$565.3 million at June 30, 2023 was invested in redeemable funds. More broadly, distributions from investee funds are received as the underlying investments of the funds are liquidated.

Investments in the marketable asset classes generally are redeemable, made in entities that allow the University to request withdrawals in specified circumstances. However, approximately \$3.3 billion at June 30, 2024 and approximately \$3.0 billion at June 30, 2023 of the marketable asset classes are invested in "nonredeemable assets," which are not eligible for redemption by the University. Nonredeemable assets are specific investments within a fund designated by the fund manager as ineligible for withdrawal. Due to the illiquid nature of nonredeemable assets, it is impossible for the University to predict when these assets will liquidate and the proceeds be distributed to investors.

In addition to nonredeemable assets, the University may be limited in its ability to effect a withdrawal if a fund manager invokes a "gate" provision restricting redemptions from its fund. Gates generally are triggered when aggregate fund withdrawal requests exceed a contractually predetermined threshold. No withdrawal requests were impacted by a gate in the years ended June 30, 2024 and 2023.

The University is obligated under certain agreements to fund capital calls periodically up to specified commitment amounts. Such commitments generally are called over periods of up to 10 years and contain fixed expiration dates or other termination clauses.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

## 5. ENDOWMENT

The University's endowment consists of approximately 4,900 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the University to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the University to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was enacted in the state of New Jersey in June 2009.

**Interpretation of relevant law** — The University interprets the UPMIFA as requiring the preservation of the fair value at the original gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also classified as net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. The University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the University and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the University
- (7) The investment policies of the University

Endowment net asset composition by type of fund as of June 30, 2024 and 2023 was:

	Without Donor Restrictions	With Donor Restrictions	Total
<b>2024</b> (dollars in thousands)			
Donor-restricted endowment funds:			
Restricted in perpetuity	-	\$ 2,550,912	\$ 2,550,912
Appreciation	-	15,974,290	15,974,290
Board-designated endowment funds	\$ 14,876,663	-	14,876,663
<b>Total</b>	<b>\$ 14,876,663</b>	<b>\$ 18,525,202</b>	<b>\$ 33,401,865</b>
<b>2023</b> (dollars in thousands)			
Donor-restricted endowment funds:			
Restricted in perpetuity	-	\$ 2,447,004	\$ 2,447,004
Appreciation	-	16,242,056	16,242,056
Board-designated endowment funds	\$ 14,691,803	-	14,691,803
<b>Total</b>	<b>\$ 14,691,803</b>	<b>\$ 18,689,060</b>	<b>\$ 33,380,863</b>

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

Changes in endowment net assets for the years ended June 30, 2024 and 2023 were:

<b>2024</b> (dollars in thousands)	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 14,691,803	\$ 18,689,060	\$ 33,380,863
Net investment return	559,100	663,178	1,222,278
Contributions	4,063	90,919	94,982
Appropriation of endowment assets for expenditure	(774,820)	(913,420)	(1,688,240)
Reclassifications, transfers, and board designations	396,517	(4,535)	391,982
<b>Endowment net assets, end of year</b>	<b>\$ 14,876,663</b>	<b>\$ 18,525,202</b>	<b>\$ 33,401,865</b>

<b>2023</b> (dollars in thousands)	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 15,286,936	\$ 19,839,281	\$ 35,126,217
Net investment return	(318,185)	(371,534)	(689,719)
Contributions	1,722	77,241	78,963
Appropriation of endowment assets for expenditure	(739,218)	(873,338)	(1,612,556)
Reclassifications, transfers, and board designations	460,548	17,410	477,958
<b>Endowment net assets, end of year</b>	<b>\$ 14,691,803</b>	<b>\$ 18,689,060</b>	<b>\$ 33,380,863</b>

**Funds with deficiencies** — From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in restricted net assets were \$9.9 million at June 30, 2024. The aggregate fair value of these funds was \$196.9 million, and the aggregate of the original gift amounts was \$206.8 million. At June 30, 2023, deficiencies in restricted net assets were \$7.8 million. The aggregate fair value of these funds was \$117.7 million, and the aggregate of the original gift amounts was \$125.5 million. Deficiencies can result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions while continued appropriations are deemed prudent by the Board of Trustees.

Under the requirements of UPMIFA, the University is permitted to reduce the balance of restricted endowments below the original amount of the gift. Subsequent investment gains then are used to restore the balance up to the fair market value of the original amount of the gift. Both fund deficiencies and subsequent gains above that amount are recorded in net assets with donor restrictions.

**Return objectives and risk parameters** — The University has adopted investment and spending policies for endowment assets that attempt to support the University's current and future operating needs while preserving intergenerational equity. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity or for donor-specified periods, as well as University-designated funds. Under these policies, the endowment assets are invested in a manner intended to produce returns that exceed both the annual rate of spending and University inflation.

**Strategies employed for achieving objectives** — The vast majority of the endowment assets are actively managed by PRINCO, which is structured as a University office but maintains its own Board of Directors, and operates under the final authority of the University's Board of Trustees (the "Trustees").

In pursuit of the investment return objectives, PRINCO maintains an equity-biased portfolio and seeks to partner with best-in-class investment management firms across diverse asset categories.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

**Spending policy and how the investment objectives relate to spending policy** — Each year, the Trustees decide upon an amount to be spent from the endowment for the following fiscal year. In their deliberations, the Trustees use a spending framework designed to enable sizable amounts to be spent in a reasonably stable fashion, while allowing for reinvestment sufficient to preserve purchasing power in perpetuity. The framework targets annual spending rates of between 4.0 percent and 6.25 percent.

The endowment must seek investment returns sufficient to meet spending policy targets, as well as to maintain future purchasing power without deterioration of corpus resulting from University inflation.

## 6. LIQUIDITY AND AVAILABILITY OF RESOURCES

The University's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the Consolidated Statements of Financial Position were as follows:

<i>(dollars in thousands)</i>	2024	2023
<b>Financial assets:</b>		
Cash	\$ 32,291	\$ 42,404
Accounts receivable	132,190	138,570
Educational and mortgage receivable	16,009	15,770
Contributions receivable	8,884	8,595
Working capital	364,074	507,315
Investments: appropriated for spending in the following year	1,779,700	1,684,000
<b>Total financial assets available within one year</b>	<b>\$ 2,333,148</b>	<b>\$ 2,396,654</b>
<b>Liquidity resources:</b>		
Taxable debt and commercial paper (unexpended)	717,193	455,548
Bank lines of credit (undrawn)	959,860	729,289
<b>Total financial assets and resources available within one year</b>	<b>\$ 4,010,202</b>	<b>\$ 3,581,491</b>

As part of the University's liquidity management strategy, the University structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the University invests cash in excess of daily requirements in short-term working capital investments. Cash withdrawals from the managed investment pool normally coincide with the endowment spending distribution but may be adjusted higher or lower based on the timing of gift receipts, capital calls, income and capital distributions, operating expenses, and other factors affecting available cash. Endowment funds appropriated for spending are distributed to University department and program budgets for spending, subject to donor restrictions where applicable; however, cash withdrawals from the investment pool are available for general liquidity purposes. To help manage unanticipated liquidity needs, the University has committed bank lines of credit in the amount of \$978.5 million, upon which it could draw, and a taxable commercial paper program authorized to a maximum level of \$700 million.

Additionally, the University has board-designated endowment funds of \$14.9 billion and \$14.7 billion as of June 30, 2024 and 2023, respectively. Although the University does not

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

intend to spend from its board-designated endowment funds other than amounts appropriated for expenditure as part of its annual budget approval process, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 4 for disclosures about investments).

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## 7. EDUCATIONAL AND MORTGAGE LOANS

Educational loans include donor-restricted and federally sponsored educational loans that bear mandated interest rates and repayment terms and are subject to significant restrictions on their transfer and disposition. These loans totaled \$39.3 million and \$41.5 million at June 30, 2024 and 2023, respectively.

Through a program designed to attract and retain excellent faculty and senior staff, the University provides home acquisition and financing assistance on residential properties in the area surrounding the University. Notes receivable from faculty and staff and co-ownership interests in the properties are included in mortgage loans and are collateralized by mortgages on those properties. These loans and interests totaled \$448.7 million and \$431.1 million at June 30, 2024 and 2023, respectively.

### Allowance for Doubtful Loans

Management assesses the adequacy of the allowance for doubtful loans by performing evaluations of the loan portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of borrowers, the economic environment, the level of delinquent loans, and the value of any collateral associated with the loans. In addition to general economic conditions and other factors described above, a detailed review of the aging of loans receivable is considered in management's assessment. The level of the allowance is adjusted according to the results of management's analysis.

Loans less than 120 days delinquent are deemed to have a minimal delay in payment and generally are not written off. Loans delinquent by 120 days or more are subject to standard collection practices, including litigation. Only loans that are deemed uncollectible are written off, and this occurs only after several unsuccessful collection attempts, including placement at an external collection agency. Considering the other factors discussed herein, management considers the allowance for doubtful loans at June 30, 2024 and 2023 to be prudent and reasonable.

Educational and mortgage loans receivable at June 30, 2024 and 2023 are reported net of allowances for doubtful loans of \$1.3 million and \$1.1 million, respectively in the Consolidated Statements of Financial Position.



# Notes to Consolidated Financial Statements

Princeton University

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## 8. CONTRIBUTIONS RECEIVABLE

At June 30, 2024 and 2023, the University had received from donors unconditional pledges receivable in the following periods:

<i>(dollars in thousands)</i>	<b>2024</b>	<b>2023</b>
Less than one year	\$ 133,691	\$ 142,027
One to five years	240,877	253,210
More than five years	37,108	37,495
<b>Total</b>	<b>\$ 411,676</b>	<b>\$ 432,732</b>
Less unamortized discount	38,195	42,756
Less allowance for doubtful pledges	8,459	8,797
<b>Total</b>	<b>\$ 365,022</b>	<b>\$ 381,179</b>

The amounts pledged have been recorded after discounting the future cash flows to the present value (discount rates ranged from 0.72 percent to 6.18 percent). Current-year pledges are included in revenue as additions to net assets with donor restrictions and are included in contributions receivable at fair value based on observable ASC 820 Level 2 inputs.

In addition, at June 30, 2024 and 2023, the University had received from donors pledges totaling \$40.2 million and \$53.2 million, respectively, conditioned upon the raising of matching gifts from other sources and other criteria. These amounts will be recognized as income in the periods in which the conditions have been fulfilled.

## 9. PROPERTY

Land additions are reported at estimated market value at the date of gift or on a cost basis. Buildings and improvements are stated at cost. Expenditures for operation and maintenance of physical plant are expensed as incurred.

Items classified as property at June 30, 2024 and 2023 consisted of the following:

<i>(dollars in thousands)</i>	<b>2024</b>	<b>2023</b>
Land	\$ 129,989	\$ 123,025
Buildings and improvements	6,412,877	6,086,690
Construction in progress	1,308,471	764,864
Equipment and systems	610,897	565,564
Rare books	170,559	163,844
Library books, periodicals, and bindings	370,582	359,287
Fine art objects	182,024	173,843
<b>Total property</b>	<b>\$ 9,185,399</b>	<b>\$ 8,237,117</b>
Accumulated depreciation	(2,661,933)	(2,544,470)
<b>Total</b>	<b>\$ 6,523,466</b>	<b>\$ 5,692,647</b>

Equipment, library books, periodicals, and bindings are stated at cost, net of accumulated depreciation. Equipment includes items purchased with federal government funds; an indeterminate portion of those items are expected to be transferred to the University at the termination of the respective grant or contract.

# Notes to Consolidated Financial Statements

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In addition to making purchases with University funds, the University, since its inception, has received a substantial number of fine art objects and rare books from individual gifts and bequests. Art objects and rare books acquired through June 30, 1973 are carried at insurable values at that date because it is not practicable to determine the historical cost or market value at the date of gift. Art objects and rare books acquired subsequent to June 30, 1973 are recorded at cost or fair value at the date of gift. Works of art, literary works, historical treasures, and artifacts that are part of a collection are protected, preserved, and held for public exhibition, education, and research in furtherance of public service. Collections are not capitalized, and contributed collection items are not recognized as revenues in the University's consolidated financial statements. Should items of the collection be sold, proceeds from the sale will be used for the acquisition of new collection items, the direct care (which includes conservation care, cataloging, documenting, and proper access and use) of existing collections, or both.

Annual depreciation is calculated on the straight-line method over useful lives ranging from 30 to 40 years for buildings and improvements, 30 years for library books, and 5 to 25 years for equipment and systems. Art objects and rare books having cultural, aesthetic, or historical value are not depreciated.

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## 10. LEASES

The University's leases are primarily real estate operating leases. Under the lease accounting standard, a lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases result in the recognition on the consolidated statements of financial position of right-of-use (ROU) assets, representing the right to use the underlying assets for the lease term, and lease liabilities, representing the obligation to make lease payments arising from the lease based on the present value of lease payments over the lease term. The University determines if an arrangement is a lease or contains a lease at inception of a contract.

The University accounts for nonlease components and the lease components to which they relate as a single lease component for all leases. Certain real estate leases have renewal options, and the lease term includes options to extend the lease when it is reasonably certain that the University will exercise that option. Real estate lease agreements typically have initial terms of 5 to 15 years. The University does not include short-term leases within the consolidated statements of financial position since it has elected the practical expedient to exclude leases with an initial term of 12 months or less from operating ROU assets and lease liabilities.

At lease inception, operating lease assets and liabilities are recognized based on the present value of lease payments over the lease term. The University has elected to utilize a portfolio approach to the implementation of existing operating leases and applied a single discount rate to all leases in each portfolio. For the initial and subsequent measurement of all lease liabilities, the discount rate is based on the rate implied within the lease, or, if not readily determinable, the University applies a risk-free rate, using the applicable treasury yield as of implementation date.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

Lease expense is recognized on a straight-line basis over the term of the lease. Operating lease expense was \$19 million and \$17 million (including amortization related to ROU assets and lease liabilities) for the years ended June 30, 2024 and 2023, respectively.

ROU assets recorded in Other assets were \$43.2 million and \$44.4 million at June 30, 2024 and 2023, respectively. Lease liabilities recorded in Deposits, advance receipts, and accrued liabilities were \$42.5 million and \$43.7 million at June 30, 2024 and 2023, respectively.

The weighted average remaining lease term was 4.9 years and 5.1 years for leases at June 30, 2024 and 2023, respectively. The weighted average discount rate was 2.01 percent and 1.87 percent for operating leases at June 30, 2024 and 2023, respectively.

Future maturities of lease liabilities at June 30, 2024 are as follows:

*(dollars in thousands)*

2025	\$ 10,277
2026	9,807
2027	9,450
2028	6,628
2029	6,057
Thereafter	2,257
Total minimum lease payments	44,476
Imputed interest	(2,025)
<b>Total lease liabilities</b>	<b>\$ 42,451</b>

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## 11. INCOME AND EXCISE TAXES

The University is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income. The University files U.S. federal and various state and local tax returns. The statute of limitations on the University's U.S. federal tax returns remains open for the years ended June 30, 2021 through the present.

On December 22, 2017, the Tax Cuts and Jobs Act (TCJA) was enacted. TCJA impacts the University in several ways, including imposing excise taxes on certain excess compensation and net investment income, establishing new rules for calculating unrelated business taxable income. The University has reflected the tax assets, liabilities, and payables in the consolidated financial statements based on reasonable estimates under the regulatory guidance on the TCJA.

ASC 740, *Income Taxes*, prescribes the minimum recognition threshold that a tax position must meet in connection with accounting for uncertainties in income tax positions taken, or expected to be taken, by an entity before being measured and recognized in the consolidated financial statements. The University continues to evaluate its tax positions pursuant to the principles of ASC 740, and has determined that there is no material impact on the University's consolidated financial statements.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

## 12. INDEBTEDNESS TO THIRD PARTIES

At June 30, 2024 and 2023, the University's debt consisted of taxable bonds, taxable notes, tax-exempt bonds issued through the New Jersey Educational Facilities Authority (NJEFA), commercial paper, and various parent loans as follows:

(dollars in thousands)

	2024	2023
<b>Taxable Revenue Bonds</b>		
2009 Series A, 5.70%, due March 2039, net of unamortized discount of \$824 and \$879	\$ 499,176	\$ 499,121
2016 Series A, 2.61%, 3.63%, due July 2026, July 2046	75,000	75,000
2017 Series A, 3.84%, due July 2048	150,000	150,000
2020 Series A, 2.52% due July 2050	500,000	500,000
2022 Series, 4.21% due March 2052	300,000	300,000
<b>Taxable Notes</b>		
2012, 3.37%, due July 2042	170,000	170,000
2013, 4.73%, due July 2044	75,000	75,000
<b>NJEFA Revenue Bonds</b>		
2014 Series A, 3.77%, due July 2044, including unamortized premium of \$0 and \$13,478	-	189,678
2015 Series A, 2.32% due July 2035, including unamortized premium of \$16,661 and \$18,176	71,161	81,311
2015 Series D, 3.40% due July 2045, including unamortized premium of \$13,855 and \$14,515	141,660	145,975
2016 Series A, 2.53% due July 2035, including unamortized premium of \$12,821 and \$13,986	89,131	101,986
2016 Series B, 1.77% due July 2027, including unamortized premium of \$7,865 and \$10,486	63,235	79,786
2017 Series B, 2.91% due July 2036, including unamortized premium of \$33,903 and \$36,728	234,628	249,748
2017 Series C, 3.50% due July 2047, including unamortized premium of \$16,376 and \$17,089	143,127	146,994
2017 Series I, 2.97% due July 2040, including unamortized premium of \$48,504 and \$51,535	343,029	358,645
2021 Series B, 2.34% due March 2051, including unamortized premium of \$45,291 and \$46,969	278,116	285,444
2021 Series C, 1.66% due March 2041, including unamortized premium of \$21,541 and \$22,808	182,666	190,078
2022 Series A, 2.96% due March 2032, including unamortized premium of \$31,823 and \$35,801	331,823	335,801
2024 Series A, 3.29% due March 2043, including unamortized premium of \$147,802 and \$0	956,987	-
2024 Series B, 4.34% due March 2054, including unamortized premium of \$45,430 and \$0	545,430	-
2024 Series C, 3.49% due March 2044, including unamortized premium of \$15,892 and \$0	174,532	-
<b>NJEFA Capital Improvement Fund Bonds</b>		
2014 Series B, 3.67%, due September 2033, including unamortized premium of \$111 and \$122	2,022	2,179
<b>Commercial Paper</b>		
Taxable, 5.49% and 5.23% with maturities up to one year	11,000	66,600
Tax Exempt, 3.45% and 0% with maturities up to one year	64,800	-
<b>Parent Loans</b> , 1.74% to 6.38% with maturities up to six years	32,516	34,212
<b>Total Borrowings</b>	<b>\$ 5,435,039</b>	<b>\$ 4,037,558</b>
Unamortized debt issuance costs	(12,646)	(9,834)
<b>Total Borrowings Net of Unamortized Issuance Costs</b>	<b>\$ 5,422,393</b>	<b>\$ 4,027,724</b>

# Notes to Consolidated Financial Statements

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The University is authorized by the Trustees to issue new debt of up to \$2.55 billion for the calendar year 2024, and up to \$650 million for each subsequent calendar year.

The full faith and credit of the University is pledged in all loan agreements with the NJEFA. In fiscal year 1999, the University entered into a loan facility (subsequently converted to two separate parent loan facilities) with a national bank to fund its parent loan program, which is currently authorized by the Trustees up to \$100 million. Fixed or variable rates may be selected on a pass-through basis to the borrowers; terms may be as long as 14 years. The University modified these loan facilities to provide that they may be drawn for educational and other corporate purposes of the University, including but not limited to the University's internal educational loan programs.

In fiscal year 1998, a commercial paper program was authorized as an initial step of financing to provide construction funds for approved capital projects. The commercial paper proceeds are primarily used to finance construction expenditures until permanent financing from gifts or other sources is made available. The University maintains a taxable and tax-exempt program, which is currently authorized to a maximum level of \$1 billion.

Principal payments for each of the next five years and thereafter on debt outstanding at June 30, 2024, excluding commercial paper, are as follows:

<i>(dollars in thousands)</i>	Principal Payments
2025	\$ 99,976
2026	115,078
2027	260,927
2028	111,802
2029	113,099
Thereafter	4,201,306
<b>Subtotal</b>	<b>4,902,188</b>
Unamortized premium	457,052
<b>Net long-term debt</b>	<b>\$ 5,359,240</b>

In addition to the facilities mentioned above, the University has committed bank lines of credit totaling \$948.5 million at June 30, 2024, under which the University may borrow on an unsecured basis at agreed-upon rates. There were \$9.0 million and \$11.4 million in letters of credit outstanding under these credit facilities at June 30, 2024 and 2023, respectively.

## 13. EMPLOYEE BENEFIT PLANS

All faculty and staff who meet specific employment requirements participate in a defined contribution plan, which invests in the Teachers Insurance and Annuity Association and College Retirement Equities Fund, Vanguard Fiduciary Trust Funds, and other funds. The University's contributions were \$88.1 million and \$77.8 million for the years ended June 30, 2024 and 2023, respectively. The University also provides deferred compensation arrangements for certain officers, faculty, and staff. Accrued benefits of \$552.5 million and \$512.4 million for the years ended June 30, 2024 and 2023, respectively, include the Accumulated postretirement benefit obligation and deferred compensation in the Consolidated Statements of Financial Position.

### Postretirement Benefits Other Than Pensions

ASC 715, *Compensation — Retirement Benefits*, requires the recognition of a defined benefit postretirement plan's funded status as either an asset or a liability on the Consolidated Statements of Financial Position. Actuarial gains or losses and prior service costs or credits that arise during

# Notes to Consolidated Financial Statements

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the period must be recognized as a component of net assets without donor restrictions. The University calculates its Accumulated Postretirement Benefit Obligation (APBO) in accordance with ASC 715, which initially was elected in 1993 and amortized over 20 years. The University continues to recognize the cost of providing postretirement benefits for employees over the service period until their full retirement eligibility under the plan.

The University provides single-coverage health insurance to its retirees who meet certain eligibility requirements. Participants may purchase additional dependent or premium coverage. The accounting for the plan anticipates future cost-sharing changes to the written plan that are consistent with the University's expressed intent to increase retiree contributions in line with medical costs.

The benefit costs for the years ended June 30, 2024 and 2023 consisted of the following:

<i>(dollars in thousands)</i>	<b>2024</b>	<b>2023</b>
Service cost	\$ 19,853	\$ 21,280
Interest cost	20,658	18,020
Gain amortization	(12,213)	(12,214)
<b>Total</b>	<b>\$ 28,298</b>	<b>\$ 27,086</b>

The APBO at June 30, 2024 and 2023 consisted of actuarially determined obligations to the following categories of employees:

<i>(dollars in thousands)</i>	<b>2024</b>	<b>2023</b>
Retirees	\$ 174,787	\$ 164,503
Active employees eligible to retire	106,891	104,937
Other active participants	157,902	149,953
<b>Total</b>	<b>\$ 439,580</b>	<b>\$ 419,393</b>

The increase in the postretirement benefit obligation was primarily driven by the normal increase in employees' age and service years. As of June 30, 2024 and 2023, the APBO was unfunded.

A reconciliation of unrecognized net (gain) or loss recognized in Net assets without donor restrictions is presented below:

<i>(dollars in thousands)</i>	<b>2024</b>	<b>2023</b>
Amount at the beginning of the year	\$ (193,270)	\$ (192,697)
Gain during year	(7,040)	(12,787)
Amortization during year	12,213	12,214
<b>Total</b>	<b>\$ (188,097)</b>	<b>\$ (193,270)</b>

# Notes to Consolidated Financial Statements

Princeton University

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The assumptions used to calculate the APBO at June 30, 2024 and 2023 were as follows:

	2024	2023
Discount rate	5.25%	5.00%
Healthcare cost trend rate	5.80%	6.00%
Rate to which the cost trend rate is		
assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year the rate reaches the ultimate trend rate	2029	2029
Prescription drug cost trend rate	7.00%	7.00%
Rate to which the cost trend rate is		
assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year the rate reaches the ultimate trend rate	2030	2029

The table below reflects expected postretirement plan benefit payments over the next 10 years. These amounts reflect the total benefits expected to be paid from the plan, net of the participants' share of the cost and federal subsidies. Expected benefit payments are based on the same assumptions used to measure the benefit obligations and include estimated future employee benefit service.

*(dollars in thousands)*

2025	\$ 13,902
2026	14,724
2027	15,793
2028	16,356
2029	17,613
2030 — 2034	105,901

The University provides Medicare retiree drug coverage through an employer group waiver plan (EGWP). Under EGWP, the cost of drug coverage is offset through direct federal subsidies, brand-name drug discounts, and reinsurance reimbursements. The net effect of these subsidies has been recognized in the calculation of the University's postretirement benefit obligation as of June 30, 2024 and 2023.

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## 14. NET ASSETS

Net assets are categorized as without donor restrictions and with donor restrictions. Net assets without donor restrictions are derived from gifts and other institutional resources that are not subject to explicit donor-imposed restrictions. This category also includes income and gains on these funds. Included in the total is the net investment in plant and equipment. Certain net assets classified as without donor restrictions for external reporting purposes are board-designated for specific purposes or uses under the internal operating budget practices of the University. Net assets with donor restrictions generally are established by donors in support of schools or departments of the University, often for specific purposes such as professorships, research, faculty support, scholarships and fellowships, athletics, the library, the art museum, building construction, and other specific purposes. This category includes gifts, pledges, trusts and remainder interests, and income and gains that can be expended but for which restrictions have not yet been met. Such restrictions include purpose restrictions and time restrictions imposed by donors or implied by the nature of the gift, or by the interpretations of law. Donor restrictions normally are released upon the passage of time or the incurrence of expenditures that fulfill the donor-specified purpose. Certain donor restrictions are perpetual in nature and may include gifts, pledges, trusts and remainder interests, and

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

income and gains that are required to be permanently retained.

The composition of net assets by restriction and purpose at June 30, 2024 and 2023 was as follows:

<b>2024</b>			
<b>Net Assets</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>
<i>(dollars in millions)</i>			
Endowment:			
Teaching and research	\$ 1,584	\$ 6,892	\$ 8,476
Student financial aid	743	5,055	5,798
Department programs and support	3,275	4,536	7,811
Designated for operations	9,273	2,042	11,315
Other:			
Pledges	-	365	365
Capital, unallocated gifts, and grants	-	600	600
Annuities and trusts	-	217	217
Net investment in plant	2,923	-	2,923
Operating	(1,353)	-	(1,353)
Noncontrolling interests	172	-	172
<b>Total</b>	<b>\$ 16,617</b>	<b>\$ 19,707</b>	<b>\$ 36,324</b>
<b>2023</b>			
<b>Net Assets</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>
<i>(dollars in millions)</i>			
Endowment:			
Teaching and research	\$ 1,608	\$ 6,954	\$ 8,562
Student financial aid	760	5,115	5,875
Department programs and support	3,316	4,552	7,868
Designated for operations	9,007	2,069	11,076
Other:			
Pledges	-	381	381
Capital, unallocated gifts, and grants	-	566	566
Annuities and trusts	-	212	212
Net investment in plant	2,551	-	2,551
Operating	(890)	-	(890)
Noncontrolling interests	218	-	218
<b>Total</b>	<b>\$ 16,570</b>	<b>\$ 19,849</b>	<b>\$ 36,419</b>

## 15. EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATION

Expenses are presented by functional classification in alignment with the overall mission of the University. The University's primary service mission is academic instruction and research, which includes direct supporting functions such as the University's library system and art museum. Student services and support include various student-supporting functions such as admission, health, career, and athletics, as well as auxiliary enterprises and related student aid. The Princeton Plasma Physics Laboratory, which is operated by the University on behalf of the U.S. Department of Energy, is classified as an independent operation.



# Notes to Consolidated Financial Statements

Princeton University

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Natural expenses attributable to more than one functional expense category are allocated using reasonable cost allocation techniques. Plant operations and maintenance expenses are allocated on a square footage basis. Interest expense on indebtedness is allocated to the functional categories that have benefited from the associated debt. Depreciation is allocated based on functional usage of property, plant, and equipment.

Expenses by functional and natural classification for the years ended June 30, 2024 and 2023 were as follows:

## 2024

Natural Classification (dollars in thousands)	Academic & Research	Student Services & Support	General Admin & Operations	Independent Operations	Total
Salaries and wages	\$ 645,233	\$ 88,788	\$ 243,795	\$ 92,729	\$ 1,070,545
Employee benefits	216,470	27,841	31,072	30,685	306,068
Supplies, services, and other	265,247	99,358	93,491	87,546	545,642
Space and occupancy	7,877	4,562	81,140	3,756	97,335
Student stipends and prizes	-	104,738	-	5	104,743
Allocations:					
Depreciation	133,632	54,709	22,448	94	210,883
Interest	69,378	9,869	53,609	-	132,856
Operations and maintenance	118,906	39,142	(158,048)	-	-
<b>Total operating expenses</b>	<b>1,456,743</b>	<b>429,007</b>	<b>367,507</b>	<b>214,815</b>	<b>2,468,072</b>
Net periodic benefit cost other					
than service cost	5,337	766	1,530	812	8,445
Other nonoperating	-	37,844	-	-	37,844
<b>Total expenses and other nonoperating</b>	<b>\$ 1,462,080</b>	<b>\$ 467,617</b>	<b>\$ 369,037</b>	<b>\$ 215,627</b>	<b>\$ 2,514,361</b>

## 2023

Natural Classification (dollars in thousands)	Academic & Research	Student Services & Support	General Admin & Operations	Independent Operations	Total
Salaries and wages	\$ 580,319	\$ 82,216	\$ 223,055	\$ 83,499	\$ 969,089
Employee benefits	188,305	25,031	32,998	27,707	274,041
Supplies, services, and other	233,821	86,256	71,634	80,804	472,515
Space and occupancy	6,531	3,927	84,908	4,290	99,656
Student stipends and prizes	-	98,758	-	38	98,796
Allocations:					
Depreciation	147,631	46,381	22,078	92	216,182
Interest	75,154	10,691	47,135	-	132,980
Operations and maintenance	112,145	37,372	(149,517)	-	-
<b>Total operating expenses</b>	<b>1,343,906</b>	<b>390,632</b>	<b>332,291</b>	<b>196,430</b>	<b>2,263,259</b>
Net periodic benefit cost other					
than service cost	3,702	540	1,031	533	5,806
Other nonoperating	-	-	-	-	-
<b>Total expenses and other nonoperating</b>	<b>\$ 1,347,608</b>	<b>\$ 391,172</b>	<b>\$ 333,322</b>	<b>\$ 196,963</b>	<b>\$ 2,269,065</b>

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

## Student Financial Aid

The University provides financial aid to undergraduate students in the form of scholarship grants designed to meet 100 percent of demonstrated financial need. All Ph.D. and many Master's degree candidates in the Graduate School receive financial support for the duration of their degree program in the form of fellowships, assistantships in research or teaching, and non-University awards. Graduate student support covers the full cost of tuition and fees and a stipend that supports estimated living expenses. Students also may be awarded grants that support various academic or research activities. Undergraduate scholarships and graduate fellowships and assistantships are reported as discounts to tuition and fee revenues in the Consolidated Statements of Activities. Student stipends, awards, and prizes are reported as operating expenses. Student financial aid costs are funded by the University's endowment, Annual Giving, and other University resources.

Total student financial aid costs for the years ended June 30, 2024 and 2023 were as follows:

Student Financial Aid (dollars in thousands)	2024	2023
Scholarships and fellowships	\$ 414,325	\$ 356,848
Stipends and prizes	104,743	98,796
<b>Total</b>	<b>\$ 519,068</b>	<b>\$ 455,644</b>

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## 16. COMMITMENTS AND CONTINGENCIES

At June 30, 2024, the University had authorized major renovation and capital construction projects for more than \$5,471.0 million. Of the total, approximately \$1,468.5 million had not yet been expended.

The University has entered into certain agreements to guarantee the debt of others. Under these agreements, if the principal obligor defaults on the debt, then the University may be required to satisfy all or part of the remaining obligation. The total amount of these guarantees was \$15.2 million at June 30, 2024.

The University is subject to certain legal claims that have arisen in the normal course of operations. In the opinion of management, the ultimate outcome of these actions will not have a material effect on the University's consolidated financial position, consolidated statements of activities, or cash flows.

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## 17. SUBSEQUENT EVENTS

The University has evaluated subsequent events through November 25, 2024, which is the date the consolidated financial statements were issued, and determined that there were no subsequent events requiring adjustment or disclosure in the consolidated financial statements.

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

## 18. CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

The following tables present the consolidating statements of financial position of all legal entities of the Trustees of Princeton University as of June 30, 2024 and 2023:

<b>As of June 30, 2024</b> <i>(dollars in thousands)</i>	<b>Princeton University</b>	<b>Affiliates</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Assets</b>				
Cash	\$ 32,291	-	-	\$ 32,291
Accounts receivable	177,714	-	-	177,714
Receivables associated with investments	2,918	-	-	2,918
Educational and mortgage loans receivable	488,009	-	-	488,009
Contributions receivable	365,022	-	-	365,022
Managed investments at fair value	33,659,716	\$ 62,415	-	33,722,131
Funds held in trust by others	142,469	-	-	142,469
Other investments	1,506,032	-	-	1,506,032
Property, net of accumulated depreciation	6,523,466	-	-	6,523,466
Other assets	83,866	-	-	83,866
<b>Total assets</b>	<b>\$ 42,981,503</b>	<b>\$ 62,415</b>	<b>-</b>	<b>\$ 43,043,918</b>
<b>Liabilities</b>				
Accounts payable	\$ 160,129	-	-	\$ 160,129
Liabilities associated with investments	17,727	-	-	17,727
Deposits, advance receipts, and accrued liabilities	334,052	-	-	334,052
Deposits held in custody for others	147,973	-	-	147,973
Liability under planned giving agreements	66,092	-	-	66,092
Liability for annuity contracts	19,046	-	-	19,046
Indebtedness to third parties	5,422,393	-	-	5,422,393
Accrued postretirement benefits	552,521	-	-	552,521
<b>Total liabilities</b>	<b>\$ 6,719,933</b>	<b>-</b>	<b>-</b>	<b>\$ 6,719,933</b>
<b>Net assets</b>				
Total net assets without donor restrictions	\$ 16,616,973	-	-	\$ 16,616,973
Total net assets with donor restrictions	19,644,597	\$ 62,415	-	19,707,012
<b>Total net assets</b>	<b>36,261,570</b>	<b>62,415</b>	<b>-</b>	<b>36,323,985</b>
<b>Total liabilities and net assets</b>	<b>\$ 42,981,503</b>	<b>\$ 62,415</b>	<b>-</b>	<b>\$ 43,043,918</b>

# Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2024 and 2023

## As of June 30, 2023

(dollars in thousands)

	Princeton University	Affiliates	Eliminations	Consolidated
<b>Assets</b>				
Cash	\$ 42,404	-	-	\$ 42,404
Accounts receivable	183,065	-	-	183,065
Receivables associated with investments	35,178	-	-	35,178
Educational and mortgage loans receivable	472,631	-	-	472,631
Contributions receivable	381,179	-	-	381,179
Managed investments at fair value	33,686,807	\$ 63,290	-	33,750,097
Funds held in trust by others	133,718	-	-	133,718
Other investments	968,430	-	-	968,430
Property, net of accumulated depreciation	5,692,647	-	-	5,692,647
Other assets	86,011	-	-	86,011
<b>Total assets</b>	<b>\$ 41,682,070</b>	<b>\$ 63,290</b>	<b>-</b>	<b>\$ 41,745,360</b>
<b>Liabilities</b>				
Accounts payable	\$ 145,574	-	-	\$ 145,574
Liabilities associated with investments	41,654	-	-	41,654
Deposits, advance receipts, and accrued liabilities	336,101	-	-	336,101
Deposits held in custody for others	179,348	-	-	179,348
Liability under planned giving agreements	65,830	-	-	65,830
Liability for annuity contracts	17,579	-	-	17,579
Indebtedness to third parties	4,027,724	-	-	4,027,724
Accrued postretirement benefits	512,357	-	-	512,357
<b>Total liabilities</b>	<b>\$ 5,326,167</b>	<b>-</b>	<b>-</b>	<b>\$ 5,326,167</b>
<b>Net assets</b>				
Total net assets without donor restrictions	\$ 16,570,595	-	-	\$ 16,570,595
Total net assets with donor restrictions	19,785,308	\$ 63,290	-	19,848,598
<b>Total net assets</b>	<b>36,355,903</b>	<b>63,290</b>	<b>-</b>	<b>36,419,193</b>
<b>Total liabilities and net assets</b>	<b>\$ 41,682,070</b>	<b>\$ 63,290</b>	<b>-</b>	<b>\$ 41,745,360</b>

## **APPENDIX C**

### **SUMMARIES OF CERTAIN DOCUMENTS**

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The following statements are brief summaries of the General Resolution, the 2025 Series Resolution and the Loan Agreement. These summaries do not purport to be complete statements of the terms of such documents, and are qualified by reference to the full text of the respective documents, copies of which are available from the Authority.

## **GENERAL RESOLUTION AND 2025 SERIES RESOLUTION**

The General Resolution authorizes the Authority to issue Bonds in order to finance one or more facilities at the University, in one or more series, each of such series to be authorized by a separate Series Resolution. The 2025 Series Resolution authorizes the 2025 Project and the issuance of the 2025 Bonds and specifies the details of the 2025 Bonds.

### **Establishment of Funds and Accounts**

The following funds and accounts within funds shall be established: Construction Fund; Revenue Fund; Debt Service Fund (Principal Account, Interest Account and Sinking Fund Account for each of the 2025 Bonds); the Bond Purchase Fund (Remarketing Proceeds Account and the University Funds Account for each of the 2025 Bonds); Facility Renewal and Replacement Fund; Redemption Fund and Rebate Fund. All funds and accounts shall be held and maintained by the Trustee, except the Construction Fund, which shall be held by the Trustee and maintained and applied by the Authority.

### **Allocation of Revenues**

There is established and created by the 2025 Series Resolution an account within the Revenue Fund to be designated the "2025 Revenue Account". Notwithstanding anything in the General Resolution to the contrary, moneys in the 2025 Revenue Account of the Revenue Fund shall be paid to the Trustee on or prior to the fifth (5th) day after deposit thereof as follows and in the following order of priority:

First: To the Interest Account, the amount necessary to equal the unpaid interest to become due on the Bonds Outstanding on the next succeeding semiannual Interest Payment Date.

Second: To the Principal Account, the amount, if any, necessary to make the amount on deposit in the Principal Account equal to the principal amount becoming due on the Bonds Outstanding on the next succeeding July 1.

Third: To the Sinking Fund Account, the amount, if any, necessary to make the amount on deposit in the Sinking Fund Account equal to the sinking fund installment payable on the Bonds Outstanding on the next succeeding July 1.

Fourth: To the Authority, the amounts as are payable to the Authority for (i) any expenditures of the Authority for insurance, fees and expenses of auditing and fees and expenses of the Trustee, all as required by the General Resolution and not otherwise paid or caused to be paid or provided for by the University; (ii) all other expenditures reasonably and necessarily incurred by the Authority by reason of its financing of the 2025 Project in accordance with the Loan Agreement, including expenses incurred by the Authority to compel full and punctual performance of all provisions of the Loan Agreement in accordance with the terms thereof; and (iii) the Annual Administrative Fee unless otherwise paid, but only upon receipt by the Trustee from the Authority of a certificate signed by an Authorized Officer of the Authority stating in reasonable detail the amounts payable to the Authority.

### **Additional Bonds**

In addition to the 2025 Bonds, the Authority may issue, by a Series Resolution, completion Bonds to complete a Facility financed under the General Resolution and to finance or refinance any other project authorized under the General Resolution, which Additional Bonds shall be entitled to the pledge of the Revenues made by the General Resolution on parity with all Bonds then Outstanding.

Refunding Bonds may be issued to refund any one or more series of Bonds, in accordance with the Act and, unless all Bonds issued under the General Resolution are to be refunded, in accordance with the provisions of the General Resolution and the Series Resolution authorizing such refunding Bonds.

The Authority shall not create or permit the creation of or issue any obligations or create any additional indebtedness that will be secured by a charge and lien on or be payable from the Revenues, except that Additional Parity Bonds as described above may be issued from time to time pursuant to a Series Resolution, subsequent to the issuance of the 2025 Bonds, on parity with all Bonds then Outstanding and secured by an equal charge and lien on and payable equally from the Revenues to (i) complete a Facility, (ii) provide funds for the creation of a debt service reserve fund for one or more series of Bonds, or (iii) provide funds to finance an additional Facility, under the following conditions and limitations:

Such Additional Parity Bonds shall have been authorized to finance or refinance the acquisition, construction or completion of a Facility for which the University has requested financing or refinancing from the Authority or to provide funds for the creation of a debt service reserve fund for one or more series of Bonds.

The University enters into a Loan Agreement with the Authority with respect to such Facility agreeing to pay as a general obligation of the University, from its general revenues and funds, all moneys required to be paid in respect of the Additional Parity Bonds, including amounts sufficient to pay the principal of, sinking fund installments, if applicable, and interest on the Additional Parity Bonds together with all of the costs relating thereto.

The University is not in default under the terms and conditions of any existing Loan Agreement.

The University, in the Loan Agreement executed with respect to the Facility being financed with the proceeds derived from the Additional Parity Bonds, agrees to make loan payments equal to the debt service requirements on such Bonds.

There is at the time of issuance of such Additional Parity Bonds no deficiency in the amounts required to be deposited by the General Resolution and all existing Series Resolutions and to be paid into the Debt Service Fund.

#### **Investment of Moneys in Funds and Accounts**

Moneys in any of the funds and accounts established pursuant to the General Resolution shall be invested, except moneys in the Revenue Fund, which shall not be invested, if and to the extent the same are at the time legal for the investment of the Authority's funds, but only as follows:

(a) Moneys in each Interest Account only in direct obligations of or obligations guaranteed by the United States of America or the State, maturing or redeemable, at the option of the holder, not later than ten (10) days prior to the next ensuing Interest Payment Date of the 2025 Bonds.

(b) Moneys in each Principal Account or any Sinking Fund Account only in direct obligations of or obligations guaranteed by the United States of America or the State, maturing or redeemable, at the option of the holder, not later than ten (10) days prior to the next ensuing principal or sinking fund installment payment date of the 2025 Bonds.

(c) Moneys in each subaccount of the Facility Renewal and Replacement Fund only in obligations authorized by law for the investment of trust funds in the custody of the Treasurer of the State.

(d) Moneys in the Redemption Fund only in direct obligations of or obligations guaranteed by the United States of America or the State, maturing or redeemable, at the option of the holder, not later than the next succeeding Interest Payment Date on which Bonds are subject to redemption.

Subject to the provisions of the Act, moneys held by the Authority in each Construction Fund shall be held in cash or may be invested by the Authority only in (i) U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States of America for the payment of principal and interest; (ii)



federal agency or U.S. government sponsored enterprise obligations, participations or other instruments; (iii) bonds or notes issued by any state or municipality; (iv) negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state chartered bank, credit union or savings association, or by a federally- or state-licensed branch of a foreign bank or financial institution; (v) commercial paper; (vi) corporate bonds and medium-term notes; (vii) asset-backed securities; (viii) investment agreements or guaranteed investment contracts; (ix) certificates of deposit of any bank, savings and loan or trust company organized under the laws of the United States of America or any state thereof; *provided*, that such certificates of deposit shall be fully collateralized (with a prior perfected security interest), to the extent they are not insured by the Federal Deposit Insurance Corporation, by the investment obligations described in (i) and (ii) above having a market value at all times equal to the uninsured amount of such deposit; (x) repurchase agreements that meet the following requirements: (a) must be governed by a written SIFMA Master Repurchase Agreement that specifies securities eligible for purchase and resale and that provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full and timely repayment; (b) counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York or a nationally chartered commercial bank; (c) securities underlying repurchase agreements must be delivered to a third-party custodian under a written custodial agreement that may be of deliverable or tri-party form and must be held in the Authority's custodial account or in a separate account in the name of the Authority; (d) acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States of America or any agency of the United States of America, including U.S. agency-issued mortgage-backed securities; and (e) underlying securities must have an aggregate current market value, including accrued interest, of at least 102% (or 100%, if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each Business Day; (xi) shares in open-end and no-load money market mutual funds that are backed by U.S. government securities; *provided*, such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7 thereof; and (xii) New Jersey Cash Management Fund.

Interest earned, profits realized and losses suffered by reason of any investment shall be credited or charged, as the case may be, to the fund or account for which such investment shall have been made.

The Trustee may sell or redeem any obligations in which moneys shall have been invested pursuant to the General Resolution, to the extent necessary, in its sole discretion, to provide cash in the respective funds or accounts, to make any payments required for the payment of principal of or interest on any Bonds, or to facilitate the transfers of moneys between various funds and accounts as may be required for such payments.

The Authority may sell or redeem obligations in which moneys in the Construction Fund shall have been invested to the extent necessary to provide cash in such fund.

In computing the value of assets of any fund or account, investments shall be deemed a part thereof and shall be valued at cost or current market value, whichever is the lower, or at the redemption price thereof, if then redeemable at the option of the holder.

The proceeds from the sale of any investment shall be paid into the fund or account, as the case may be, on whose behalf the sale thereof was made.

Neither the Trustee nor the Authority shall be liable for any depreciation in the value of any obligations in which moneys of the funds or accounts shall be invested or for any loss arising from any investment or any disposition of said obligations.

### **Accounts and Audits**

The Authority shall keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Authority by the Trustee, in which complete and correct entries shall be made of its transactions relating to each Facility and each Series Resolution, which records and accounts shall be subject to the inspection of the Trustee or any holder of a Bond of the Series issued for such Facility (or his representative duly authorized in writing) at reasonable hours and subject to the reasonable rules and regulations of the Authority. The Authority shall cause such records and accounts to be audited annually within ninety (90) days after the end of its fiscal year by a nationally recognized independent public accountant selected by the Authority.

Annually, within thirty (30) days after receipt by the Authority of the report of such audit, a signed copy of such report shall be furnished to the Trustee. Such report shall include at least: a statement of all funds (including investments thereof) held by the Trustee and the Authority pursuant to the provisions of the General Resolution and each Series Resolution; a statement of the Revenues collected in connection with each Facility and each Series Resolution; a statement that the balances in the Facility Renewal and Replacement Fund meet the requirements of the General Resolution and the Series Resolutions; and a statement that, in making such audit, no knowledge of any default in the fulfillment of any of the terms, covenants or provisions of the General Resolution and the Series Resolutions was obtained or, if knowledge of any such default was obtained, a statement thereof.

### **Events of Default**

An event of default shall exist under the General Resolution and under the Series Resolutions (herein called "*event of default*") if:

- (a) Payment of the principal or sinking fund installment of any Bond shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise;
- (b) Payment of an installment of interest on any Bond shall not be made when the same shall become due and payable, and such default shall continue for a period of thirty (30) days;
- (c) The Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, in the General Resolution or in any Series Resolution on the part of the Authority to be performed, and such default shall continue for a period of thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of not less than five per centum (5%) in principal amount of the Outstanding Bonds; or
- (d) An event of default, as defined in a Loan Agreement, has occurred under such Loan Agreement and is continuing.

### **Acceleration of Maturity**

Upon the happening and continuance of any event of default specified in the preceding caption, then and in every such case the Trustee may declare, and upon the written request of the holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds shall declare, by a notice in writing to the Authority, the principal of and interest on all of the Outstanding Bonds to be immediately due and payable. At the expiration of thirty (30) days from the giving of notice of such declaration, such principal and interest shall become and be immediately due and payable, anything in the Bonds or in the General Resolution or in any Series Resolution to the contrary notwithstanding. At any time after the principal 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 the completion of the enforcement of any other remedy under the General Resolution, the Trustee may, with the written consent of the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds not then due by their terms and then Outstanding and by written notice to the Authority, annul such declaration and its consequences if: (i) moneys shall have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last Interest Payment Date); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; (iii) all other amounts then payable by the Authority under the General Resolution and under the Series Resolutions shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in the General Resolution (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this caption) or in any Series Resolution shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

### **Enforcement of Remedies**

Upon the happening and continuance of any event of default specified in the caption above entitled "Events of Default", then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds shall proceed (subject to certain provisions of the General Resolution), to protect and enforce its rights and the rights of the holders of the Bonds under the laws of the State of New Jersey, under the General Resolution or under any Series Resolution by such suits, actions or special proceedings at law or in equity, either for the specific performance of any covenant contained in the General Resolution or in any Series Resolution or in aid or execution of any power therein granted, for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the General Resolution or under any Series Resolution, the Trustee shall be entitled to sue for, to enforce payment of and to receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the General Resolution, any Series Resolution or the Bonds, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the General Resolution, under any Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or the holders of such Bonds, and to recover and enforce judgment or decree against the Authority, but solely as provided in the General Resolution and in such Bonds, for any portion of such amounts remaining unpaid (with interest, costs and expenses) and to collect in any manner provided by law the moneys adjudged or decreed to be payable.

### **Supplemental Resolutions**

The Authority may, with the approval of the Trustee, adopt Supplemental Resolutions to cure any ambiguity, formal defect or omission in the General Resolution, and, upon notification to the Trustee, adopt Supplemental Resolutions to add to the covenants and agreements of the Authority or to surrender any right or power reserved to the Authority. The General Resolution, any Series Resolution or any Supplemental Resolution may be modified, altered, amended, added to or rescinded in any particular from time to time with the consent of the holders of not less than sixty-six and two-thirds per centum (66-2/3%) in aggregate principal amount of the Bonds then Outstanding so affected; *provided*, that nothing shall permit (a) an extension of the maturity of or interest on any Bond, (b) a reduction in the principal amount, the redemption premium or the rate of interest on any Bond, (c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution, without the consent of all Bondholders so affected.

## **LOAN AGREEMENT**

The following statements are brief summaries of the Loan Agreement, which do not purport to be complete. Reference is made to the Loan Agreement in its entirety, copies of which are available from the Authority. Capitalized terms used but not defined below shall have the respective meanings assigned to such terms herein or in the Loan Agreement.

### **General Obligation of University**

The Loan Agreement and the obligation of the University to make the payments required thereunder are general obligations of the University, such payments to be made from any moneys of the University legally available therefor.

### **Duration of Agreement**

The Loan Agreement shall remain in full force and effect from the date thereof until the date on which the principal of and redemption premium, if any, and interest on the 2025 Bonds and any other costs of the Authority with respect to the 2025 Project shall have been fully paid or provision for the payment thereof shall have been made as provided by the General Resolution and the 2025 Series Resolution, at which time the Loan Agreement shall terminate.

### **Agreement for Benefit of Bondholders**

The Loan Agreement is executed in part to induce the purchase by others of the 2025 Bonds, and, accordingly, all covenants and agreements on the part of the University and the Authority, as set forth in the Loan Agreement, are for the benefit of the holders of the 2025 Bonds and any other Bonds issued and to be issued on a parity with the 2025 Bonds as permitted by the General Resolution.

### **Conditions Precedent to Disbursement of Moneys**

The obligation of the Authority to make any disbursement of moneys based upon construction or renovation shall be subject to the following conditions, as well as any others set forth in the Loan Agreement: (i) the University shall not be in default under the Loan Agreement; and (ii) construction shall have progressed at a rate and in a manner reasonably satisfactory to the Authority.

If the University fails to meet the conditions precedent to the full disbursement of the Loan as specified in the preceding paragraph, the obligation of the Authority to make further disbursements in connection with the Loan shall cease. In such event, the Authority may elect, in its sole discretion, either (i) to permit the Loan to continue, with the total of all disbursements or advances previously made to constitute the total amount of the Loan; or (ii) to declare the amount of all such disbursements or advances immediately due and payable, in accordance with the right reserved in the Loan Agreement; *provided, however*, the Authority, in its sole discretion, may waive any of the foregoing requirements and take such other action as it deems appropriate. In any event, the approval of the disbursement of moneys shall not be unreasonably withheld.

### **Payment Unconditional**

The University unconditionally agrees to pay to the Authority or on its order the payments required by the Loan Agreement in the manner and at the times provided by the Loan Agreement.

### **Payment Obligations of University**

The obligation of the University to pay or cause to be paid the amounts payable under the Loan Agreement are absolute and unconditional, and the amount, manner and time of payment of such amounts shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening of any event. The amounts payable by the University shall be equal to all sums necessary for the payment of certain fees and expenses of the Authority and the Trustee, and shall be calculated and payable as follows:

(a) For the Bond Year beginning July 1, 2025 and for each Bond Year thereafter, an amount equal to the amount of interest on the 2025 Bonds Outstanding becoming due on January 1 in such Bond Year and on the July 1 immediately succeeding the expiration of such Bond Year.

(b) For the Bond Year beginning July 1, 2025 and for each Bond Year thereafter, the amount of principal of the 2025 Bonds Outstanding becoming due on the July 1 immediately succeeding the expiration of such Bond Year.

(c) For the Bond Year beginning July 1, 2025 and for each Bond Year thereafter, an amount equal to the sum of the following three items: (i) any expenditures of the Authority for insurance, fees and expenses of auditing and fees and expenses of the Trustee, any paying agents and depositories, and not otherwise paid or

provided for by the University; (ii) all other expenditures reasonably and necessarily incurred by the Authority by reason of its financing of the 2025 Project, including expenses incurred by the Authority to compel full and punctual performance of all of the provisions of the Loan Agreement in accordance with the terms hereof; and (iii) all amounts to the extent required to be deposited by the Authority in the rebate account for the 2025 Bonds in the Rebate Fund pursuant to Section 4.11 of the General Resolution and the Letter of Instruction, less amounts transferred from the Construction Fund to satisfy such requirement. Any expenditures of the Authority made pursuant to items (i) and (ii) of this subparagraph shall be certified by the Authority to the University in writing as soon as practicable and shall thereupon be paid or caused to be paid by the University.

(d) For the Bond Year beginning July 1, 2025 and for each Bond Year thereafter, the Annual Administrative Fee to be paid to the Authority in the amount of 7/100 of 1% of the principal amount of the 2025 Bonds Outstanding.

(e) On the date of the issuance and delivery of the 2025 Bonds, the Initial Fee to be paid to the Authority calculated at the rate of 1/5 of 1% of the aggregate principal amount of each series of the 2025 Bonds, with a maximum initial fee of \$125,000.

To secure payment of the amounts required under the Loan Agreement, the University has caused to be created a loan account for the 2025 Bonds (the "*Loan Account*") to be maintained with the Trustee. Except for the payments on account of rebate required by clause (iii) of subparagraph (c) of this caption, the University covenants and agrees that it will deposit or cause to be deposited with the Trustee: (i) no later than June 20 and December 20 in each Bond Year, into the Loan Account, one-half (1/2) of the portion of the Loan payments due in such Bond Year for the 2025 Bonds pursuant to subparagraphs (a), (c) and (d) this caption; and (ii) no later than June 20 in each Bond Year, into the Loan Account, the full amount of the portion of the Loan payment due in such Bond Year for the 2025 Bonds pursuant to subparagraph (b) of this caption. Moneys in the Loan Account will be transferred by the Trustee to the Revenue Fund created by the General Resolution and the 2025 Series Resolution on June 25 and December 25 of each Bond Year. The payments on account of rebate required by clause (iii) of subparagraph (c) of this caption shall be paid to the Trustee for deposit in the rebate account for the 2025 Bonds in the Rebate Fund at the times requested by the Authority.

The moneys in the Loan Account shall be invested in accordance with the Authority's Investment Policy, adopted July 25, 2017, as amended, including the investments identified in Exhibit A to the 2025 Series Resolution. Such investments shall be made at the direction of the University with the approval of the Authority or, if no instructions are received from the University, by the Authority.

The Authority shall not declare an Event of Default under the Loan Agreement with respect to the payments required in subparagraphs (c) and (d) of this caption until the Authority has furnished the University with a statement of amounts due and the University has failed to pay the same within ten (10) days after receipt of such statement.

#### **Voluntary Payments by University**

The Authority and the University agree that the University shall have the right to make voluntary payments in any amount to the Trustee for deposit in the Redemption Fund, if the University is not in default under the Loan Agreement. Upon notification by the University to the Authority of any such voluntary payment, the Authority agrees that it shall direct the Trustee to purchase or redeem 2025 Bonds in accordance with the provisions of the General Resolution and the 2025 Series Resolution.

#### **Insurance**

The University agrees that, with respect to the 2025 Series A Project Facilities, it shall maintain, with responsible insurers, insurance of the kinds and in the amounts generally carried by institutions of similar size and character. All policies and certificates of insurance shall be open to inspection by the Authority and the Trustee at reasonable times and upon reasonable notice. The University agrees that it will insure any such facilities at

replacement cost subject only to standard insurance industry exclusion and that it will notify the Authority and the Trustee within thirty (30) days of any deviation from standard insurance industry practice.

### **Termination**

The Authority and the University agree that, upon sixty (60) days' written notice to the Authority, the University shall have the right to terminate the Loan Agreement by paying to the Authority or to the Trustee for the account of the Authority an amount equal to the sum of the following items: (i) the aggregate principal amount of the Outstanding 2025 Bonds on the date of such termination; (ii) accrued interest thereon to the date that the 2025 Bonds are next redeemable; (iii) redemption premiums, if any, due thereon to the next applicable redemption date, all in accordance with the provisions of the 2025 Bonds, the General Resolution and the 2025 Series Resolution; and (iv) all other costs of the Authority and the Trustee in connection with such redemption; *provided, however*, that the indemnification provisions set forth in the Loan Agreement shall survive the termination of the Loan Agreement.

### **Events of Default; Remedies on Default**

(a) As used in the Loan Agreement, the term "*Event of Default*" shall mean:

(1) If payment of any amount due under subparagraphs (a) or (b) in the caption above entitled "Payment Obligations of University" is not made when it becomes due and payable and if such amount remains unpaid for a period of two (2) days.

(2) If payment of any amount due under subparagraphs (c) or (d) in the caption above entitled "Payment Obligations of University" is not made when it becomes due and payable and if such amount remains unpaid for a period of ten (10) days after receipt of the statement required in the caption above entitled "Payment Obligations of University".

(3) If the University shall:

(A) admit in writing its inability to pay its debts generally as they become due,

(B) file a petition to be adjudicated a voluntary bankrupt in bankruptcy or a petition otherwise to take advantage of any state or federal bankruptcy or insolvency law,

(C) make an assignment for the benefit of its creditors or seek a composition with its creditors, or

(D) consent to the appointment of a receiver of itself, its fees or charges or the whole or any substantial part of the 2025 Series A Project Facilities.

(4) If the University shall, upon an involuntary petition under any section or chapter of the federal bankruptcy laws filed against it, be adjudicated a bankrupt or if a court of competent jurisdiction shall enter an order or decree appointing a trustee or receiver (interim or permanent) or appointing the University a debtor-in-possession, with or without the consent of the University, or approving a petition filed against it seeking reorganization or an arrangement of the University under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof.

(5) If final judgment for the payment of moneys that, in the judgment of the Authority, will adversely affect the rights of the holders of the 2025 Bonds shall be rendered against the University and, at any time after thirty (30) days from the entry thereof, (a) such judgment shall not have been discharged or (b) the University shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within thirty (30) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal.

(6) If the University defaults in the due and punctual performance of any other covenant in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given by the Authority or the Trustee.

(b) The Authority agrees that it shall notify the Trustee of the occurrence of an Event of Default under the Loan Agreement. The Authority and the University agree that, upon the occurrence of an Event of Default, the Authority may, by notice in writing to the University, declare all, including future, payments under the Loan Agreement to be immediately due and payable. At the expiration of ten (10) days from the giving of such notice of such declaration, such payments shall become and be immediately due and payable, anything in the Loan Agreement to the contrary notwithstanding. At any time after such payments shall have been so declared to be due and payable and before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of such default or before the completion of the enforcement of any other remedies under the Loan Agreement, the Authority may annul such declaration and its consequences if moneys shall have accumulated in any fund created or held under the General Resolution or the 2025 Series Resolution sufficient to pay all arrears of such payments under the Loan Agreement, other than payments due only because of such declaration. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(c) The Authority and the University further agree that, upon the occurrence of an Event of Default, the Authority may exercise, with respect to any amount in any fund under the General Resolution, all of the rights of a secured party under the New Jersey Uniform Commercial Code.

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## **APPENDIX D**

### **FORM OF CONTINUING DISCLOSURE AGREEMENT**

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**CONTINUING DISCLOSURE AGREEMENT**

**by and between**

**THE TRUSTEES OF PRINCETON UNIVERSITY**

**and**

**THE BANK OF NEW YORK MELLON**

**Dated as of May 1, 2025**

**Entered into with respect to**

**New Jersey Educational Facilities Authority**

**\$\_\_\_\_,000,000 Princeton University Revenue Bonds, 2025 Series A**

**consisting of**

**\$\_\_\_\_,\_\_\_\_,\_\_\_\_ 2025 Series A-1**

**\$\_\_\_\_,\_\_\_\_,\_\_\_\_ 2025 Series A-2**

**\$\_\_\_\_,\_\_\_\_,\_\_\_\_ 2025 Series A-3**

**\$\_\_\_\_,\_\_\_\_,000 Princeton University Revenue Refunding Bonds, 2025 Series B**

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## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "*Agreement*"), made and entered into as of May 1, 2025, by and between THE TRUSTEES OF PRINCETON UNIVERSITY, a not-for-profit educational corporation duly incorporated and validly existing under the laws of the State of New Jersey (the "*University*"), and THE BANK OF NEW YORK MELLON, a state banking corporation duly created and validly existing under the laws of the State of New York with trust and fiduciary powers in and authorization to conduct business in the State of New Jersey (the "*Trustee*" and "*Dissemination Agent*").

### WITNESSETH:

**WHEREAS**, the New Jersey Educational Facilities Authority, a public body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter referred to as the "*Authority*"), is issuing its \$\_\_\_\_,000,000 Princeton University Revenue Bonds, 2025 Series A, consisting of \$\_\_\_\_,\_\_\_\_,\_\_\_\_ 2025 Series A-1, \$\_\_\_\_,\_\_\_\_,\_\_\_\_ 2025 Series A-2 and \$\_\_\_\_,\_\_\_\_,\_\_\_\_ 2025 Series A-3 (collectively, the "*2025 Series A Bonds*"), and its \$\_\_\_\_,\_\_\_\_,000 Princeton University Revenue Refunding Bonds, 2025 Series B (the "*2025 Series B Bonds*"; and together with the 2025 Series A Bonds, the "*Bonds*"), each dated May \_\_, 2025; and

**WHEREAS**, the Bonds are being issued pursuant to the Authority's Princeton University Revenue Bond Resolution adopted by the Authority on February 16, 1999, as heretofore amended and supplemented (collectively, the "*General Resolution*"), and the 2025 Series A and 2025 Series B Series Resolution adopted by the Authority on April 29, 2025 (the "*Series Resolution*"; and collectively with the General Resolution, the "*Resolution*"); and

**WHEREAS**, the University has entered into a Loan Agreement with the Authority, dated as of May 1, 2025 (the "*Loan Agreement*"), whereby the Authority has loaned a portion of the proceeds of the Bonds to the University to finance the 2025 Project (as defined in the Loan Agreement) and certain costs related to the sale and issuance of the Bonds and the University has agreed to repay the loan of such proceeds; and

**WHEREAS**, the Trustee has duly accepted the trusts imposed upon it by the Resolution as Trustee for the Holders (as defined herein) from time to time of the Bonds; and

**WHEREAS**, the Securities and Exchange Commission (the "*SEC*"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 15 U.S.C. 77 *et seq.*), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (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*"), generally prohibiting a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and operating data, notices of the occurrence of

certain disclosure events and notices of the failure to make a submission required by a continuing disclosure agreement to various information repositories; and

**WHEREAS**, the Authority and the University have determined that the University is an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12 and, in order to enable a "participating underwriter" (as such term is defined in Rule 15c2-12) to purchase the Bonds, is therefore required to cause the delivery of the information described in this Agreement to the municipal securities marketplace for the period of time specified in this Agreement; and

**WHEREAS**, the SEC has adopted amendments, effective July 1, 2009, to Rule 15c2-12 requiring that the annual financial information and operating data, notices of the occurrence of certain disclosure events and notices of the failure to make a submission required by a continuing disclosure agreement be provided to the Municipal Securities Rulemaking Board (the "*MSRB*") and not to the various information repositories, and requiring that such information be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB; and

**WHEREAS**, the SEC has adopted amendments, effective December 1, 2010, to Rule 15c2-12 revising the list of disclosure events and requiring that notices of such disclosure events be provided within ten (10) business days after the occurrence of the event; and

**WHEREAS**, the SEC has adopted amendments, effective February 27, 2019, to Rule 15c2-12 revising the list of disclosure events and requiring that notices of such additional disclosure events be provided within ten (10) business days after the occurrence of the event; and

**WHEREAS**, on May \_\_, 2025, the Authority and the University entered into a contract of purchase with Morgan Stanley & Co. LLC, on behalf of itself and each of the original underwriters for the Bonds (each a "*Participating Underwriter*"), for the purchase of the Bonds;

**WHEREAS**, the execution and delivery of this Agreement have been duly authorized by the University and the Dissemination Agent, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner; and

**WHEREAS**, the University and the Dissemination Agent are entering into this Agreement for the benefit of the Holders of the Bonds.

**NOW, THEREFORE**, for and in consideration of the promises and of the mutual representations, covenants and agreements herein set forth, the University and the Dissemination Agent, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

## ARTICLE 1 DEFINITIONS

**Section 1.1. Terms Defined in Recitals.** All of the terms defined in the preambles hereof shall have the respective meanings set forth therein for all purposes of this Agreement.

**Section 1.2. Additional Definitions.** The following additional terms shall have the meanings specified below:

*"Annual Report"* means Financial Statements and Operating Data provided at least annually. The Annual Report shall contain audited Financial Statements, if audited Financial Statements are then available. If audited Financial Statements are not available at the time the Annual Report is filed, then the Annual Report shall contain unaudited Financial Statements, and audited Financial Statements shall thereafter be provided as required by Section 2.1(c) hereof.

*"Bondholder"* or *"Holder"* or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any Outstanding Bond, including holders of beneficial interests in the Bonds.

*"Business Day"* means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, the State or in the city or cities in which the principal corporate trust office of the Dissemination Agent is located are authorized or required by law to close, or (c) a day on which the New York Stock Exchange is closed.

*"Disclosure Event"* means any event described in Section 2.1(d) of this Agreement.

*"Disclosure Event Notice"* means the notice to the MSRB as provided in Section 2.1(d) of this Agreement.

*"Dissemination Agent"* means The Bank of New York Mellon, acting in its capacity as Dissemination Agent under this Agreement, or any successor Dissemination Agent designated in writing by the University that has filed a written acceptance of such designation.

*"Electronic Means"* shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee or the Dissemination Agent, or another method or system specified by the Trustee or the Dissemination Agent, as available for use in connection with its services hereunder.

*"EMMA"* means the MSRB's Electronic Municipal Market Access system or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and certain other information.

*"Final Official Statement"* means the final Official Statement of the Authority, dated May \_\_, 2025, pertaining to the Bonds.

"*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); *provided, however*, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"*Financial Statements*" means the statement of financial position, statement of activities, statement of cash flows or other statements that convey similar information of the University.

"*Fiscal Year*" means the fiscal year of the University. As of the date of this Agreement, the Fiscal Year of the University begins on July 1 of each calendar year and closes on June 30 of the next succeeding calendar year. If the Fiscal Year of the University should change, the Annual Reports under Section 2.1(a) of this Agreement shall be due not later than one hundred eighty (180) days after the end of each Fiscal Year.

"*GAAP*" means generally accepted accounting principles as in effect from time to time in the United States of America, consistently applied.

"*GAAS*" means generally accepted auditing standards as in effect from time to time in the United States of America, consistently applied.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Operating Data*" means the financial and statistical information of the University of the type included in the Final Official Statement in Appendix A thereto entitled "APPENDIX A – PRINCETON UNIVERSITY". Information included in Appendix A that is not financial or statistical information (including, without limitation, the information under the captions "Sustainability", "Cybersecurity" and "Additional Considerations" shall not be deemed to be Operating Data.

"*Opinion of Counsel*" means a written opinion of counsel expert in federal securities law and acceptable to the University.

"*State*" means the State of New Jersey.

"*Trustee*" means The Bank of New York Mellon, acting in its capacity as Trustee for the Bonds under the Resolution, and its successors and assigns.

**Section 1.3. Capitalized Terms Not Defined Herein.** Capitalized terms used but not defined herein shall have the meanings assigned to them in Section 1.01 of the General Resolution, Section 1.01 of the Series Resolution or Section 1 of the Loan Agreement, as the case may be.

**Section 1.4. Interpretation.** Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof",



"hereto", "herein", "hereunder" and any similar terms as used in this Agreement refer to this Agreement as a whole unless otherwise expressly stated. The disjunctive term "or" shall be interpreted conjunctively as required to ensure that the University performs any obligations mentioned in the passage in which such term appears. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

**ARTICLE 2**  
**CONTINUING DISCLOSURE COVENANTS**  
**AND REPRESENTATIONS**

**Section 2.1. Continuing Disclosure Covenants of University.** The University agrees that it will provide, until such time as the University instructs the Dissemination Agent to provide, at which time the Dissemination Agent shall provide:

(a) Not later than each December 27th following the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2025, an Annual Report to the MSRB through EMMA, to the Trustee and to the Authority. If the University's audited Financial Statements are not available at the time the Annual Report is required to be filed, the Annual Report shall contain unaudited Financial Statements.

(b) Not later than fifteen (15) days prior to the date specified in Section 2.1(a) hereof, a copy of the Annual Report to the Dissemination Agent.

(c) If not submitted as part of the Annual Report, then when and if available, to the MSRB through EMMA, to the Trustee and to the Authority, audited Financial Statements for the University.

(d) In a timely manner not in excess of ten (10) Business Days after the occurrence of the event, to the MSRB through EMMA, to the Trustee and to the Authority, notice of any of the following listed events with respect to the Bonds (each a "*Disclosure Event*"):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to the rights of Holders of the Bonds, 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 events of the University, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University;
- (xiii) The consummation of a merger, consolidation or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of the University, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the University, any of which affect Holders of the Bonds, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the University, if any such event reflects financial difficulties.

(e) In a timely manner, to the MSRB through EMMA, to the Trustee and to the Authority, notice of a failure by the University to provide the Annual Report within the period described in Section 2.1(a) hereof.

(f) In determining the materiality of the Disclosure Events specified in subsections (d)(ii), (vi), (vii), (viii), (x), (xiii), (xiv) or (xv) of this Section 2.1, the University may, but shall not be required to, rely conclusively on an Opinion of Counsel.

**Section 2.2. Continuing Disclosure Representations.** The University represents and warrants that:

- (a) Financial Statements shall be prepared in accordance with GAAP.
- (b) Any Financial Statements that are audited shall be audited by an independent certified public accountant in accordance with GAAS.

**Section 2.3. Form of Annual Report.** (a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items that must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the University or related public entities that are available to the public on the MSRB's website or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The University shall clearly identify each such other document so incorporated by reference.

(c) The Annual Report for any Fiscal Year containing any modified operating data or financial information (as contemplated by Sections 4.9 and 4.10 hereof) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such Fiscal Year.

**Section 2.4. Documents to Be Provided in Electronic Format and Accompanied by Identifying Information.** The University agrees that each Annual Report, each Disclosure Event Notice and each notice pursuant to Sections 2.1(a), 2.1(b), 2.1(c), 2.1(d) and 2.1(e) hereof shall be provided to the MSRB in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

**Section 2.5. Responsibilities and Duties of Dissemination Agent.** (a) If the University or the Dissemination Agent has determined it necessary to report the occurrence of a Disclosure Event, the University or the Dissemination Agent shall, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, file a Disclosure Event Notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. The obligations of the University or the Dissemination Agent to provide the notices to the MSRB under this Agreement are in addition to, and not in substitution of, any of the obligations of the Trustee to provide notices of events of default to Bondholders under Section 7.11 of the General Resolution. The University or the Dissemination Agent shall file a copy of each Disclosure Event Notice with the Authority and the Trustee (for informational purposes only).

(b) If an Annual Report is received by it, the Dissemination Agent shall file a written report with the University and the Trustee (if the Dissemination Agent is not the Trustee), with a copy to the Authority, certifying that the Annual Report has been provided to the MSRB pursuant to this Agreement and stating the date it was provided to the MSRB.

**Section 2.6. Appointment, Removal and Resignation of Dissemination Agent; Indemnification.** (a) The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and it may discharge any such Dissemination Agent and appoint a successor Dissemination Agent, with written notice to the Authority, such discharge to be effective on the date of the appointment of a successor Dissemination Agent. The University hereby appoints The Bank of New York Mellon as Dissemination Agent, and The Bank of New York Mellon hereby accepts such appointment.

(b) The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Agreement, and the University agrees to indemnify and hold the Dissemination Agent and its officers, directors, employees and agents harmless against any loss, expense or liability it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liability due to the Dissemination Agent's negligence or willful misconduct. The obligations of the University under this Section 2.6(b) shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days' written notice to the University and the Authority. Such resignation shall take effect on the date specified in such notice. If the Trustee under the Resolution is removed or resigns pursuant to the terms of the Resolution and a successor trustee is appointed thereunder, such successor trustee shall, *ipso facto*, be the successor Dissemination Agent.

**Section 2.7. Responsibilities, Duties, Immunities and Liabilities of Trustee and Dissemination Agent.** Article VI of the General Resolution, Section 2.56 of the Series Resolution and Section 27 of the Loan Agreement are each hereby made applicable to this Agreement as if the duties of the Trustee and the Dissemination Agent hereunder were (solely for this purpose) set forth in the General Resolution, the Series Resolution and the Loan Agreement, respectively.

### **ARTICLE 3 DEFAULTS AND REMEDIES**

**Section 3.1. Disclosure Default.** The occurrence and continuation of a failure by the University to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Agreement, and such failure shall remain uncured for a period of thirty (30) days after written notice thereof has been given to the University by the Trustee or any Bondholder, shall constitute a disclosure default hereunder.

**Section 3.2. Remedies on Default.** (a) The Trustee may (and shall, at the written request of any Participating Underwriter or the Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, after provision of indemnity in accordance with Section 6.02 of the General Resolution), or any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may, take whatever action at law or in equity is necessary or desirable against the University and any of its officers, agents and employees to enforce the specific performance and observance of any obligation, agreement or covenant of the University hereunder and may compel the University or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties hereunder; *provided*, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case the Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the University, the Trustee and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the University, the Trustee and any Bondholder shall continue as though no such proceedings had been taken.

(c) A default under this Agreement shall not be deemed an event of default under either the Resolution or the Loan Agreement, and the sole remedy under this Agreement in the event of any failure by the University to comply with this Agreement shall be as set forth in Section 3.2(a) hereof.

## **ARTICLE 4 MISCELLANEOUS**

**Section 4.1. Purpose of Agreement.** This Agreement is being executed and delivered by the University and the Dissemination Agent for the benefit of the Bondholders and in order to assist each Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

**Section 4.2. Third-Party Beneficiaries; Authority and Bondholders.** (a) The Authority is hereby recognized as being a third-party beneficiary hereunder, and may enforce any such right, remedy or claim conferred, given or granted hereunder in favor of the Dissemination Agent or the Bondholders.

(b) Each Bondholder is hereby recognized as being a third-party beneficiary hereunder, and each may enforce, for the equal benefit and protection of all Bondholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Dissemination Agent.

**Section 4.3. No Recourse to Authority; Indemnified Parties.** No recourse shall be had for the performance of any obligation, agreement or covenant of the University or the Dissemination Agent hereunder against the Authority or against any member, officer, official, employee, counsel, consultant or agent of the Authority or any person executing the Bonds.

The University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant or agent of the Authority, including the Dissemination Agent, each Participating Underwriter and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies thereof (collectively, the "*Indemnified Parties*"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the University's failure to perform or observe any of its obligations, agreements or covenants under the terms of this Agreement, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such failure of the University to perform hereunder. In case any action shall be brought against the Indemnified Parties based upon this Agreement and in respect of which indemnity may be sought against the University, the Indemnified Parties shall promptly notify the University in writing. Upon receipt of such notification, the University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action, including any expenses incurred prior to such notification, and the right to negotiate and settle any such action on behalf of such Indemnified Parties. However, failure on the part of the Authority to give such notification shall not relieve the University from its obligation under this Section 4.3 to the Authority. For any Indemnified Party other than the Authority, to the extent the University suffers actual prejudice as a result of any such failure to give such notification, such failure shall relieve the University from its indemnification obligation under this Section 4.3 to the extent of such prejudice or loss. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the sole expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the University or unless by reason of conflict of interest (determined by the written opinion of counsel to any Indemnified Party delivered to the University) it is advisable for such Indemnified Party to be represented by separate counsel, in

which case the fees and expenses of such separate counsel shall be borne by the University. The University shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 4.3 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or intentional misconduct on the part of the Indemnified Parties in connection with the University's performance of its obligations, agreements and covenants hereunder.

**Section 4.4. Additional Information.** Nothing in this Agreement shall be deemed to prevent the University from (a) disseminating any other information using the means of dissemination set forth in this Agreement or any other means of communication, or (b) including, in addition to that which is required by this Agreement, any other information in any Annual Report or any Disclosure Event Notice. If the University chooses to include any information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Agreement, the University shall not have any obligation under this Agreement to update such information or to include it in any future Annual Report or any future Disclosure Event Notice. The University shall reimburse the Dissemination Agent for any expenses incurred by the Dissemination Agent in providing such additional information pursuant to this Section 4.4.

**Section 4.5. Notices.** All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by Electronic Means, in the case of the Trustee or the Dissemination Agent) addressed to, in the case of the University, the Treasurer of the University, P.O. Box 35, Princeton, New Jersey 08543 (facsimile (609) 258-0442); and in the case of the Trustee/Dissemination Agent, its principal corporate trust office at The Bank of New York Mellon, c/o Corporate Trust Department, 1 Pershing Plaza, 4th Floor, Jersey City, New Jersey 07399, with a copy to the Authority, at its offices at 5 Vaughn Drive, Suite 300, Princeton, New Jersey 08540 (facsimile (609) 987-0850).

**Section 4.6. Assignments.** This Agreement may not be assigned by either party hereto without the written consent of the other with written notice to the Authority and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

**Section 4.7. Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

**Section 4.8. Execution of Counterparts.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart. The parties hereto acknowledge and agree



that this Agreement and any related documents, and any amendments or waivers hereto or thereto, may be executed and delivered by electronic copies in portable document format ("PDF") or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means or by any digital or electronic signature process or program, and that any signature so delivered shall be treated as and have the same force and effect as an original signature, and copies of the same may be used and introduced as evidence at any legal proceedings relating to or arising under this Agreement. The parties hereto (a) explicitly consent to the delivery by electronic means of this Agreement, (b) agree that their present intent to be bound by this Agreement may be evidenced by transmission of digital images of signed signature pages via electronic means, and (c) affirm that such transmission indicates a present intent to be bound by the terms of this Agreement and is deemed to be valid execution and delivery as though an original ink or electronic signature. An electronic image of this Agreement (including signature pages) shall be as effective as an original for all purposes.

**Section 4.9. Amendments, Changes and Modifications.** (a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Resolution), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Dissemination Agent (with written notice to the Authority).

(b) Without the consent of any Bondholders, the University and the Dissemination Agent at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

(i) to add to the covenants and agreements of the University hereunder for the benefit of the Bondholders or to surrender any right or power conferred upon the University by this Agreement;

(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices or legal requirements followed by or applicable to the University, to reflect changes in the identity, nature or status of the University or in the business, structure or operations of the University, or to reflect any mergers, consolidations, acquisitions or dispositions made by or affecting the University; *provided*, that any such modification shall not be in contravention of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity herein, to correct or supplement any provision hereof that may be inconsistent with any other provision hereof or to include any other provisions with respect to matters or questions arising under this Agreement, any of which, in each case, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12 as well as any changes in circumstances;

*provided*, that prior to approving any such amendment or modification, the University determines that such amendment or modification does not adversely affect the interests of the Bondholders in any material respect.

(c) Upon entering into any amendment or modification required or permitted by this Agreement that materially affects the interests of the Bondholders, the University shall deliver, or cause the Dissemination Agent to deliver, to the MSRB through EMMA written notice of any such amendment or modification.

(d) The University and the Dissemination Agent shall be entitled to rely exclusively upon an opinion of Bond Counsel to the Authority to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.9.

**Section 4.10. Amendments Required by Rule 15c2-12.** The University and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable compliance with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof or the promulgation of a successor rule, statute or regulation thereto, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery of an opinion of Bond Counsel to the Authority addressed to the University and the Dissemination Agent to the effect that such amendments shall be permitted or necessary to assure continued compliance with Rule 15c2-12 as so amended or interpreted, then the University and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and shall provide written notice of such amendment as required by Section 4.9(c) hereof.

**Section 4.11. Governing Law.** This Agreement shall be governed exclusively by and construed in accordance with the laws of the State and the laws of the United States of America, as applicable. The University and the Dissemination Agent agree that the University or the Authority may be sued only in a court in the County of Mercer in the State of New Jersey.

**Section 4.12. Termination of University's Continuing Disclosure Obligations.** The continuing obligation of the University under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of this Agreement shall terminate if and when either (i) the Bonds are no longer Outstanding in accordance with the terms of the Resolution or (ii) the University no longer remains an "obligated person" (as such term is defined in Rule 15c2-12) with respect to the Bonds, and, in either event, only after the University delivers, or causes the Dissemination Agent to deliver, notice to such effect to the MSRB through EMMA. This Agreement shall be in full force and effect from the date of issuance of the Bonds and shall continue in effect until the date the Bonds are no longer Outstanding in accordance with the terms of the Resolution; *provided, however*, that the indemnification provisions set forth in Sections 2.6(b) and 4.3 hereof shall survive the termination of this Agreement.

**Section 4.13. Prior Undertakings.** Except as disclosed in the Final Official Statement, the University has not failed during the previous five years to comply in all material respects with any prior continuing disclosure undertaking made by it in accordance with Rule 15c2-12.

**Section 4.14. Covenant.** In accordance with P.L. 2005, c. 92, the Dissemination Agent covenants and agrees that all services performed by it under this Agreement shall be performed within the United States of America.

**Section 4.15. Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon the University and the Dissemination Agent and their respective successors and assigns.

**Section 4.16. Compliance with P.L. 2005, c. 271, Reporting Requirements.** The Dissemination Agent hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("*ELEC*") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, Section 3) if the Dissemination Agent enters into agreements or contracts, such as this Agreement, with a New Jersey public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from New Jersey public entities, such as the Authority, in a calendar year. It is the Dissemination Agent's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF, THE TRUSTEES OF PRINCETON UNIVERSITY and  
THE BANK OF NEW YORK MELLON** have caused this Agreement to be executed in their  
respective names by their duly authorized officers, all as of the date first above written.

**THE TRUSTEES OF PRINCETON  
UNIVERSITY**

By: \_\_\_\_\_  
**Timothy A. Graf**  
**Associate Vice President for**  
**Treasury Services**

**THE BANK OF NEW YORK MELLON**

By: \_\_\_\_\_  
**Authorized Signatory**

## **APPENDIX E**

### **FORM OF OPINION OF BOND COUNSEL**

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[Letterhead of McManimon, Scotland & Baumann, LLC]

[Date of Closing]

New Jersey Educational Facilities Authority  
5 Vaughn Drive – Suite 300  
Princeton, New Jersey 08540

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by the New Jersey Educational Facilities Authority, a public body corporate and politic, constituting an instrumentality of the State of New Jersey (the “*Authority*”), of its \$\_\_\_\_,\_\_\_\_,\_\_\_\_ Princeton University Revenue Bonds, 2025 Series A, consisting of \$\_\_\_\_,\_\_\_\_,\_\_\_\_ 2025 Series A-1, \$\_\_\_\_,\_\_\_\_,\_\_\_\_ 2025 Series A-2 and \$\_\_\_\_,\_\_\_\_,\_\_\_\_ 2025 Series A-3; and its \$\_\_\_\_,\_\_\_\_,\_\_\_\_ Princeton University Revenue Refunding Bonds, 2025 Series B (collectively, the “*Bonds*”).

The Bonds are issued under and pursuant to Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Public Laws of 1967, as amended and supplemented (the “*Act*”), and the Princeton University Revenue Bond Resolution adopted by the Authority on February 16, 1999, as heretofore amended and supplemented (collectively, the “*General Resolution*”), and as further amended and supplemented by the 2025 Series A and 2025 Series B Series Resolution adopted by the Authority on April 29, 2025 (the “*2025 Series Resolution*”; and together with the General Resolution, the “*Resolution*”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Resolution.

The Bonds are issued for the purposes of financing the 2025 Project and paying certain costs incidental to the issuance and sale of the Bonds. The Authority and The Trustees of Princeton University (the “*University*”) have entered into a Loan Agreement, dated as of May 1, 2025 (the “*Loan Agreement*”), providing, among other things, for the making of a loan to the University of the proceeds of the Bonds.

As the basis for the opinions set forth below, we have examined such matters of law, including the Act, and such documents, including the Resolution and the Loan Agreement, as we have considered necessary in order to enable us to express the opinions hereinafter set forth. As to matters of fact, we have relied upon the representations of the Authority and the University. Further, in expressing such opinions, we have relied upon the genuineness, truthfulness and completeness of the documents and certificates referred to above.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Authority is a duly created and validly existing public body corporate and politic constituting a political subdivision of the State of New Jersey created pursuant to the Act, and has the right, power and authority under the Act to adopt the Resolution, to enter into the Loan Agreement and to issue the Bonds.

2. The Resolution has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority, and is enforceable in accordance with its terms. The Resolution creates the valid pledge of and lien upon the revenues that it purports to create, subject only to the provisions of the Resolution permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The Bonds have been duly and validly issued and constitute valid and legally binding, special and limited obligations of the Authority, are enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the benefits of the Act and the Resolution. The Bonds are payable from and secured by a valid and enforceable pledge of and lien upon the revenues of the Authority derived from payments made by the University under the Loan Agreement, under existing loan agreements relating to the financing of facilities for the University with parity bonds, and under subsequent loan agreements relating to the financing of future eligible facilities for the University with additional parity bonds, all as more particularly provided in the Resolution.

4. The Loan Agreement has been duly authorized pursuant to law, has been properly executed by the parties thereto and constitutes a valid and legally binding agreement between the Authority and the University, enforceable against the Authority in accordance with its terms.

5. The Authority and the University have covenanted to comply with any continuing requirements that may be necessary in order to preserve the exclusion from gross income of interest on the Bonds for purposes of federal income taxation under the Internal Revenue Code of 1986, as amended (the "Code"). Assuming that the Authority and the University continuously comply with their respective covenants, under existing law, interest on the 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 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

6. Based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

In rendering the opinion expressed in paragraph 5 above, we have relied on representations of the Authority and the University with respect to matters solely within the knowledge of the Authority and the University that we have not independently verified, and we have assumed continuing compliance with the covenants in the Loan Agreement pertaining to the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Authority or the University fails to comply with such covenants, interest on the Bonds could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds, except those set forth in paragraph 5 above. The foregoing opinions are qualified to the extent that the enforceability of the Bonds, the Resolution and the Loan Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally and the application of general principles of equity.

The opinions expressed herein are limited to the laws of the State of New Jersey, exclusive of conflict of law provisions, and the laws of the United States of America.

The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the United States of America as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinion or of laws or judicial decisions hereafter enacted or rendered. Our engagement as bond counsel 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 the laws or judicial decisions hereafter enacted or rendered that 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 (other than Bondholders) without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Notwithstanding anything to the contrary contained herein, we acknowledge that this opinion letter is a governmental record subject to release under the Open Public Records Act (N.J.S.A. 47:1A-1 *et seq.*).

Very truly yours,



## **APPENDIX F**

### **DESCRIPTION OF BONDS TO BE REFUNDED**

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## DESCRIPTION OF BONDS TO BE REFUNDED\*

### 2015 Series A Bonds

<u>Maturity Date</u>	<u>Outstanding Par Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP No.**</u>
7/1/2026	\$8,200,000	5.00%	7/1/2025	100%	646066HG8
7/1/2027	3,220,000	5.00	7/1/2025	100	646066HH6
7/1/2028	9,105,000	5.00	7/1/2025	100	646066HJ2
7/1/2029	4,455,000	5.00	7/1/2025	100	646066HK9
7/1/2030	4,700,000	5.00	7/1/2025	100	646066HL7
7/1/2031	3,915,000	5.00	7/1/2025	100	646066HM5
7/1/2032	4,110,000	5.00	7/1/2025	100	646066HN3
7/1/2033	4,315,000	5.00	7/1/2025	100	646066HP8
7/1/2034	4,530,000	4.00	7/1/2025	100	646066HQ6
7/1/2035	4,710,000	4.00	7/1/2025	100	646066HR4

### 2015 Series D Bonds

<u>Maturity Date</u>	<u>Outstanding Par Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP No.**</u>
7/1/2026	\$4,335,000	5.00%	7/1/2025	100%	646066JE1
7/1/2027	4,550,000	5.00	7/1/2025	100	646066JF8
7/1/2028	4,780,000	5.00	7/1/2025	100	646066JG6
7/1/2029	5,020,000	5.00	7/1/2025	100	646066JH4
7/1/2030	5,270,000	5.00	7/1/2025	100	646066JJ0
7/1/2031	5,535,000	5.00	7/1/2025	100	646066JK7
7/1/2032	5,810,000	5.00	7/1/2025	100	646066JL5
7/1/2033	6,100,000	5.00	7/1/2025	100	646066JM3
7/1/2034	6,405,000	5.00	7/1/2025	100	646066JN1
7/1/2035	20,000,000	4.00	7/1/2025	100	646066JP6

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\*Preliminary, subject to change.

\*\* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2025 CUSIP Global Services. All rights reserved. CUSIP data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for CGS database. CUSIP numbers are included solely for the convenience of the registered owners of the applicable Bonds to be Refunded. None of the Authority, the University or the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds to be Refunded or as included herein.

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**APPENDIX G**

**COPY OF 2025 SERIES RESOLUTION**

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**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

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**2025 SERIES A AND 2025 SERIES B  
SERIES RESOLUTION**

---

**AUTHORIZING THE ISSUANCE OF NOT TO EXCEED**

**\$1,270,000,000**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
PRINCETON UNIVERSITY REVENUE BONDS, 2025 SERIES A,  
AND  
PRINCETON UNIVERSITY REVENUE REFUNDING BONDS, 2025 SERIES B**

**ADOPTED APRIL 29, 2025**

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## **2025 SERIES A AND 2025 SERIES B SERIES RESOLUTION**

### **A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY PRINCETON UNIVERSITY REVENUE BONDS, 2025 SERIES A, AND PRINCETON UNIVERSITY REVENUE REFUNDING BONDS, 2025 SERIES B**

**WHEREAS**, the New Jersey Educational Facilities Authority (the "*Authority*"), by its Princeton University Revenue Bond Resolution duly adopted on February 16, 1999, as amended and supplemented (collectively, the "*Resolution*"), has authorized the issuance of bonds, from time to time, in one or more series, for the purpose of providing funds for a loan to The Trustees of Princeton University (the "*University*");

**WHEREAS**, the Resolution provides that the bonds of the Authority shall be authorized and issued pursuant to a series resolution or series resolutions;

**WHEREAS**, the Resolution authorizes the issuance of (i) Additional Parity Bonds for the purpose of providing funds to finance the costs of certain facilities for the University and (ii) refunding bonds to refund any one or more Series, or maturity or maturities within a Series, of Outstanding Bonds;

**WHEREAS**, the Authority has, at the request of the University, determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated "New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2025 Series A" (the "*2025 Series A Bonds*") for the purpose of financing: (i) in whole or in part, the costs of the acquisition, construction, renovation, campus improvement, installation and equipping of certain capital assets to be located at or near the University's Main/Meadows Campus in Princeton and West Windsor Township, New Jersey, at its Forrestal Campus in Plainsboro and South Brunswick, New Jersey, at its administrative building along Canal Pointe Boulevard in West Windsor, New Jersey (from 600 Alexander Road to 693 Alexander Road to 100 Overlook Center to 701 Carnegie Center near Route 1), or at its Hopewell Campus in Hopewell, New Jersey, consisting of (A) the construction, renovation, improvement, installation, equipping and repair of various University buildings, including, but not limited to, administrative, athletic, academic, staff, faculty and student housing and other facilities, including utility systems, roads, grounds, parking and infrastructure, (B) the purchase of capital equipment for academic departments and administrative and supporting units, and (C) the acquisition of land and other projects in or on University-owned or -leased buildings and land (collectively, the "*2025 Series A Project*"); and (ii) the payment of certain costs incidental to the sale and issuance of the 2025 Series A Bonds, including deposits to certain funds created under the Resolution and this 2025 Series A and 2025 Series B Series Resolution;

**WHEREAS**, the Authority has heretofore issued \$156,790,000 principal amount of its Princeton University Revenue Refunding Bonds, 2015 Series A (the "*2015 Series A Bonds*"), pursuant to the Resolution and a Series Resolution adopted March 24, 2015 for the purpose of financing the current refunding and defeasance of a portion of the Authority's Princeton University Revenue Refunding Bonds, 2005 Series A, and a portion of the Authority's Princeton

University Revenue Bonds, 2005 Series B, as described in the Loan Agreement, dated as of May 1, 2015, by and between the Authority and the University;

**WHEREAS**, the 2015 Series A Bonds are currently outstanding in the aggregate principal amount of \$54,500,000 (the "*Outstanding 2015 Series A Bonds*");

**WHEREAS**, the Authority has heretofore issued \$150,000,000 principal amount of its Princeton University Revenue Bonds, 2015 Series D (the "*2015 Series D Bonds*"; and together with the 2015 Series A Bonds, the "*2015 Bonds*"), pursuant to the Resolution and a Series Resolution adopted March 24, 2015 for the purpose of financing certain facilities of the University described as "Facility AA" in the Loan Agreement, dated as of May 1, 2015, by and between the Authority and the University;

**WHEREAS**, the 2015 Series D Bonds are currently outstanding in the aggregate principal amount of \$127,805,000 (the "*Outstanding 2015 Series D Bonds*"; and together with the Outstanding 2015 Series A Bonds, the "*Outstanding 2015 Bonds*");

**WHEREAS**, the Authority has, at the request of the University, determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated "New Jersey Educational Facilities Authority Princeton University Revenue Refunding Bonds, 2025 Series B" (the "*2025 Series B Bonds*"; and together with the 2025 Series A Bonds, the "*2025 Bonds*") for the purpose of financing all or a portion of: (i) the current refunding and defeasance of all or a portion of the Outstanding 2015 Bonds (the "*Bonds to be Refunded*"; such refunding of the Bonds to be Refunded to be defined as the "*Refunding Project*"; and together with the 2025 Series A Project, the "*2025 Project*"); and (ii) the payment of certain costs incidental to the sale and issuance of the 2025 Series B Bonds, including deposits to certain funds created under the Resolution and this 2025 Series A and 2025 Series B Series Resolution; and

**WHEREAS**, the Authority deems it necessary and in keeping with its purposes to issue the 2025 Bonds herein authorized for the purposes of (i) financing the costs of the 2025 Project and (ii) paying certain costs incidental to the sale and issuance of the 2025 Bonds, including deposits to certain funds created under the Resolution and this 2025 Series A and 2025 Series B Series Resolution.

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

## ARTICLE I

### DEFINITIONS AND AUTHORITY

**Section 1.01. Definitions.** As used in this 2025 Series A and 2025 Series B Series Resolution, unless a different meaning clearly appears from the context, all words and terms defined in Section 1.01 of the Resolution shall have the same meanings, respectively, in this 2025 Series A and 2025 Series B Series Resolution and in the 2025 Bonds authorized hereby as are given to such words and terms by Section 1.01 of the Resolution. In addition, as used in the Resolution and in this 2025 Series A and 2025 Series B Series Resolution, unless a different meaning clearly appears from the context, the following words and terms shall mean:

"*2025 Series A and 2025 Series B Series Resolution*" means this resolution authorizing the issuance of the 2025 Bonds.

"*2025 Series A Bonds*" means the bonds designated "New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2025 Series A" (or such other series designation as may be determined based upon the date of issuance of the 2025 Series A Bonds), to be issued pursuant to the Resolution and this 2025 Series A and 2025 Series B Series Resolution to finance the costs associated with the 2025 Series A Project and certain costs incidental to the sale and issuance of the 2025 Series A Bonds, including deposits to certain funds created under the Resolution and this 2025 Series A and 2025 Series B Series Resolution.

"*2025 Series B Bonds*" means the bonds designated "New Jersey Educational Facilities Authority Princeton University Revenue Refunding Bonds, 2025 Series B" (or such other series designation as may be determined based upon the date of issuance of the 2025 Series B Bonds), to be issued pursuant to the Resolution and this 2025 Series A and 2025 Series B Series Resolution to finance the costs associated with the Refunding Project and certain costs incidental to the sale and issuance of the 2025 Series B Bonds, including deposits to certain funds created under the Resolution and this 2025 Series A and 2025 Series B Series Resolution.

"*Alternate Credit Facility*" means a Credit Facility issued to replace an existing Credit Facility in accordance with this 2025 Series A and 2025 Series B Series Resolution; *provided, however*, that any amendment, extension, renewal or substitution of the Credit Facility then in effect for the purpose of extending the Expiration Date of such Credit Facility or modifying such Credit Facility pursuant to its terms shall not be deemed to be an Alternate Credit Facility for purposes of this 2025 Series A and 2025 Series B Series Resolution.

"*Alternate Liquidity Facility*" means a Liquidity Facility issued to replace an existing Liquidity Facility in accordance with this 2025 Series A and 2025 Series B Series Resolution and any amendment or assignment of a Liquidity Facility that results in a change in the Liquidity Facility Provider; *provided, however*, that any amendment, extension or renewal of the Liquidity Facility for the purpose of extending the Expiration Date of such Liquidity Facility or modifying such Liquidity Facility shall not constitute an Alternate Liquidity Facility for purposes of this 2025 Series A and 2025 Series B Series Resolution, unless such modification makes any material change to the immediate termination events or suspension events of such Liquidity Facility.

*"Annual Administrative Fee"* means the annual fee for the general administrative services of the Authority, including, without limitation, the cost of attendance at Authority events, in an amount equal to 7/100 of 1% of the Outstanding aggregate principal amount of each series of the 2025 Bonds to commence on the date of issuance and delivery of the 2025 Bonds.

*"Applicable Factor"* means, during any Direct Purchase Period, a percentage designated by the Market Agent or, with an Opinion of Bond Counsel, such other percentage as may be designated as the Applicable Factor for such Direct Purchase Period pursuant to Section 2.26 of this 2025 Series A and 2025 Series B Series Resolution.

*"Applicable Series Resolution"* means this 2025 Series A and 2025 Series B Series Resolution and, unless a different meaning clearly appears from the context, other series resolutions authorizing Additional Parity Bonds.

*"Applicable Spread"* means, with respect to each Direct Purchase Period, the number of basis points determined on or before the first day of such Direct Purchase Period and designated in writing by the University, the Market Agent or the Direct Purchaser in accordance with Section 2.26 of this 2025 Series A and 2025 Series B Series Resolution (which may include a schedule for the Applicable Spread based upon the ratings assigned to the unenhanced, long-term debt of the University) that, when added to the product of (x) the Direct Purchase Index multiplied by (y) the Applicable Factor, would equal the minimum interest rate per annum that would enable the Direct Purchase Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).

*"Authority Tax Certificate"* means the Arbitrage and Tax Certificate, including the exhibits thereto, dated the date of issuance and delivery of the 2025 Bonds, furnished by the Authority and based upon the University Tax Certificate.

*"Authorized Denominations"* means with respect to any (i) Long-Term Bond, FRN Bond or Fixed Bond, including the 2025 Series A Bonds in the Initial Long-Term Period and the 2025 Series B Bonds in the Initial Fixed Period, \$5,000 and any integral multiple thereof; and (ii) Short-Term Bond, Term Floater Rate Bond, Window Bond, Weekly Bond, Daily Bond, Direct Purchase Bond or Flexible Rate Bond, (A) \$100,000 and any integral multiple of \$5,000 in excess of \$100,000 or (B) with respect to a Direct Purchase Bond, with the prior written consent of the Direct Purchaser, \$5,000 and any integral multiple thereof.

*"Authorized Officer"* means the Chair, Vice Chair, Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or execute such document and shall also include any of such officers designated as "acting" or "interim".

*"Bank Bond"* means any Tendered Bond during the period from and including the date the Purchase Price thereof is paid by a Credit Facility Provider or Liquidity Facility Provider pursuant to a Credit Facility or Liquidity Facility to, but excluding, the earliest of (i) the date on which the principal, Redemption Price or Purchase Price of such 2025 Bond, together with all

interest accrued thereon, is paid with amounts other than amounts drawn under the Credit Facility or Liquidity Facility, (ii) the date on which the registered owner of a 2025 Bond has given written notice of its determination not to sell such 2025 Bond following receipt of a purchase notice from the Remarketing Agent with respect to such 2025 Bond, or, if notice of such determination is not given on or before the next Business Day succeeding the day such purchase notice is received, the second Business Day succeeding receipt of such purchase notice, or (iii) the date on which such 2025 Bond is to be purchased pursuant to an agreement by the registered owner of such 2025 Bond to sell such 2025 Bond following receipt of a purchase notice from the Remarketing Agent with respect to such 2025 Bond, if the Trustee then holds, in trust for the benefit of such registered owner, sufficient money to pay the Purchase Price of such 2025 Bond, together with the interest accrued thereon to the date of purchase.

*"Bank Bond Rate"* means the rate at which a Bank Bond bears interest in accordance with a Credit Facility or a Liquidity Facility or the Reimbursement Agreement providing for the issuance of a Credit Facility or a Liquidity Facility; *provided, however*, that in no event shall such rate exceed the Maximum Rate applicable thereto.

*"Bond Purchase Fund"* means the fund so designated, created and established pursuant to Section 3.01 of this 2025 Series A and 2025 Series B Series Resolution.

*"Bondholder Agreement"* means, during any Direct Purchase Period, any continuing covenant agreement, bondholder agreement or similar agreement by and between the University and a Direct Purchaser that is designated in writing by the University and delivered to the Trustee as the Bondholder Agreement.

*"Business Day"* means, when used in connection with any particular 2025 Bonds, a day other than (i) a Saturday and Sunday or (ii) a day on which any of the following are authorized or required to remain closed: (A) during any Interest Rate Period during which a Direct Purchaser is the registered owner of the 2025 Bonds, the Direct Purchaser or the Market Agent; (B) banks or trust companies chartered by the State of New York or the United States of America; (C) the designated corporate trust office of the Trustee; (D) the New York Stock Exchange; or (E) if such 2025 Bonds are in the Flexible Mode, the Daily Mode, the Weekly Mode, the Term Floater Rate Mode, the Short-Term Rate Mode, the Window Mode, the FRN Mode or the Long-Term Mode, the Trustee, the Remarketing Agent, the Calculation Agent or the provider of a Credit Facility or Liquidity Facility, if applicable, for such 2025 Bonds then in effect.

*"Calculation Agent"* means (a) during any Direct Purchase Period, the Direct Purchaser or any affiliate thereof, or any financial institution or financial advisory firm appointed by the University, with the consent of the Direct Purchaser, to serve as Calculation Agent for the 2025 Bonds, and (b) during the FRN Mode or the Window Mode, any financial institution or financial advisory firm appointed by the University prior to a Conversion to any such Interest Rate Mode to serve as Calculation Agent for the 2025 Bonds.

*"Certificate of Determination"* means a certificate of any Authorized Officer making certain findings and determinations as authorized and/or delegated pursuant to the terms of this 2025 Series A and 2025 Series B Series Resolution, including, without limitation, any terms that

will apply to the 2025 Bonds upon their Conversion to a new Interest Rate Mode or new Interest Rate Period, as provided in Article II of this 2025 Series A and 2025 Series B Series Resolution.

"*Construction Fund*" means the fund created and established by this 2025 Series A and 2025 Series B Series Resolution.

"*Continuing Disclosure Agreement*" means the Continuing Disclosure Agreement, dated as of May 1, 2025 (or such other dated date as may be determined based on the date of issuance of the 2025 Bonds), by and between the University and The Bank of New York Mellon, as Dissemination Agent, as the same may from time to time be amended or supplemented, or any continuing disclosure agreement or certificate executed by the University with respect to the 2025 Bonds that complies with Securities and Exchange Commission Rule 15c2-12.

"*Conversion*" means a change in the Interest Rate Mode of all or a portion of the 2025 Bonds made in accordance with the provisions of Article II of this 2025 Series A and 2025 Series B Series Resolution and shall also include (a) a conversion from any Direct Purchase Period to the next Direct Purchase Period; (b) a conversion of the FRN Bonds into a new FRN Interest Rate Period; (c) a conversion from one Fixed Period to a new Fixed Period; (d) a conversion from any Short-Term Interest Rate Period to a new Short-Term Interest Rate Period; and (e) a conversion from any Long-Term Interest Rate Period to a new Long-Term Interest Rate Period.

"*Conversion Date*" means the day on which the 2025 Bonds or a portion of the 2025 Bonds are converted, or proposed to be converted, from one Interest Rate Mode to a different Interest Rate Mode or, as applicable, from one Interest Rate Period to another Interest Rate Period as set forth in clauses (a) through (e) of the definition of "Conversion".

"*Conversion Notice*" means a notice given pursuant to Section 2.32 of this 2025 Series A and 2025 Series B Series Resolution.

"*Costs of Issuance*" means, as applicable, any costs relating to the issuance or the carrying of the 2025 Bonds payable from the proceeds thereof, including, but not limited to: (i) underwriters' discount (whether realized directly or derived through the purchase of the 2025 Bonds at a discount below the price at which they are expected to be sold to the public); (ii) counsel fees (including bond counsel, issuer's counsel, University counsel, trustee's counsel and any other specialized counsel fees incurred in connection with the borrowing); (iii) financial advisory fees incurred in connection with the borrowing; (iv) rating agency fees; (v) trustee fees incurred in connection with the borrowing; (vi) paying agent and certifying and authenticating agent fees related to the issuance of the 2025 Bonds and the refunding of the Bonds to be Refunded; (vii) accountant fees related to the issuance of the 2025 Bonds; (viii) printing costs (of the 2025 Bonds and of preliminary and final offering materials); (ix) fees of any securities depository; (x) verification agent fees, if any; (xi) costs incurred in connection with the required public approval process, if any (*e.g.*, publication costs for public notices in connection with the issuance of the 2025 Bonds, including, without limitation, the notice of public hearing); and (xii) Authority fees, including the Initial Fee.



*"Credit Facility"* means a Credit Facility that meets the requirements of Section 2.50 of this 2025 Series A and 2025 Series B Series Resolution or a substitute Credit Facility that meets the requirements of Section 2.50 of this 2025 Series A and 2025 Series B Series Resolution, which Credit Facility may also constitute a Liquidity Facility if it also provides for the payment by the provider of money for the payment of the Purchase Price of Tendered Bonds.

*"Credit Facility Provider"* means the issuer of any Credit Facility, including any Alternate Credit Facility.

*"Credit Facility Provider Payment Obligations"* means, with respect to a Credit Facility Provider, any loans, advances, debts, liabilities, obligations, contingent obligations, covenants and duties owing by the University to the Credit Facility Provider under the Credit Facility Documents, including amounts due under the Reimbursement Agreement or with respect to the Bank Bonds. The amount of the Credit Facility Provider Payment Obligations shall be established or calculated by the Credit Facility Provider from time to time and furnished to the Trustee in writing denominating the interest portion of such Credit Facility Provider Payment Obligations and the principal portion of such Credit Facility Provider Payment Obligations, such establishment or calculation being conclusive of the amount due, absent manifest error.

*"Credit Facility Substitution Date"* means the date upon which an Alternate Credit Facility is substituted for the Credit Facility then in effect or the date upon which a Credit Facility is provided for 2025 Bonds not previously covered by a Credit Facility.

*"Credit/Liquidity Facility Account"* means the account so designated, created and established within the Bond Purchase Fund pursuant to Section 3.01 of this 2025 Series A and 2025 Series B Series Resolution.

*"Daily Bonds"* means 2025 Bonds that bear interest at Daily Rates.

*"Daily Interest Rate Period"* means each period during the Daily Period for which a particular Daily Rate is in effect, each of which period shall commence on a Business Day and shall remain in effect to, but excluding, the next succeeding Business Day.

*"Daily Mode"* means the Interest Rate Mode during which the 2025 Bonds bear interest at a Daily Rate.

*"Daily Period"* means the period commencing on a Conversion Date or on a Business Day and extending to, but not including, the next succeeding Business Day, during which 2025 Bonds in the Daily Mode bear interest at the Daily Rate, which Daily Period shall generally be comprised of multiple Daily Interest Rate Periods, during which Daily Rates are in effect.

*"Daily Rate"* means the interest rate at which a 2025 Bond in the Daily Mode is determined on a daily basis, as established in accordance with Section 2.19 of this 2025 Series A and 2025 Series B Series Resolution.

*"Direct Purchase Bonds"* means 2025 Bonds that bear interest at a Direct Purchase Rate and any Unremarketed Bonds, if any.

*"Direct Purchase Index"* means, during any Direct Purchase Period, SOFR, Term SOFR, the SIFMA Index, the Consumer Price Index, the Municipal Market Data Index or, with an Opinion of Bond Counsel, such other index as may be designated by the Market Agent as the Direct Purchase Index for such Direct Purchase Period pursuant to Section 2.26 of this 2025 Series A and 2025 Series B Series Resolution.

*"Direct Purchase Interest Rate Period"* means each period during a Direct Purchase Period for which a particular Direct Purchase Rate is in effect.

*"Direct Purchase Mode"* means the Interest Rate Mode during which the 2025 Bonds bear interest at the Direct Purchase Rate and during which any Unremarketed Bonds, if any, remain Outstanding.

*"Direct Purchase Period"* means the period during which 2025 Bonds constitute Direct Purchase Bonds, which Direct Purchase Period shall generally be comprised of (i) multiple Direct Purchase Interest Rate Periods, during which Direct Purchase Rates are in effect, or (ii) a single Direct Purchase Interest Rate Period, during which a fixed Direct Purchase Rate is in effect. A Direct Purchase Period shall also include any period during which any Unremarketed Bonds remain Outstanding.

*"Direct Purchase Period Earliest Redemption Date"* means, during any Direct Purchase Period, the date or dates on which Direct Purchase Bonds are first subject to optional redemption during the applicable Direct Purchase Period, as established by the University, the Market Agent or the Direct Purchaser or as set forth in the applicable Certificate of Determination or Bondholder Agreement in accordance with the provisions of Section 2.26 of this 2025 Series A and 2025 Series B Series Resolution.

*"Direct Purchase Rate"* means the interest rate per annum on Direct Purchase Bonds determined on a periodic basis as provided in Section 2.26 of this 2025 Series A and 2025 Series B Series Resolution, which Direct Purchase Rate may be a fixed rate for the duration of the Direct Purchase Rate Period.

*"Direct Purchase Rate Determination Date"* means, during any Direct Purchase Period, such date established as such by the University, the Market Agent or the Direct Purchaser as set forth in the applicable Certificate of Determination or Bondholder Agreement.

*"Direct Purchase Rate Mandatory Purchase Date"* means the first day following the last day of each Direct Purchase Interest Rate Period, or any other date established as such in the applicable Certificate of Determination or Bondholder Agreement.

*"Direct Purchase Term Out Period"* means, during any Direct Purchase Period, the Direct Purchase Term Out Period, if any, established by the Direct Purchaser or the Market Agent or as otherwise set forth in the applicable Certificate of Determination or Bondholder Agreement.

*"Direct Purchase Term Out Rate"* means, during any Direct Purchase Period, the Direct Purchase Term Out Rate, if any, established by the Direct Purchaser or the Market Agent or as otherwise set forth in the applicable Certificate of Determination or Bondholder Agreement.

"*Direct Purchaser*" means, during any Direct Purchase Period, the holder of the Direct Purchase Bonds, if there is a single holder of all of the Direct Purchase Bonds of a Series; *provided, however*, that the 2025 Bonds are not then held under the book-entry system. If there is more than one holder of the Direct Purchase Bonds of a Series, "Direct Purchaser" means the owners owning a majority in aggregate principal amount of the Direct Purchase Bonds of a series then Outstanding or, if no holder owns such majority, then the holder holding the largest aggregate principal amount of the Direct Purchase Bonds then Outstanding. If the Direct Purchase Bonds are then held under the book-entry system, "Direct Purchaser" means the beneficial owner of the Direct Purchase Bonds, if there is a single beneficial owner of all of the Direct Purchase Bonds. If there is more than one beneficial owner of the Direct Purchase Bonds, "Direct Purchaser" means the beneficial owners who are the beneficial owners of a majority in aggregate principal amount of the Direct Purchase Bonds then Outstanding or, if no beneficial owner owns such majority, then the beneficial owner holding the largest aggregate principal amount of the Direct Purchase Bonds then Outstanding.

"*DTC*" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the 2025 Bonds.

"*Electronic Notice*" means a notice transmitted through email or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed in writing or written transmission, to the notice address supplied by or on behalf of the addressee; *provided, however*, that if the Trustee is unable to provide Electronic Notice to the owners of the 2025 Bonds because it does not have the necessary contact information to do so, it shall provide written notice thereto.

"*Eligible Bonds*" means any 2025 Bonds other than Bank Bonds or 2025 Bonds owned by, for the account of, or on behalf of, the Authority or the University.

"*Event of Default*" means any of the events of default set forth in Section 7.01 of the Resolution.

"*Expiration Date*" means, when used in connection with a particular Credit Facility or Liquidity Facility, the date on which such Credit Facility or Liquidity Facility will expire by its terms, as such date may be extended from time to time, or any earlier date on which such Credit Facility or Liquidity Facility shall terminate, expire or be canceled upon delivery of a substitute Credit Facility or Liquidity Facility in accordance with this 2025 Series A and 2025 Series B Series Resolution, but does not include a Termination Date.

"*Fitch*" means Fitch Ratings, Inc., or any successor rating agency.

"*Fixed Bonds*" means 2025 Bonds that bear interest at a Fixed Rate until maturity.

"*Fixed Mode*" means the Interest Rate Mode during which the 2025 Bonds bear interest at a Fixed Rate or Fixed Rates to their maturity date.

"*Fixed Period*" means the Initial Fixed Period and, thereafter, the period from and including the Conversion Date and extending (i) to, but excluding, the date of maturity of a 2025 Bond in the Fixed Mode or (ii) to, but excluding, the Conversion Date on which 2025 Bonds in the Fixed Mode are converted to another Interest Rate Mode or a new Fixed Period.

"*Fixed Rate*" means the rate at which a 2025 Bond bears interest to its maturity or earlier Conversion Date during the Fixed Period, as established in accordance with Section 2.17 of this 2025 Series A and 2025 Series B Series Resolution.

"*Flexible Mode*" means the Interest Rate Mode during which the 2025 Bonds bear interest at the Flexible Rate.

"*Flexible Rate*" means the per annum interest rate on a 2025 Bond in the Flexible Mode determined for such 2025 Bond pursuant to Section 2.23 this 2025 Series A and 2025 Series B Series Resolution. The 2025 Bonds in the Flexible Mode may bear interest at different Flexible Rates.

"*Flexible Rate Bond*" means a 2025 Bond in the Flexible Mode.

"*Flexible Rate Determination Date*" means the first day of each Flexible Rate Period.

"*Flexible Rate Period*" means the period from one to 270 calendar days (which period must end on a day preceding a Business Day) during which a Flexible Rate Bond shall bear interest at a Flexible Rate, as established pursuant to Section 2.23 of this 2025 Series A and 2025 Series B Series Resolution. The 2025 Bonds in the Flexible Mode may be in different Flexible Rate Periods.

"*FRN Bonds*" means 2025 Bonds that bear interest at FRN Rates.

"*FRN Index*" means the SIFMA Index, SOFR, Term SOFR, the Consumer Price Index or such other index as the Remarketing Agent shall select in consultation with the University not less than five Business Days prior to the FRN Rate Conversion Date as an index, which in the opinion of national recognized tax counsel is reasonably expected to measure contemporaneous variations in the cost of newly borrowed funds or inflation, as applicable.

"*FRN Index Percentage*" means the percentage determined by the Remarketing Agent pursuant to Section 2.24 of this 2025 Series A and 2025 Series B Series Resolution with respect to the determination of the FRN Rate.

"*FRN Interest Rate Period*" means each period during the FRN Period during which FRN Rates are in effect, as described in Section 2.24 of this 2025 Series A and 2025 Series B Series Resolution.

"*FRN Mode*" means the Interest Rate Mode during which the 2025 Bonds bear interest at FRN Rates.

*"FRN Period"* means the period during which 2025 Bonds constitute FRN Bonds, which FRN Period shall generally be comprised of multiple FRN Interest Rate Periods, during which FRN Rates are in effect.

*"FRN Rate"* means, with respect to the FRN Bonds in a particular FRN Interest Rate Period, the interest rate per annum on FRN Bonds during such FRN Interest Rate Period determined on a periodic basis as provided in Section 2.24 of this 2025 Series A and 2025 Series B Series Resolution, which is equal to the sum of (a) the FRN Index multiplied by the FRN Index Percentage plus (b) the FRN Spread.

*"FRN Rate Conversion Date"* means (a) a continuation of the FRN Bonds in a new FRN Interest Rate Period with a new FRN Rate Mandatory Purchase Date and (b) a conversion of the FRN Bonds from an FRN Interest Rate Period to an Interest Rate Period other than an FRN Interest Rate Period.

*"FRN Rate Determination Date"* means, with respect to any FRN Bonds, the Business Day on which the FRN Rate is determined by the Calculation Agent during each FRN Interest Rate Period, as determined by the Remarketing Agent pursuant to Section 2.24 of this 2025 Series A and 2025 Series B Series Resolution. The FRN Rate Determination Date for 2025 Bonds bearing interest at an FRN Rate shall be: (a) during an FRN Interest Rate Period for which the FRN Index is the SIFMA Index, each Wednesday, or if such Wednesday is not a Business Day, the following Business Day; (b) during an FRN Interest Rate Period for which the FRN Index is based on SOFR, the U.S. Government Securities Business Day immediately preceding each effective date; (c) during an FRN Interest Rate Period for which the FRN Index is based on Term SOFR, the first Business Day of each month; and (d) during an FRN Interest Rate Period for which the FRN Index is based on the Consumer Price Index, the Business Day immediately following announcement of the Consumer Price Index.

*"FRN Rate Hard Put Bonds"* means those FRN Bonds that are required to be purchased on an FRN Rate Hard Put Mandatory Purchase Date, pursuant to the election of the University under Section 2.24 of this 2025 Series A and 2025 Series B Series Resolution.

*"FRN Rate Hard Put Mandatory Purchase Date"* means, with respect to the FRN Rate Hard Put Bonds, the first day following the last day of each FRN Interest Rate Period.

*"FRN Rate Mandatory Purchase Date"* means, with respect to the FRN Bonds, each FRN Rate Hard Put Mandatory Purchase Date and FRN Rate Soft Put Mandatory Purchase Date.

*"FRN Rate Soft Put Bonds"* means any FRN Bonds that, pursuant to the election of the University under Section 2.24 of this 2025 Series A and 2025 Series B Series Resolution, are required to be purchased on an FRN Rate Soft Put Mandatory Purchase Date, but only to the extent that (a) remarketing proceeds, (b) funds made available from a Credit Facility or a Liquidity Facility or (c) other amounts made available by the University, in its sole discretion, are available for such purchase.

*"FRN Rate Soft Put Mandatory Purchase Date"* means, with respect to the FRN Rate Soft Put Bonds, the first day following the last day of each FRN Interest Rate Period.

"*FRN Spread*" means the spread, determined by the Remarketing Agent, in consultation with the University, in accordance with Section 2.24 of this 2025 Series A and 2025 Series B Series Resolution prior to the commencement of an FRN Interest Rate Period, based on the relative spreads of securities that bear interest based on the FRN Index and FRN Index Percentage that, in the reasonable judgment of the Remarketing Agent under prevailing market conditions, will result in the remarketing of such FRN Bonds in the new FRN Interest Rate Period at a purchase price equal to their principal amount.

"*Immediate Termination Date*" means, with respect to 2025 Bonds secured by a Liquidity Facility in the form of a standby bond purchase agreement or other standby liquidity agreement, the date, if any, on which a Liquidity Facility Provider's obligation to advance funds or purchase 2025 Bonds under such Liquidity Facility terminates immediately and automatically in accordance with its terms.

"*Index Reset Date*" means the first Business Day of each calendar month or as otherwise established in the applicable Certificate of Determination or Bondholder Agreement.

"*Initial Fee*" means the per series fee paid or payable to the Authority for its services in connection with the issuance of the 2025 Bonds, calculated at the rate of 1/5 of 1% of the aggregate principal amount of each series of the 2025 Bonds, with a maximum initial fee of \$125,000 payable by the University on the date of issuance and delivery of the 2025 Bonds.

"*Initial Fixed Period*" shall have the meaning as set forth in the Certificate of Determination relating to the 2025 Series B Bonds.

"*Initial Long-Term Period*" shall have the meaning as set forth in the Certificate of Determination relating to the 2025 Series A Bonds.

"*Initial Window Rate Spread*" means, with respect to any Conversion to a Window Period, the spread determined by the Remarketing Agent on the applicable Window Rate Determination Date pursuant to Section 2.25 of this 2025 Series A and 2025 Series B Series Resolution.

"*Interest Accrual Date*" means:

(i) with respect to any Fixed Period, any Long-Term Period or any Term Floater Interest Rate Period, the first day thereof and, thereafter, each Interest Payment Date during such period, other than the last such Interest Payment Date;

(ii) with respect to any Weekly Period, the first day thereof and, thereafter, the first Wednesday of each calendar month during such Weekly Period;

(iii) with respect to any Daily Period, the first day thereof and, thereafter, the first day of each calendar month during such period;

(iv) with respect to any Window Period, the first day thereof and, thereafter, the first Thursday of each calendar month during such Window Period;

(v) with respect to any FRN Period, (a) during an FRN Interest Rate Period for which the FRN Index is the SIFMA Index, the first day thereof and, thereafter, the first Thursday of each calendar month during such FRN Interest Rate Period, and (b) during an FRN Interest Rate Period for which the FRN Index is based on any other index as permitted hereunder, the first day thereof and, thereafter, each Interest Payment Date during such FRN Interest Rate Period, other than the last such Interest Payment Date;

(vi) with respect to any Short-Term Period, the first day thereof;

(vii) with respect to any Flexible Rate Period, the first day thereof; and

(viii) with respect to any Direct Purchase Period, either the first calendar day of each month or the first Business Day of each calendar month, or such other date as may be set forth in the applicable Certificate of Determination or Bondholder Agreement.

*"Interest Accrual Period"* means, during any Direct Purchase Period, the Interest Accrual Period established in the applicable Certificate of Determination or Bondholder Agreement.

*"Interest Payment Date"* means:

(i) with respect to any Weekly Period, the first Wednesday of each calendar month or, if the first Wednesday is not a Business Day, the next succeeding Business Day;

(ii) with respect to any Daily Period, the first Business Day of each calendar month;

(iii) with respect to any FRN Period, (a) during an FRN Interest Rate Period for which the FRN Index is the SIFMA Index, the first Thursday of each month, or if such first Thursday is not a Business Day, the next succeeding Business Day, and (b) during an FRN Interest Rate Period for which the FRN Index is based on any other index as permitted hereunder, the first Business Day of each calendar month;

(iv) with respect to any Fixed Period or Long-Term Period, each January 1 and July 1;

(v) with respect to any Short-Term Interest Rate Period, the first Business Day next succeeding the last day thereof;

(vi) with respect to each Interest Rate Mode, the day next succeeding the last day thereof, and any Conversion Date;

(vii) with respect to any Window Period, the first Thursday of each month, or if such first Thursday is not a Business Day, the next succeeding Business Day;

(viii) with respect to the 2025 Bonds in the Flexible Mode, each Mandatory Tender Date applicable thereto;

(ix) with respect to any Bank Bonds, as provided in the applicable Reimbursement Agreement;

(x) with respect to any Term Floater Rate Period, the first Business Day of each calendar month;

(xi) a maturity date; and

(xii) with respect to any Direct Purchase Period, the first Business Day of each calendar month or such other day or days as may otherwise be established in the applicable Certificate of Determination or Bondholder Agreement.

*"Interest Rate Mode"* means a Daily Mode, a Weekly Mode, a Short-Term Mode, a Long-Term Mode, an FRN Mode, a Term Floater Rate Mode, a Window Mode, a Flexible Mode, a Direct Purchase Mode or a Fixed Mode.

*"Interest Rate Period"* means a Daily Interest Rate Period, a Weekly Interest Rate Period, a Short-Term Interest Rate Period, a Long-Term Interest Rate Period, a Flexible Rate Period, an FRN Interest Rate Period, a Term Floater Interest Rate Period, a Window Interest Rate Period, a Direct Purchase Interest Rate Period or a Fixed Period.

*"Letter of Instruction"* means the Letter of Instruction relating to the Bonds to be Refunded, dated as of such date as may be determined based on the date of issuance of the 2025 Series B Bonds, by and between the Authority and the University and acknowledged by The Bank of New York Mellon, as Trustee for the Bonds to be Refunded.

*"Liquidity Facility"* means, when used in connection with any particular 2025 Bond, a Liquidity Facility that meets the requirements of this 2025 Series A and 2025 Series B Series Resolution or a substitute Liquidity Facility that meets the requirements of this 2025 Series A and 2025 Series B Series Resolution and includes a Credit Facility that constitutes a Liquidity Facility pursuant to the definition of "Credit Facility". A Self-Liquidity Arrangement is not a Liquidity Facility.

*"Liquidity Facility Provider"* means the issuer of any Liquidity Facility, including any Alternate Liquidity Facility.

*"Liquidity Facility Provider Payment Obligations"* means, with respect to a Liquidity Facility Provider, any loans, advances, debts, liabilities, obligations, contingent obligations, covenants and duties owing by the University to the Liquidity Facility Provider under the Liquidity Facility Documents, including amounts due under the Reimbursement Agreement or with respect to the Bank Bonds. The amount of the Liquidity Facility Provider Payment Obligations shall be established or calculated by the Liquidity Facility Provider from time to time and furnished to the Trustee in writing denominating the interest portion of such Liquidity Facility Provider Payment Obligations and the principal portion of such Liquidity Facility Provider Payment Obligations, such establishment or calculation being conclusive of the amount due, absent manifest error.

*"Liquidity Facility Substitution Date"* means the date upon which an Alternate Liquidity Facility is substituted for the Liquidity Facility then in effect or the date upon which a Liquidity Facility is provided for 2025 Bonds not previously covered by a Liquidity Facility.



"*Loan Agreement*" means the Loan Agreement, dated as of May 1, 2025 (or such other dated date as may be determined based on the date of issuance of the 2025 Bonds), by and between the Authority and the University relating to the 2025 Project.

"*Long-Term Bonds*" means 2025 Bonds that bear interest at Long-Term Rates.

"*Long-Term Interest Rate Period*" means each period during the Long-Term Period for which a particular Long-Term Rate is in effect.

"*Long-Term Mode*" means the Interest Rate Mode during which the 2025 Bonds bear interest at the Long-Term Rate.

"*Long-Term Period*" means the period during which 2025 Bonds constitute Long-Term Bonds, which Long-Term Period shall generally be comprised of multiple Long-Term Interest Rate Periods, during which Long-Term Rates are in effect.

"*Long-Term Rate*" means the established interest rate per annum on Long-Term Bonds determined on a periodic basis as provided in Section 2.22 of this 2025 Series A and 2025 Series B Series Resolution.

"*Long-Term Rate Conversion Date*" means (a) a continuation of the Long-Term Bonds in a new Long-Term Interest Rate Period with a new Long-Term Rate Mandatory Purchase Date and (b) a conversion of the Long-Term Bonds from a Long-Term Interest Rate Period to an Interest Rate Period other than a Long-Term Interest Rate Period.

"*Long-Term Rate Mandatory Purchase Date*" means the first day following the last day of each Long-Term Interest Rate Period.

"*Mandatory Purchase Window*" means, during a Window Period, (a) 210 days or (b) such other number of days specified by the Remarketing Agent prior to the commencement of the Window Period, with the consent of the University, in a written notice to the Trustee, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any. Any change in the Mandatory Purchase Window shall become effective only at the commencement of a Window Period, on a Window Rate Mandatory Purchase Date or any other mandatory tender for purchase for Window Bonds that occurs pursuant to Section 2.36 of this 2025 Series A and 2025 Series B Series Resolution during such Window Period.

"*Mandatory Tender Date*" means any date on which a 2025 Bond is required to be tendered for purchase in accordance with Article II of this 2025 Series A and 2025 Series B Series Resolution.

"*Market Agent*" means the entity, if any, appointed by the University to serve as market agent in connection with any Direct Purchase Period.

"*Maximum Rate*" means (i) for all 2025 Bonds except Bank Bonds, ten percent (10%) per annum, and (ii) in the case of a 2025 Bond bearing interest at the Bank Bond Rate, as otherwise set forth in any applicable Reimbursement Agreement; *provided, however*, that in no event shall the rate at which any 2025 Bond bears interest exceed the maximum rate permitted by law.

"*Moody's*" means Moody's Investors Service, Inc., or any successor rating agency.

"*Municipal Market Data Index*" means the interest rate released by Municipal Market Data for its "Aaa" General Obligation Yield for uninsured bonds for terms up to 30 years, rounded up to the nearest full year in the event of a partial year.

"*Opinion of Bond Counsel*" means an opinion of Bond Counsel to the effect that the matter or action in question will not have an adverse impact on the tax-exempt status of the 2025 Bonds for federal income tax purposes.

"*Optional Tender Date*" means the Business Days set forth in Section 2.35(a)(i) through (iv) of this 2025 Series A and 2025 Series B Series Resolution for a Daily Period, a Window Period, a Term Floater Rate Period or a Weekly Period, as applicable.

"*Outstanding Parity Bonds*" means the Authority's Princeton University Revenue (Refunding) Bonds, 2015 Series A, 2015 Series D, 2016 Series A, 2016 Series B, 2017 Series B, 2017 Series C, 2017 Series I, 2021 Series B, 2021 Series C, 2022 Series A, 2024 Series A, 2024 Series B, and 2024 Series C, previously or concurrently issued pursuant to the Resolution and the Applicable Series Resolution.

"*Participating Underwriter*" shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

"*Purchase Date*" means each date on which 2025 Bonds are subject to purchase in lieu of optional redemption or optional or mandatory purchase (which date must be a Business Day) pursuant to this 2025 Series A and 2025 Series B Series Resolution and shall include each Mandatory Purchase Date.

"*Purchase Price*" means the amount set forth below as payable to the owner of a 2025 Bond tendered for purchase pursuant to Article II of this 2025 Series A and 2025 Series B Series Resolution:

(i) when used in connection with a 2025 Bond optionally tendered pursuant to Section 2.35 of this 2025 Series A and 2025 Series B Series Resolution or, except as provided in clause (ii) or (iii) below, a 2025 Bond mandatorily tendered pursuant to Section 2.36 of this 2025 Series A and 2025 Series B Series Resolution, an amount equal to 100% of the principal amount of the Tendered Bonds, plus accrued and unpaid interest thereon to the Tender Date;

(ii) when used in connection with a 2025 Bond mandatorily tendered pursuant to Section 2.36(a)(i) of this 2025 Series A and 2025 Series B Series Resolution upon a Conversion from the Fixed Mode or Long-Term Mode, an amount equal to the Redemption Price that would be payable if such 2025 Bonds had been called for redemption on the Conversion Date, plus accrued and unpaid interest thereon to the Tender Date; and

(iii) when used in connection with a Bank Bond tendered for purchase, the amount payable to the registered owner of such Bank Bond following receipt by such owner of a purchase notice from the Remarketing Agent, plus, in each case, accrued and unpaid interest thereon to the date of purchase;

(iv) *provided, however*, that in each case, if the date of purchase is an Interest Payment Date, then the Purchase Price shall not include accrued and unpaid interest, which shall be paid to the holder of record on the applicable record date.

*"Rating Agency"* means Fitch, Moody's, S&P or any other nationally recognized securities rating agency acceptable to the Authority and the University and maintaining a credit rating with respect to the 2025 Bonds. Except as otherwise provided herein, if more than one Rating Agency maintains a credit rating with respect to the 2025 Bonds, then any action, approval or consent by or notice to one Rating Agency shall be effective only if such action, approval, consent or notice is given by or to all such Rating Agencies.

*"Redemption Price"* means, when used with respect to a 2025 Bond (or portion thereof), the principal amount of such 2025 Bond (or portion) plus the applicable premium (including breakage costs, if any, payable under a Bondholder Agreement during a Direct Purchase Period), if any, payable upon redemption thereof pursuant to this 2025 Series A and 2025 Series B Series Resolution.

*"Reimbursement Agreement"* means any agreement by and between the University and the provider of a Credit Facility or Liquidity Facility pursuant to which the provider has provided the Credit Facility or Liquidity Facility and the University has agreed to reimburse the provider for money advanced by the provider for payment of the principal or Redemption Price of or interest on 2025 Bonds or the Purchase Price of 2025 Bonds tendered or deemed tendered for purchase in accordance with this 2025 Series A and 2025 Series B Series Resolution.

*"Relevant Governmental Body"* means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

*"Remarketing Agent"* means any financial institution appointed as remarketing agent by the Authority, with the advice and consent of the University, in accordance with this 2025 Series A and 2025 Series B Series Resolution.

*"Remarketing Agreement"* means any remarketing agreement by and among the Authority, the University and the Remarketing Agent with respect to the 2025 Bonds, and if the Remarketing Agent has been replaced by a successor remarketing agent, any similar agreement by and among the Authority, the University and such successor remarketing agent.

*"Remarketing Proceeds Account"* means the account so designated and established within the Bond Purchase Fund pursuant to Section 3.01 of this 2025 Series A and 2025 Series B Series Resolution.

*"Remarketing Window"* has the meaning given in Section 2.40 of this 2025 Series A and 2025 Series B Series Resolution.

*"S&P"* means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, or any successor rating agency.

"*Self-Liquidity Arrangement*" means an agreement or other arrangement from the University to pay the Purchase Price of the 2025 Bonds.

"*Short-Term Bonds*" means 2025 Bonds that bear interest at Short-Term Rates.

"*Short-Term Interest Rate Period*" means each period during the Short-Term Period for which a particular Short-Term Rate is in effect.

"*Short-Term Mode*" means the Interest Rate Mode during which the 2025 Bonds bear interest at Short-Term Rates.

"*Short-Term Period*" means each period during which 2025 Bonds constitute Short-Term Bonds, which Short-Term Period shall generally be comprised of multiple Short-Term Interest Rate Periods, during which Short-Term Rates are in effect.

"*Short-Term Rate*" means the interest rate per annum on Short-Term Bonds determined on a periodic basis as provided in Section 2.21 of this 2025 Series A and 2025 Series B Series Resolution.

"*Short-Term Rate Mandatory Purchase Date*" means the first day following the last day of each Short-Term Interest Rate Period.

"*SIFMA*" means the Securities Industry and Financial Markets Association (formerly the Bond Market Association).

"*SIFMA Index*" means, on any date, a rate determined on the basis of the seven day high grade market index of tax-exempt variable rate demand obligations, as produced by Bloomberg (or successor organizations) and published or made available by SIFMA or any person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the University and effective from such date or if such index is no longer produced or available, either (i) the S&P Municipal Bond 7 Day High Grade Rate Index as produced and made available by S&P Dow Jones Indices LLC (or successor organizations) or (ii) with an Opinion of Bond Counsel, such other index designed to measure the average interest rate on weekly interest rate reset demand bonds similar to the 2025 Bonds as selected by the University.

"*Sinking Fund Installment*" means the amount of money sufficient to redeem the 2025 Bonds in the amounts, at the times and in the manner set forth in Section 2.05(b) of this 2025 Series A and 2025 Series B Series Resolution.

"*SOFR*" with respect to any day means the secured overnight financing rate published for such U.S. Government Securities Business Day immediately preceding such effective date by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"*Tender Date*" means each Optional Tender Date or Mandatory Tender Date.

"*Tender Notice*" means the notice given pursuant to Section 2.35 of this 2025 Series A and 2025 Series B Series Resolution by the holder of a 2025 Bond upon its election to tender such 2025 Bond.

"*Tendered Bond*" means a 2025 Bond or portion thereof in an Authorized Denomination mandatorily tendered or tendered at the option of the holder thereof for purchase in accordance with Article II of this 2025 Series A and 2025 Series B Series Resolution, including a 2025 Bond or portion thereof deemed tendered, but not surrendered on the applicable Tender Date, but does not include any Bank Bond or any 2025 Bond tendered by or on behalf of the Authority or the University or any affiliate of the University.

"*Tendered Term Floaters*" means 2025 Bonds bearing interest at a Term Floater Rate with respect to which a Tender Notice has been received by the Remarketing Agent.

"*Term Floater*" or "*Term Floaters*" shall mean a 2025 Bond or 2025 Bonds, respectively, bearing interest at the Term Floater Rate.

"*Term Floater Rate*" means a variable interest rate for the 2025 Bonds in the Term Floater Rate Mode established in accordance with Section 2.18 of this 2025 Series A and 2025 Series B Series Resolution.

"*Term Floater Rate Mode*" means the Interest Rate Mode during which the 2025 Bonds bear interest at a Term Floater Rate.

"*Term Floater Rate Period*" shall mean the period of time during which any 2025 Bonds bear interest at a Term Floater Rate, from a Term Floater Interest Payment Date through and including the day preceding the next Term Floater Interest Payment Date.

"*Term Floater Remarketing Window*" has the meaning given in Section 2.44 of this 2025 Series A and 2025 Series B Series Resolution.

"*Term Floater Special Mandatory Redemption Date*" shall mean the third anniversary of the date of the Tender Notice that resulted in the applicable Failed Remarketing Event (as defined in Section 2.45 of this 2025 Series A and 2025 Series B Series Resolution) (or if such day is not a Business Day, the immediately preceding Business Day).

"*Term Out Period*" means the period from and including the sixth Business Day from the optional tender of Term Floaters under Sections 2.18 and 2.45 of this 2025 Series A and 2025 Series B Series Resolution if the Term Floaters have not been successfully remarketed until the earlier to occur of (a) the scheduled maturity date for the applicable Term Floaters, (b) the Term Floater Special Mandatory Redemption Date, (c) the optional redemption of such Term Floaters, (d) the date on which all of the applicable Term Floaters are successfully remarketed and (e) the date on which the Authority, at the direction of the University, converts the 2025 Bonds from the Term Floater Rate Mode to a different Interest Rate Mode.

"*Term Out Rate*" means ten percent (10%) per annum.

"*Term SOFR*" means the forward-looking term rate for the applicable tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"*Termination Date*" means, when used in connection with a particular Credit Facility or Liquidity Facility, (i) the date on which such Credit Facility or Liquidity Facility will terminate prior to its stated Expiration Date, as set forth in a Termination Notice delivered by the provider thereof in accordance with such Credit Facility or Liquidity Facility or the applicable Reimbursement Agreement; or (ii) the date on which such Liquidity Facility or Credit Facility will terminate upon the election of the University, which date shall be not less than one Business Day after a Reset Date of the 2025 Bonds to which the Credit Facility or Liquidity Facility relates that bear interest in the Flexible Mode or Long-Term Mode.

"*Termination Notice*" means a notice given by a provider pursuant to a Credit Facility or Liquidity Facility provided by it or the applicable Reimbursement Agreement to the effect that such Credit Facility or Liquidity Facility will terminate on the date specified in such notice.

"*U.S. Government Securities Business Day*" means any day except for a Saturday, a Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading U.S. government securities.

"*Undelivered Bond*" means any 2025 Bond that constitutes an Undelivered Bond under the provisions of Section 2.41 of this 2025 Series A and 2025 Series B Series Resolution.

"*University Elective Purchase Date*" means the date designated by the University for the purchase of Daily Bonds, Weekly Bonds or Window Bonds pursuant to Article II of this 2025 Series A and 2025 Series B Series Resolution.

"*University Funds Account*" means the account so designated, created and established within the Bond Purchase Fund pursuant to Section 3.01 of this 2025 Series A and 2025 Series B Series Resolution.

"*University Tax Certificate*" means the Arbitrage and Tax Certificate, including the exhibits thereto, dated the date of issuance and delivery of the 2025 Bonds, furnished by the University.

"*Unremarketed Bonds*" means Direct Purchase Bonds for which the owners have not received the full Purchase Price of all of their 2025 Bonds on the applicable Direct Purchase Rate Mandatory Purchase Date.

"*Weekly Bonds*" means 2025 Bonds that bear interest at Weekly Rates.

"*Weekly Interest Rate Period*" means each weekly period generally consisting of seven days commencing on a Thursday and ending on the following Wednesday during the Weekly Period for which a particular Weekly Rate is in effect as provided in Section 2.20 of this 2025 Series A and 2025 Series B Series Resolution.

"*Weekly Mode*" means the Interest Rate Mode during which the 2025 Bonds bear interest at Weekly Rates.

*"Weekly Period"* means the entire period during which the 2025 Bonds constitute Weekly Bonds, which Weekly Period shall generally be comprised of multiple Weekly Interest Rate Periods, during which the Weekly Rates are in effect.

*"Weekly Rate"* means the interest rate per annum on Weekly Bonds determined on a weekly basis as provided in Section 2.20 of this 2025 Series A and 2025 Series B Series Resolution.

*"Window Bonds"* means 2025 Bonds that bear interest at Window Rates.

*"Window Interest Rate Period"* means each period during the Window Period for which a particular Window Rate is in effect, which shall be a period generally consisting of seven days commencing on a Thursday and ending on the following Wednesday, except in the case of (a) the initial Window Rate Interest Period occurring after a Conversion to the Window Mode, for which the period shall be from the applicable Conversion Date to and including the following Wednesday, and (b) the last Window Interest Rate Period during a Window Period, for which the period shall end on the day preceding the applicable Conversion Date, redemption date or maturity date.

*"Window Mode"* means the Interest Rate Mode during which the 2025 Bonds bear interest at the Window Rate.

*"Window Period"* means the entire period during which 2025 Bonds constitute Window Bonds, which Window Period shall generally be comprised of multiple Window Interest Rate Periods, during which Window Rates are in effect.

*"Window Rate"* means the interest rate per annum on Window Bonds determined on a periodic basis as provided in Section 2.25 of this 2025 Series A and 2025 Series B Series Resolution.

*"Window Rate Determination Date"* means, with respect to Window Bonds, in the case of a Conversion of 2025 Bonds to the Window Period, a Business Day not later than the applicable Conversion Date and, thereafter, each Thursday or, if Thursday is not a Business Day, then the Business Day next following such Thursday.

*"Window Rate Mandatory Purchase Date"* has the meaning given in Section 2.40(b) of this 2025 Series A and 2025 Series B Series Resolution.

*"Window Rate Optional Purchase Date"* has the meaning given in Section 2.35(b) of this 2025 Series A and 2025 Series B Series Resolution.

*"Window Rate Spread"* means, during a Window Period, (a) the Initial Window Rate Spread or (b) a revised spread determined by the Remarketing Agent pursuant to Section 2.25 of this 2025 Series A and 2025 Series B Series Resolution.

All reference in this 2025 Series A and 2025 Series B Series Resolution to designated Articles, Sections and other subdivisions are to the designated Articles, Sections and other subdivisions of this 2025 Series A and 2025 Series B Series Resolution. The words "herein",

"hereof", "hereunder" and "herewith" and other words of similar import refer to this 2025 Series A and 2025 Series B Series Resolution as a whole and not to any particular Article, Section or other subdivision hereof. Words importing persons include firms, associations and corporations, and words importing the singular number include the plural number and vice versa.

**Section 1.02. Authority for this 2025 Series A and 2025 Series B Series Resolution.**  
This 2025 Series A and 2025 Series B Series Resolution is adopted pursuant to and in accordance with the provisions of the Act and Article II and Article VIII of the Resolution.



## ARTICLE II

### AUTHORIZATION AND DETAILS OF 2025 PROJECT AND 2025 BONDS

**Section 2.01. Project Authorizations.** Any Authorized Officer is hereby authorized to execute and seal all documents necessary to enable the Authority to finance the 2025 Project and to provide for the payment of certain Costs of Issuance and the deposit to certain funds created under the Resolution and this 2025 Series A and 2025 Series B Series Resolution. Further, any Authorized Officer is hereby authorized to take any and all actions required of the Authority under this 2025 Series A and 2025 Series B Series Resolution to provide for the Conversion of the 2025 Bonds to a new Interest Rate Mode or a new Interest Rate Period, including, without limitation, the appointment of a Remarketing Agent and the execution of any Remarketing Agreement.

**Section 2.02. 2025 Bonds Authorized.** The Authority hereby authorizes the issuance of the 2025 Series A Bonds and the 2025 Series B Bonds, as either a single issue or separate issues for federal income tax purposes, in one or more series or subseries, for the purpose of making a loan to the University to pay the costs of the 2025 Project and to provide for the payment of certain Costs of Issuance and the deposit to certain funds created under the Resolution and this 2025 Series A and 2025 Series B Series Resolution.

**Section 2.03. Dates and Maturities.** The 2025 Bonds shall be initially dated, shall mature in such principal amounts and on such dates, shall bear interest payable on such dates, and shall be subject to such terms, conditions and provisions as an Authorized Officer shall approve prior to their issuance with the advice of the Authority's Bond Counsel, McManimon, Scotland & Baumann, LLC ("*Bond Counsel*"), and the Attorney General of the State of New Jersey (the "*State*") (such approval to be conclusively evidenced by such Authorized Officer's execution thereof); *provided*, that (a) the aggregate principal amount of the 2025 Bonds shall not exceed \$1,270,000,000; (b) the 2025 Bonds shall mature not later than July 1, 2074; (c) the "true" interest cost on the 2025 Bonds shall not exceed 6.00% per annum; and (d) Bond Counsel delivers an opinion that interest on the 2025 Bonds is not includable in gross income for federal income tax purposes in connection with the issuance of the 2025 Bonds. In connection with any Conversion of 2025 Bonds (in whole or in part) or any mandatory tender and remarketing of the 2025 Bonds (in whole or in part) on any Mandatory Purchase Date, at the direction of the University, any such 2025 Bonds or portions of the 2025 Bonds may be reconfigured, combined, re-designated or divided to create subseries or to combine any such subseries. If, after issuance thereof, as shown by the records of the Trustee, interest on the 2025 Bonds shall be in default, registered 2025 Bonds issued in lieu of 2025 Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the 2025 Bonds surrendered. The 2025 Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such registered 2025 Bonds to which interest has been paid, unless the date of such registered 2025 Bonds is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such registered 2025 Bonds is prior to the first Interest Payment Date of the registered 2025 Bonds, in which case interest shall be payable from the initial dated date or unless the date of such 2025 Bonds is between a record date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date, payable on such dates

and at such rate or rates per annum as shall hereafter be determined by an Authorized Officer upon the sale thereof. Any Authorized Officer also is authorized to accept terms and conditions relating to the 2025 Bonds required as a condition to issuance thereof as such Authorized Officer deems necessary and appropriate with the advice of Bond Counsel and the Attorney General of the State. Any such terms and conditions modifying the terms of this 2025 Series A and 2025 Series B Series Resolution shall be set forth in a Certificate of Determination delivered by an Authorized Officer.

**Section 2.04. Denominations, Numbers and Letters.** The 2025 Bonds shall be issuable in fully-registered form in Authorized Denominations. Unless the Authority shall otherwise direct, each maturity of each series of 2025 Bonds shall be numbered separately from one upwards preceded by the letter R, a letter or letters designating the series and a letter or letters designating the year of maturity. The Certificate of Determination may provide for a different Series designation as may be determined based on the date of the issuance of the 2025 Bonds.

At the direction of an Authorized Officer, "CUSIP" identification numbers will be imprinted on the 2025 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2025 Bonds, and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2025 Bonds. In addition, failure on the part of the Authority to use such CUSIP numbers in any notice to holders of the 2025 Bonds shall not constitute an event of default or any similar violation of the Authority's contract with such holders.

**Section 2.05. Redemption of 2025 Bonds.** (a) *Optional Redemption.* (i) The 2025 Bonds shall be subject to redemption prior to maturity at the option of the Authority upon the consent of the University or by operation of the Redemption Fund, as a whole or in part at any time (if less than all of the 2025 Bonds Outstanding of any maturity shall be called for redemption, such 2025 Bonds to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee), on the dates and at the Redemption Price (expressed as a percentage of the principal amount to be redeemed), plus interest accrued to the redemption date, as set forth in the Certificate of Determination; *provided, however*, that any such Redemption Price shall not exceed 103%.

Notwithstanding the preceding paragraph, the 2025 Bonds shall be subject to redemption prior to maturity in accordance with the following provisions applicable to the stated Interest Rate Mode:

*Long-Term Mode and Fixed Mode.* Long-Term Bonds and Fixed Bonds are subject to redemption prior to maturity, at the election of the Authority upon the request of the University, in whole or in part, in such amounts as may be specified by the University, (1) on each Long-Term Rate Mandatory Purchase Date with respect to 2025 Bonds in any Long-Term Period, at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption; and (2) after the applicable no call periods as may be specified by the University with respect to Long-Term Bonds or Fixed Bonds (or, with an Opinion of Bond Counsel, during such different periods and at such

different Redemption Prices specified in a notice of the University to the Trustee in connection with the establishment of the Long Term Rate(s) or the Fixed Rate(s)), in whole or in part, on any date at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption:

The foregoing notwithstanding, if the University delivers to the Trustee, the Remarketing Agent and the Authority on any Conversion Date or any Purchase Date (for 2025 Bonds remaining Long-Term Bonds for an additional Long-Term Interest Rate Period) (1) a notice containing alternative call protection periods and/or Redemption Prices for Long-Term Bonds or Fixed Bonds and (2) an Opinion of Bond Counsel with respect to such 2025 Bonds to the effect that the modifications to the call protection periods and/or Redemption Prices will not, in and of themselves, cause the interest on such 2025 Bonds to be included in the gross income of the owners thereof for purposes of federal income taxation, then the 2025 Bonds shall be subject to redemption, at the option of the University, pursuant to the call protection periods and at the Redemption Prices, if any, set forth in such notice.

*Daily Mode, Window Mode or Weekly Mode.* The 2025 Bonds in the Daily Mode, Window Mode or Weekly Mode are subject to optional redemption prior to maturity at the election of the Authority upon the request of the University, in whole or in part, on any Business Day in such amounts as are designated by the University at a Redemption Price equal to 100% of the principal amount of each 2025 Bond or portion thereof to be redeemed, plus interest accrued thereon, if any, to the date fixed for redemption.

*Term Floater Rate Mode.* The 2025 Bonds in the Term Floater Rate Mode are subject to optional redemption prior to maturity at the election of the Authority upon the request of the University, in whole or in part, on any Business Day in such amounts as are designated by the University at a Redemption Price equal to 100% of the principal amount of each 2025 Bond or portion thereof to be redeemed, plus interest accrued thereon, if any, to the date fixed for redemption.

*Short-Term Mode.* Short-Term Bonds are subject to redemption prior to maturity at the election of the Authority upon the request of the University, in whole or in part, on any Interest Payment Date for such Short-Term Bonds, in such amounts as are designated by the University, at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption.

*FRN Mode.* FRN Bonds are subject to redemption prior to maturity at the election of the Authority upon the request of the University, as follows: (i) for 2025 Bonds operating in an FRN Interest Rate Period of less than five years, on any date during the period beginning 180 days prior to the last day of such FRN Interest Rate Period and ending on the last day of such FRN Interest Rate Period, (ii) for 2025 Bonds operating in an FRN Interest Rate Period of five years or

more, on any date during the period beginning one year prior to the last day of such FRN Interest Rate Period and ending on the last day of such FRN Interest Rate Period, and (iii) on any date determined by the University on the FRN Rate Conversion Date, in whole or in part, in such amounts as are designated by the University, at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption.

*Flexible Mode.* 2025 Bonds in the Flexible Mode are not subject to optional redemption prior to their respective Purchase Dates. 2025 Bonds in the Flexible Mode shall be subject to redemption at the election of the Authority upon the request of the University, in whole or in part, on their respective Purchase Dates at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption.

*Direct Purchase Mode.* Direct Purchase Bonds are subject to redemption prior to maturity at the election of the Authority upon the request of the University, in whole or in part, at any time on or after their Direct Purchase Period Earliest Redemption Date, if any, at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, or, with an Opinion of Bond Counsel, as is set forth in the applicable Certificate of Determination or Bondholder Agreement.

(ii) Redemption of any of the 2025 Bonds shall otherwise be effected in accordance with Article III of the Resolution; *provided*, that any notice of redemption, as set forth in Section 2.06 hereof, shall be mailed, postage prepaid, not less than twenty (20) days prior to the redemption date.

(b) *Mandatory Sinking Fund Redemption.* The 2025 Bonds, if so determined by an Authorized Officer, shall be subject to mandatory redemption by lot, prior to maturity, at a Redemption Price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date, from moneys deposited in the Sinking Fund Account established for the 2025 Bonds, within the Debt Service Fund established under this 2025 Series A and 2025 Series B Series Resolution. The principal amount of the 2025 Bonds otherwise required to be redeemed may be reduced by the principal amount of such 2025 Bonds theretofore delivered to the Trustee by the Authority in lieu of cash payments under the Loan Agreement or purchased by the Trustee out of moneys in the Sinking Fund Account in the Debt Service Fund established under this 2025 Series A and 2025 Series B Series Resolution that have not theretofore been applied as a credit against any Sinking Fund Installment.

(c) *Purchase in Lieu of Redemption.* Under any circumstance where a redemption is authorized under this 2025 Series A and 2025 Series B Series Resolution, the 2025 Bonds are subject to purchase in lieu of redemption by the University prior to their maturity date at any time, in whole or in part, if the following conditions are satisfied:

(i) The University and the holder(s) of the applicable 2025 Bonds negotiate and agree upon a purchase price, which is communicated to the Trustee in writing;

(ii) Upon written agreement as described in (i) above, the University shall direct the Trustee to purchase all or a portion of the 2025 Bonds and shall have provided funds to the Trustee for deposit in the Debt Service Fund in the amount necessary to pay the purchase price of the selected portion of the 2025 Bonds equal to that amount required to fully satisfy the next scheduled interest and principal payments due on such portion of the 2025 Bonds;

(iii) The Trustee confirms that the amount provided for by the University pursuant to (ii) above is sufficient to purchase the applicable 2025 Bonds at the purchase price agreed to by the University and the holder(s) of the 2025 Bonds pursuant to (i) above; and

(iv) The holders of the 2025 Bonds to be purchased shall timely tender their 2025 Bonds to the Trustee for purchase. So long as the 2025 Bonds are held by DTC, such tender shall be accomplished by delivery versus payment settlement using DTC's standing procedures.

As portions of the 2025 Bonds are purchased pursuant to this provision, such purchase of the portion of the 2025 Bonds will be considered to have satisfied, in whole or in part, the scheduled sinking fund payment requirements in inverse order of maturity as set forth in this 2025 Series A and 2025 Series B Series Resolution. Once purchased, such portions of the 2025 Bonds shall be delivered to the Trustee and cancelled.

**Section 2.06. Notice of Redemption.** When 2025 Bonds are to be redeemed as provided herein, the Trustee shall give notice of such redemption by mailing a copy of such notice as provided in the Resolution, and such mailing shall be a condition precedent to such redemption. Failure of any holder of any 2025 Bonds to receive such notice or any defect therein shall not affect the validity of the proceedings for the redemption of 2025 Bonds. Any notice of redemption of any 2025 Bonds pursuant to Section 2.05(a) hereof may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the Redemption Price of all the 2025 Bonds or portions thereof that are to be redeemed on that date.

**Section 2.07. Appointment of Trustee, Bond Registrar and Paying Agent.** The Trustee, Bond Registrar and Paying Agent for the 2025 Bonds shall be The Bank of New York Mellon, Jersey City, New Jersey. Such appointment shall be evidenced by a certificate signed by an Authorized Officer and filed in the office of the Authority and delivered to the Trustee.

**Section 2.08. Additional Duties of Trustee.** The Trustee shall perform such other duties imposed upon it by this 2025 Series A and 2025 Series B Series Resolution or any assignments to the Trustee of the Loan Agreement. The Authority may assign the Loan Agreement to the Trustee, and the Trustee may hold such document, for the benefit of the holders of the 2025 Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds.

**Section 2.09. Places of Payment.** The principal, Purchase Price or Redemption Price of the 2025 Bonds shall be payable upon surrender at the principal corporate trust office of the Trustee. Interest on the 2025 Bonds will be paid by check mailed by the Trustee to the holders

thereof at their addresses as they appear on the registration books of the Authority, except that in the case of such holder of \$1,000,000 or more in aggregate principal amount of 2025 Bonds, upon the written request of such holder to the Trustee, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds. Any such request shall remain in effect until revoked or revised by such holder by an instrument in writing delivered to the Trustee. However, so long as the 2025 Bonds are held in book-entry form pursuant to Section 2.13 hereof, the provisions of Section 2.13 hereof shall govern the payment of the principal, Purchase Price or Redemption Price of and interest on the 2025 Bonds. For purposes of this Section 2.09, interest is payable to the holder thereof who is such holder at the close of business on the record date for such interest, which shall be the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date.

**Section 2.10. Authentication.** The 2025 Bonds shall bear thereon a certificate of authentication, in substantially the form set forth in Section 2.14 hereof, manually executed by the Trustee or by any authenticating agent of the Trustee approved by the Authority. Only such 2025 Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution, and no 2025 Bonds shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee or by any authenticating agent of the Trustee approved by the Authority. Such certificate of the Trustee shall be conclusive evidence that the 2025 Bond so authenticated has been duly authenticated and delivered under the Resolution and that the holder thereof is entitled to the benefits of the Resolution and this 2025 Series A and 2025 Series B Series Resolution.

**Section 2.11. Transfer of 2025 Bonds.** Each 2025 Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee, as Bond Registrar, by the holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the holder or his duly authorized attorney and the payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Upon the transfer of any 2025 Bond, the Authority shall issue in the name of the transferee a new 2025 Bond or Bonds in the same aggregate principal amount and maturity as the surrendered 2025 Bond or Bonds.

**Section 2.12. Regulations with Respect to Transfers.** In all cases in which the privilege of transferring 2025 Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver 2025 Bonds in accordance with the provisions of the Resolution and this 2025 Series A and 2025 Series B Series Resolution. All 2025 Bonds surrendered in any such transfer shall forthwith be canceled by the Trustee. Neither the Authority nor the Trustee shall be obliged to make any such transfer of 2025 Bonds during (a) the period between the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date on the 2025 Bonds and said Interest Payment Date, (b) the period between the forty-fifth (45th) day (whether or not a Business Day) next preceding the date of selection of 2025 Bonds to be redeemed and said date of selection, or (c) the period between the date of selection of 2025 Bonds to be redeemed and the mailing of any notice of redemption.

**Section 2.13. Book-Entry Bonds.** (a) Except as provided in subsection (c) of this Section 2.13, the registered owner of all of the 2025 Bonds shall be DTC, and the 2025 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of semiannual interest for any 2025 Bond registered as of each record date in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. on the Interest Payment Date for the 2025 Bonds at the address indicated on the record date for Cede & Co. in the registration books of the Authority kept by the Trustee.

(b) The 2025 Bonds shall be initially issued in the form of separate, single, authenticated, fully-registered bonds in the amount of each separate stated maturity of the 2025 Bonds. Upon initial issuance, the ownership of such 2025 Bonds shall be registered in the registration books of the Authority kept by the Trustee in the name of Cede & Co., as nominee for DTC. The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the 2025 Bonds registered in its name for the purposes of payment of the principal, Purchase Price or Redemption Price of or interest on the 2025 Bonds, selecting the 2025 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Resolution, registering the transfer of 2025 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any DTC participant, any person claiming a beneficial ownership interest in the 2025 Bonds under or through DTC or any DTC participant, or any other person who is not shown on the registration books of the Trustee as being a Bondholder with respect to the accuracy of any records maintained by DTC or any DTC participant; the payment by DTC or any DTC participant of any amount in respect of the principal or Redemption Price of or interest on the 2025 Bonds; any notice that is permitted or required to be given to Bondholders under the Resolution; the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the 2025 Bonds; or any consent given or other action taken by DTC as Bondholder. The Paying Agent shall pay all principal of and redemption premium, if any, and interest on the 2025 Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State of New Jersey) Cede & Co., as nominee for DTC, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the principal of and redemption premium, if any, and interest on the 2025 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the words "Cede & Co." in this 2025 Series A and 2025 Series B Series Resolution shall refer to such new nominee of DTC.

(c) In the event the Authority determines that it is in the best interest of the beneficial owners of the 2025 Bonds that they be able to obtain definitive 2025 Bonds, the Authority may notify DTC and the Trustee, whereupon DTC will notify DTC participants, of the availability through DTC of definitive 2025 Bonds. In such event, the Authority shall issue and the Trustee shall transfer and exchange definitive 2025 Bonds as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the 2025 Bonds at any time by giving reasonable notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee

shall be obligated to deliver definitive 2025 Bonds as described in the Resolution and this 2025 Series A and 2025 Series B Series Resolution. In the event definitive 2025 Bonds are issued, the provisions of the Resolution shall apply to, among other things, the transfer and exchange of such definitive 2025 Bonds. Whenever DTC requests the Authority and the Trustee to do so, the Authority and the Trustee will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate definitive 2025 Bonds to any DTC participant having 2025 Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of definitive 2025 Bonds.

(d) Notwithstanding any other provision of the Resolution or this 2025 Series A and 2025 Series B Series Resolution to the contrary, so long as any 2025 Bond is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to the principal of and redemption premium, if any, and interest on such 2025 Bond and all notices with respect to such 2025 Bond shall be made and given to Cede & Co., as nominee for DTC.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

**Section 2.14. Form of 2025 Bonds.** Subject to the provisions of the Resolution and this 2025 Series A and 2025 Series B Series Resolution, the form of the 2025 Bonds and the certificate of authentication thereon shall be of substantially the following form and tenor:



[Form of 2025 Bond]

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
PRINCETON UNIVERSITY REVENUE [REFUNDING] BONDS,  
[2025 SERIES A] [2025 SERIES B]

Interest Rate	Maturity Date	Dated Date	Mode	CUSIP
____%	July 1, ____	May __, 2025		646067 ____

REGISTERED OWNER: \*\*\*\*\*CEDE & CO.\*\*\*\*\*

PRINCIPAL SUM:

The NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter called the "*Authority*"), acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, or its registered assigns, on the Maturity Date stated above, upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee hereinafter mentioned, in lawful money of the United States of America, the Principal Sum stated above and interest thereon until the Principal Sum is paid from the most recent Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless the date of authentication hereof is an Interest Payment Date, in which case from the date of authentication hereof, or unless the date of authentication hereof is prior to the first interest payment, in which case from May \_\_, 2025, or unless the date of authentication hereof is between a record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an Interest Payment Date, and the next succeeding Interest Payment Date, in which case from such Interest Payment Date, at the Interest Rate stated above, payable initially on January 1, 2026 and semiannually thereafter on the first day of January and July of each year (each, an "*Interest Payment Date*"). [This paragraph to be adjusted accordingly for provisions relating to variable rate modes.]

Payment of the interest on this Bond shall be paid by check mailed to the registered owner hereof at the address of such registered owner as it shall appear on the registration books of the Authority, which shall be kept at the principal corporate trust office of the Bond Registrar hereinafter mentioned, at the close of business on the record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such Interest Payment Date, except that in the case of such registered owner of \$1,000,000 or more in aggregate principal amount of 2025 Series [A][B] Bonds (as hereinafter defined), upon the written request of such registered owner to the Trustee, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds to such registered owner. Any such request shall remain in effect until revoked or revised by such holder by an instrument in writing delivered to the Trustee. However, so long as the 2025 Series [A][B] Bonds are held in book-entry form pursuant to the

Resolution (as hereinafter defined), the provisions of the Resolution governing such book-entry form shall govern repayment of the principal or Purchase Price of and redemption premium, if any, and interest on the 2025 Series [A][B] Bonds. The principal of this Bond is payable upon surrender at the principal corporate trust office of The Bank of New York Mellon, Jersey City, New Jersey (the "*Trustee*" and "*Bond Registrar*").

This Bond is one of a duly authorized issue of bonds of the Authority designated "New Jersey Educational Facilities Authority Princeton University Revenue [Refunding] Bonds, 2025 Series [A][B]" (hereinafter called the "*2025 Series [A][B] Bonds*"), which has been duly issued by the Authority under and pursuant to the laws of the State of New Jersey, particularly the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A, Education Law, of the New Jersey Statutes, as amended and supplemented) (hereinafter called the "*Act*"), and pursuant to the Princeton University Revenue Bond Resolution, adopted by the Authority on February 16, 1999 (the "*General Resolution*"), as amended and supplemented, and the 2025 Series A and 2025 Series B Series Resolution, adopted by the Authority on April 29, 2025 (such resolutions being sometimes hereinafter collectively called the "*Resolution*"). This Bond and the issue of which it is a part is a special and limited obligation of the Authority payable from and secured by a pledge of and lien on the Revenues (as defined in the Resolution) equally and ratably with the Outstanding Parity Bonds, all other 2025 Series [A][B] Bonds of this issue and any other Additional Bonds to be issued on a parity herewith as permitted by the Resolution. Revenues are defined in the Resolution to include all payments received by the Authority pursuant to loan agreements between the Authority and The Trustees of Princeton University (the "*University*") to finance any facility permitted by the Resolution or any Applicable Series Resolution. All capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Resolution.

This Bond is one of a total authorized issue of \$\_\_\_\_,\_\_\_\_,000, all of like date and tenor except as to number, interest rate, maturity date, denomination and redemption provisions, issued to obtain funds to finance (i) the [2025 Series A Project] [Refunding Project] and (ii) the payment of certain costs incidental to the sale and issuance of the 2025 Series [A][B] Bonds through a loan to the University and for other purposes provided by the Resolution, to which Resolution reference is hereby made for a description of the funds, revenues and charges pledged thereunder, the nature and extent of the security thereby created, and the rights, limitations of rights, obligations, duties and immunities of the Authority, the Trustee and the registered owners of the 2025 Series [A][B] Bonds. Certified copies of the Resolution are on file in the principal corporate trust office of the Trustee and in the office of the Authority.

As provided in the Resolution, Bonds of the Authority may be issued from time to time pursuant to one or more series resolutions in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds that may be issued is not limited except as provided in the Resolution, and all Bonds issued and to be issued as permitted by the Resolution are and will be equally secured by the pledge and covenants made therein except as otherwise expressly provided or permitted in the Resolution.

The Resolution provides that Additional Parity Bonds may be issued thereunder to provide additional funds for certain purposes including to finance the costs of certain other facilities for the University and that refunding bonds may be issued to refund Outstanding Bonds under the Resolution. All Additional Parity Bonds and refunding bonds shall be issued pursuant to series resolutions and shall be secured by an equal charge and lien on, and shall be payable equally from, the Revenues. The 2025 Series [A][B] Bonds have been issued as provided in [Section 2.05] [Sections 2.04 and 2.05] of the General Resolution.

[Insert applicable redemption provisions from the Certificate of Determination]

[The 2025 Series [A][B] Bonds maturing on July 1, 20\_\_ shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Sinking Fund Account, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the 2025 Series [A][B] Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
	\$
*	

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\*Final maturity.

The 2025 Series [A][B] Bonds maturing on July 1, 20\_\_ shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Sinking Fund Account, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the 2025 Series [A][B] Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
	\$
*	

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\*Final maturity.]

Redemption of any of the 2025 Series [A][B] Bonds shall otherwise be effected in accordance with the Resolution.

In the event this 2025 Series [A][B] Bond shall be called for redemption, notice of such redemption shall be mailed, postage prepaid, not less than twenty (20) days prior to the redemption date, to the registered owners of any 2025 Series [A][B] Bonds to be redeemed at their last address appearing on the registration books of the Authority kept by the Bond Registrar, and such mailing shall be a condition precedent to such redemption. Failure of any registered owner of any 2025 Series [A][B] Bond to receive such notice, or any defect therein,

shall not affect the validity of the proceedings for the redemption of the 2025 Series [A][B] Bonds. Notice of redemption having been mailed as aforesaid, the 2025 Series [A][B] Bonds so called for redemption, on the date specified in such notice, shall become due and payable at the applicable Redemption Price herein provided, and from and after the date so fixed for redemption, interest on the 2025 Series [A][B] Bonds so called for redemption shall cease to accrue and be payable.

The initial Interest Rate Mode applicable to this 2025 Series [A][B] Bond is identified above. This 2025 Series [A][B] Bond may be converted to another Interest Rate Mode, subject to the terms and conditions of the Resolution. The method of determining interest in each Interest Rate Mode is described in the Resolution.

In case an event of default (as defined in the Resolution) shall occur, the principal of this 2025 Series [A][B] Bond may be declared due and payable in the manner and with the effect provided in the Resolution.

The 2025 Series [A][B] Bonds are special and limited obligations of the Authority payable from the Revenues, and neither the State of New Jersey nor any political subdivision thereof, other than the Authority, shall be obligated to pay the principal, Purchase Price or Redemption Price of or interest on the 2025 Series [A][B] Bonds except from the Revenues, and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal, Purchase Price or Redemption Price of or interest on the 2025 Series [A][B] Bonds. The Authority has no taxing power.

No recourse shall be had for the payment of the principal, Purchase Price or Redemption Price of or interest on this 2025 Series [A][B] Bond against any member, employee or other officer of the Authority or against any person executing this 2025 Series [A][B] Bond, all of such liability, if any, being hereby expressly waived and released by every registered owner of this 2025 Series [A][B] Bond by the acceptance hereof and as a part of the consideration hereof, as provided in the Resolution.

The Resolution contains provisions permitting the Authority, with the consent of the registered owners of not less than 66-2/3% in aggregate principal amount of the Outstanding Parity Bonds, the 2025 Series [A][B] Bonds and any Additional Parity Bonds outstanding, evidenced as provided in the Resolution, to adopt supplemental resolutions modifying any of the provisions of the Resolution, any supplemental resolution or the 2025 Series [A][B] Bonds or releasing the Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained; *provided, however*, that no such supplemental resolution shall: (i) change any terms of redemption of the 2025 Series [A][B] Bonds or the due date of principal of or interest on the 2025 Series [A][B] Bonds or make any reduction in the principal or Redemption Price of or interest on any 2025 Series [A][B] Bond, without the consent of the registered owner of each 2025 Series [A][B] Bond so affected; or (ii) reduce the aforesaid percentage of bonds the consent of the registered owners of which is required for any such supplemental resolution, without the consent of the registered owners of all of said bonds then outstanding.

The 2025 Series [A][B] Bonds are issuable in the form of fully-registered bonds, without coupons, in denominations of \$5,000 each or any integral multiple thereof. This 2025 Series [A][B] Bond is transferable as provided in the Resolution, only upon the books of the Authority kept for that purpose at the above-mentioned office of the Bond Registrar, by the registered owner hereof in person or by his duly authorized attorney, upon surrender of this 2025 Series [A][B] Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered 2025 Series [A][B] Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution and upon payment of the charges therein prescribed. The Authority, the Bond Registrar and any paying agent may deem and treat the person in whose name this 2025 Series [A][B] Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

It is hereby certified, recited and declared by the Authority that all acts, conditions and things required by the Constitution and statutes of the State of New Jersey and the Resolution to exist, to happen and to be performed precedent to and in the issuance of the 2025 Series [A][B] Bonds, of which this 2025 Series [A][B] Bond is a part, in order to make them the legal, valid and binding, special and limited obligations of the Authority in accordance with their terms, exist, have happened and have been performed in regular and due time, form and manner as required by law, and the issuance of the 2025 Series [A][B] Bonds, together with all other indebtedness of the Authority, does not exceed or violate any constitutional, statutory or other limitation relating to the amount of bonded indebtedness prescribed by law for the Authority.

This 2025 Series [A][B] Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this 2025 Series [A][B] Bond shall have been authenticated by the execution by the Trustee, or by any authenticating agent of the Trustee approved by the Authority, of the Certificate of Authentication hereon.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, New Jersey Educational Facilities Authority has caused this 2025 Series [A][B] Bond to be executed in its name by the manual or facsimile signature of its Executive Director and its official common seal to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of an Assistant Secretary, all as of the Dated Date.

**NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY**

[SEAL]

By: \_\_\_\_\_  
**Sheryl A. Stitt**  
**Executive Director**

**ATTEST:**

By: \_\_\_\_\_  
**Steven P. Nelson**  
**Assistant Secretary**

## **CERTIFICATE OF AUTHENTICATION**

This 2025 Series [A][B] Bond is one of the 2025 Series [A][B] Bonds described in the within-mentioned Resolution.

**THE BANK OF NEW YORK MELLON,  
as Trustee**

**By: \_\_\_\_\_  
Authorized Signatory**

Date of Authentication: May \_\_, 2025

## ASSIGNMENT

**FOR VALUE RECEIVED**, the undersigned hereby sells, assigns and transfers unto

---

*(Please Print or Typewrite Name, Address and Social Security  
Number or Taxpayer Identification Number of Transferee)*

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

Attorney

To transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICES: This signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

---

(Name of Eligible Guarantor Institution as defined by SEC Rule 17Ad-15 (12 *CFR* 240.17Ad-15) or any similar rule which the Trustee deems applicable)

By \_\_\_\_\_

Title \_\_\_\_\_

[End of Form of 2025 Bond]



## **Section 2.15. Interest Rate Modes.**

(a) *Interest Rate Modes; Multimodal Bond Provisions.* The 2025 Bonds shall bear interest in a Daily Mode, a Weekly Mode, a Short-Term Mode, a Long-Term Mode, an FRN Mode, a Term Floater Rate Mode, a Window Mode, a Flexible Mode, a Direct Purchase Mode or a Fixed Mode. The establishment of interest rates for 2025 Bonds in any Interest Rate Mode, Conversions between Interest Rate Modes (including Conversions between certain Interest Rate Periods), optional tender of the 2025 Bonds, mandatory tender of the 2025 Bonds and remarketing of the 2025 Bonds shall be governed by, and shall be as set forth in, this Article II.

(b) *Time and Method of Payment.* Interest shall be payable on each Interest Payment Date (i) during any Interest Rate Period during which the Direct Purchaser is the registered owner of the 2025 Bonds, by wire transfer to a Direct Purchaser at the wire transfer address in the continental United States to which the Direct Purchaser shall have directed the Trustee to wire such interest payment, or as otherwise provided in any Certificate of Determination delivered in connection with any Conversion to a Direct Purchase Mode, (ii) during any Daily Period, Window Period, FRN Period, Short-Term Period, Term Floater Rate Period, Flexible Rate Period or Weekly Period, in immediately available funds payable by check mailed to each registered owner of a 2025 Bond on the record date immediately preceding such Interest Payment Date to the address thereof as it appears on the registry books of the Authority kept by the Trustee, and (iii) during any Long-Term Period or any Fixed Period, by check, payable in New York Clearing House funds, mailed to each registered owner of a 2025 Bond on the record date to the address thereof as it appears on the registry books of the Authority kept by the Trustee; *provided, however*, that (x) interest payable on any Interest Payment Date during which the 2025 Bonds are in book-entry form shall be paid by wire transfer to the securities depository for the 2025 Bonds or its nominee, at the wire transfer address therefor, and (y) interest on Bank Bonds that are not in book-entry form shall be paid by wire transfer to the registered owner of such Bank Bonds at the wire transfer address in the continental United States to which such registered owner has, not less than five (5) days prior to the applicable record date, directed the Trustee to wire such interest payment. Notwithstanding the foregoing, interest on the 2025 Bonds in any Interest Rate Mode shall be paid, at the request of a registered owner of at least one million dollars (\$1,000,000) in principal amount of 2025 Bonds, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has not later than five (5) days prior to the record date immediately preceding such Interest Payment Date directed the Trustee to wire such interest payment.

(c) *Method of Calculation.* The 2025 Bonds shall bear interest as provided herein from, and including, their date of issuance to, but excluding, the date on which the 2025 Bonds mature or are earlier redeemed. Unless otherwise provided in a Certificate of Determination, interest shall be computed (i) during any Daily Period, Flexible Period, Short-Term Period, FRN Period, Window Period, Term Floater Rate Period or Weekly Period on the basis of a 365-day or 366-day year, as appropriate, and actual days elapsed; (ii) during any Long-Term Period or Fixed Period, on the basis of a 360-day year consisting of twelve 30-day months; and (iii) during any Interest Rate Period during which a Direct Purchaser is the sole holder, on the basis of either a 360-day year and the actual number of days elapsed or a 360-day year consisting of twelve 30-day months or otherwise, each as set forth in the Certificate of Determination.

(d) *Interest Accrual.* For any Weekly Period, FRN Period or Window Period, interest shall be payable on each Interest Payment Date for the period commencing on (and including) the Interest Accrual Date in the preceding month and ending on the day immediately preceding the Interest Payment Date (or, if sooner, the last day of the Weekly Period, FRN Period or Window Period, as applicable). For any Term Floater Rate Period, interest shall be payable on each Term Floater Interest Payment Date for the period commencing on the Term Floater Interest Accrual Date preceding the prior Term Floater Interest Payment Date (or, in the case of the first Term Floater Interest Payment Date during any Term Floater Rate Period, the Term Floater Interest Accrual Date preceding such Term Floater Interest Payment Date) and ending on the day preceding the next Term Floater Interest Payment Date (or if sooner, the last day of the Term Floater Rate Period). For any Daily Period, interest shall be payable on each Interest Payment Date for the period commencing on (and including) the second preceding Interest Accrual Date and ending on the day immediately preceding the immediately preceding Interest Accrual Date (or, if sooner, the last day of the Daily Period). For any Short-Term Period, Flexible Rate Period, Fixed Period or Long-Term Period, interest shall be payable on each Interest Payment Date for the period commencing on (and including) the immediately preceding Interest Accrual Date and ending on the day immediately preceding such Interest Payment Date. For any Direct Purchase Period, interest shall be payable on each Interest Payment Date for each Interest Accrual Period.

#### **Section 2.16. Determination of Interest Rates.**

(a) *Interest Rate Periods.* In the manner hereinafter provided, the term of the 2025 Bonds in each Interest Rate Mode will be divided into consecutive Interest Rate Periods during each of which such 2025 Bonds shall bear interest at a Daily Rate, a Weekly Rate, a Short-Term Rate, a Long-Term Rate, a Flexible Rate, an FRN Rate, a Term Floater Rate, a Window Rate, a Fixed Rate or a Direct Purchase Rate, as may be applicable for the specific Interest Rate Mode.

(b) *Determination of Interest Rates.*

(i) *Interest Rates.* All 2025 Bonds of a series or subseries shall be in the same Interest Rate Mode and operate in the same Interest Rate Period.

(ii) *Maximum Rate.* Interest on the 2025 Bonds shall not exceed the Maximum Rate applicable thereto.

(iii) *Fixed Rates.* Interest on 2025 Bonds in a Fixed Period shall be determined pursuant to Section 2.17 hereof. Each Fixed Period shall extend to the maturity date or earlier Conversion, and 2025 Bonds bearing interest at a Fixed Rate may only be converted to another Interest Rate Mode or to a new Fixed Period as permitted by this Article II.

(iv) *Daily Bonds, Weekly Bonds, Short-Term Bonds, Long-Term Bonds or Fixed Bonds.* Subject to the further provisions of this Section 2.16 with respect to particular Daily Rates, Weekly Rates, Short-Term Rates, Long-Term Rates or Fixed Rates, or Conversions between Daily Rates or Weekly Rates or to Short-Term Rates or Long-Term Rates or Fixed Rates, the interest rate on 2025 Bonds during any Daily

Period, Weekly Period, Short-Term Period, Long-Term Period (other than the Initial Long-Term Period with respect to the 2025 Series A Bonds) or Fixed Period (other than the Initial Fixed Period with respect to the 2025 Series B Bonds) shall be determined by the Remarketing Agent with respect to the 2025 Bonds as provided in this Section 2.16, and notice thereof shall be given as follows:

(A) The interest rate for the Daily Period, Weekly Period, Short-Term Period, Long-Term Period (other than the initial Long-Term Period with respect to the 2025 Series A Bonds) or Fixed Period (other than the Initial Fixed Period with respect to the 2025 Series B Bonds) in question shall be determined by the Remarketing Agent on the date or dates and at the time or times required pursuant to Sections 2.17, 2.19, 2.20, 2.21 or 2.22 hereof, as applicable. The interest rate to be determined for the Daily Period, Weekly Period, Short-Term Period, Long-Term Period (other than the initial Long-Term Period with respect to the 2025 Series A Bonds) or Fixed Period (other than the Initial Fixed Period with respect to the 2025 Series B Bonds) shall be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would permit the 2025 Bonds in question, assuming the 2025 Bonds were all available for sale to investors, to have a purchase price equal to the principal amount thereof under prevailing market conditions and based on the market for and the relative yields of the 2025 Bonds and other securities, that, in the judgment of the Remarketing Agent, are otherwise comparable to the 2025 Bonds, as of the date of determination, except as otherwise provided for Long-Term Rates in Section 2.22 or for Fixed Rates in Section 2.17.

(B) If the Remarketing Agent fails for any reason to determine the Daily Rate, Weekly Rate, Short-Term Rate, Long-Term Rate or Fixed Rate for any Daily Period, Weekly Period, Short-Term Period, Long-Term Period or Fixed Period, as applicable, when required hereunder, then the interest rate on such 2025 Bonds shall be the interest rate set by the Remarketing Agent for the most recent period for which the interest rate was validly determined by the Remarketing Agent until the interest rate on such 2025 Bonds is again validly determined by the Remarketing Agent, or in the event that a court holds that the Daily Rate, Weekly Rate, Short-Term Rate, Long-Term Rate or Fixed Rate for any Daily Period, Weekly Period, Short-Term Period, Long-Term Period or Fixed Period, respectively, is invalid, illegal or unenforceable, then the interest rate on such 2025 Bonds shall be equal to (i) with respect to any Daily Period, Weekly Period or Short-Term Period, the lesser of the SIFMA Index or the Maximum Rate, and (ii) with respect to any Long-Term Period or Fixed Period, the Maximum Rate, until the interest rate on such 2025 Bonds is again validly determined by the Remarketing Agent, in each case, so long as no Event of Default shall have occurred and be continuing. If there is no Remarketing Agent, the interest rate on such 2025 Bonds shall be the Maximum Rate and in each case until the interest rate on such 2025 Bonds is validly determined by a Remarketing Agent appointed pursuant to this 2025 Series A and Series B Series Resolution.

(C) All Daily Bonds, Weekly Bonds and Long-Term Bonds of a series or sub-series shall bear interest accruing at the same Daily Rate, Weekly Rate or Long-Term Rate, respectively.

(v) *Flexible Rate Bonds.* The Flexible Rate shall be determined in accordance with Section 2.23.

(vi) *FRN Bonds.* The FRN Rate shall be determined in accordance with Section 2.24. The Remarketing Agent shall notify the Authority, the Trustee and the University of the FRN Rate for each FRN Interest Rate Period in accordance with Section 2.24. All FRN Bonds shall bear interest accruing at the same FRN Rate.

(vii) *Window Bonds.* The Window Rate shall be determined in accordance with Section 2.25. The Calculation Agent shall notify the Authority, the Trustee and the University of the Window Rate for each Window Interest Rate Period in accordance with Section 2.25. All Window Bonds shall bear interest accruing at the same Window Rate.

(viii) *Direct Purchase Bonds.* The Direct Purchase Rate shall be determined in accordance with Section 2.26. All Direct Purchase Bonds shall bear interest at the same Direct Purchase Rate.

#### **Section 2.17. Fixed Rates for Fixed Periods.**

(a) *Interest Rate Period.* The provisions of this Section 2.17 shall apply to all Fixed Periods. Whenever 2025 Bonds are to bear interest accruing at a Fixed Rate, the Fixed Rate shall commence on the date of issuance and delivery of the 2025 Series B Bonds with respect to the Initial Fixed Period and, thereafter, on a Conversion Date, and any Fixed Period shall extend to but excluding the maturity date, subject to the ability of the University to designate a Conversion Date for such Fixed Bonds pursuant to the provisions of Section 2.32.

(b) *Determination Time.* Each Fixed Rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on or before the Business Day immediately preceding the Fixed Rate Conversion Date. Notice of each Fixed Rate shall be given by the Remarketing Agent to the Authority, the Trustee and the University by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination.

(c) *Remarketing.* The Fixed Rate for the 2025 Bonds shall be the rate or rates of interest per annum borne by the 2025 Bonds that shall be the lowest rate or rates of interest that, in the judgment of the Remarketing Agent, would cause such 2025 Bonds to have a purchase price equal to the principal amount thereof plus accrued interest, if any, under prevailing market conditions as of the date of determination. Notwithstanding the foregoing, the Fixed Rate may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate that, if borne by the 2025 Bonds, would enable the Remarketing Agent to sell such 2025 Bonds on the date and at the time of such determination at a price that will result in the lowest net interest cost for such 2025 Bonds, after taking into account any premium or discount at which such 2025 Bonds are sold by the Remarketing Agent; *provided*, that in connection with selling such 2025 Bonds at a premium or discount:

(i) The Remarketing Agent certifies to the Authority, the Trustee and the University that the sale of the 2025 Bonds at the Fixed Rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such 2025 Bonds on the commencement date of the Fixed Period;

(ii) The University consents in writing to the sale of the 2025 Bonds by the Remarketing Agent at such premium or discount;

(iii) In the case of 2025 Bonds to be sold at a discount, either (A) a Credit Facility or a Liquidity Facility is in effect with respect to the 2025 Bonds at the time of the Fixed Rate Conversion Date and provides for the purchase of such 2025 Bonds from the tendering owners at par or (B) the University agrees to transfer to the Trustee on the Fixed Rate Conversion Date, in immediately available funds, for deposit in the University Funds Account, an amount equal to such discount;

(iv) In the case of 2025 Bonds to be sold at a premium, the Remarketing Agent shall transfer remarketing proceeds equal to such premium in accordance with the written direction of the Authority; and

(v) On or before the Fixed Rate Conversion Date, an Opinion of Bond Counsel to the effect that such determination of the Fixed Rate will not, in and of itself, cause the interest on the 2025 Bonds to be included in the gross income of the owners for federal income tax purposes shall have been received by the Trustee, the Authority, the University and the Remarketing Agent.

#### **Section 2.18. Term Floater Rates.**

(a) *Interest Rate Period.* Whenever 2025 Bonds are to bear interest accruing at a Term Floater Rate, the Term Floater Rate Period shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day.

(b) *Effective Period.* The interest rate for each Term Floater Rate Period shall be effective from and including the commencement date thereof and shall remain in effect to, but not including, the next succeeding Business Day.

(c) *Determination of Term Floater Rate.* The Term Floater Rate shall be determined by the Remarketing Agent on each Business Day by 10:30 a.m., New York City time, which will be effective the same day. The Term Floater Rate shall be the minimum interest rate that, if borne by such 2025 Bonds, would enable the Remarketing Agent to sell all of such 2025 Bonds on such Business Day at a price (without regarding accrued interest) equal to the principal amount thereof. In determining the Term Floater Rate, the Remarketing Agent shall consider (but not be limited to considering) the following factors: existing short-term tax-exempt market rates for securities, indices of such short-term rates and the existing market supply and demand for securities bearing such short-term rates, existing yield curves for short-term and long-term securities for securities of issuers of credit quality comparable to the 2025 Bonds, general economic conditions and industry economic and financial conditions as the Remarketing Agent, in its sole discretion, shall determine to be relevant.

The Term Floater Rate for any day that is not a Business Day shall be the same as the Term Floater Rate for the immediately preceding Business Day. In the event that the Remarketing Agent fails to establish a Term Floater Rate for any day, then the Term Floater Rate for such day shall be the same as the Term Floater Rate for the immediately preceding Business Day, and such rate shall continue until the earlier of (A) the date on which the Remarketing Agent determines a new Term Floater Rate or (B) the fifth consecutive Business Day succeeding the first such Business Day on which such Term Floater Rate is not determined by the Remarketing Agent. In the event that Remarketing Agent fails to determine a new Term Floater Rate for a period of five consecutive Business Days as described in clause (B) of the immediately preceding sentence, the Term Floater Rate shall be equal to the Term Out Rate until a new Term Floater Rate is established by the Remarketing Agent.

All of the 2025 Bonds bearing interest at the Term Floater Rate shall at all times bear the same rate of interest. During the Term Out Period, the 2025 Bonds will bear interest at the Term Out Rate.

(d) *Conversion to Term Floater Rate Period.*

(i) At any time, the Authority, upon request by the University, may elect, by written direction to the Trustee, the Liquidity Facility Provider (if any) and the Remarketing Agent (if any), that all or a portion of the 2025 Bonds shall bear interest at the Term Floater Rate. The direction of the University shall specify (A) the proposed effective date of such Conversion to a Term Floater Rate, which shall be (1) in each case, a Business Day not earlier than the 10th day following the second Business Day after receipt by the Trustee of such direction, (2) in the case of a Conversion from a Long-Term Interest Rate Period, the day immediately following the last day of the then current Long-Term Interest Rate Period or a day on which the 2025 Bonds would otherwise be subject to optional redemption if such Conversion did not occur, and (3) in the case of a Conversion from a Short-Term Interest Rate Period, the day immediately following the last day of the Short-Term Interest Rate Period and (B) the Tender Date for the 2025 Bonds to be purchased, which shall be the proposed effective date of the Conversion to a Term Floater Rate.

(ii) The direction shall be accompanied by a form of notice to be mailed to the holders of the 2025 Bonds by the Trustee as provided in (e) below.

(e) *Notice of Conversion to Term Floater Rate.* The Trustee shall give notice by first-class mail of a Conversion to a Term Floater Rate Period to the holders of the 2025 Bonds to be so converted not less than 10 days prior to the effective date of such Term Floater Rate Period. Such notice shall state (A) that the interest rate on those 2025 Bonds shall be converted to a Term Floater Rate unless the University rescinds its election to convert the interest rate to a Term Floater Rate as provided in Section 2.32, in which case those 2025 Bonds shall continue in the Interest Rate Mode in effect immediately prior to such proposed adjustment in the Interest Rate Mode, the effective date of such Term Floater Rate Period, (B) that those 2025 Bonds are subject to mandatory tender for purchase on such effective date, setting forth the applicable Purchase Price, and (C) the information set forth in Section 2.32 hereof.

(f) *Condition to Conversion to Term Floater Rate.* No conversion to the Term Floater Rate shall take effect unless, prior to the effective date of such Conversion set forth in the notice to holders, the University shall have appointed a Remarketing Agent and there shall have been executed and delivered a Remarketing Agreement with respect to such 2025 Bonds to be converted.

#### **Section 2.19. Daily Rates.**

(a) *Interest Rate Period.* Whenever 2025 Bonds are to bear interest accruing at a Daily Rate, Daily Interest Rate Periods shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day.

(b) *Effective Period.* The interest rate for each Daily Interest Rate Period shall be effective from and including the commencement date thereof and shall remain in effect to, but not including, the next succeeding Business Day.

(c) *Determination Time.* Each Daily Rate shall be determined by the Remarketing Agent by 10:00 a.m., New York City time, on the commencement date of the Daily Interest Rate Period to which it relates. Notice of each Daily Rate shall be given by the Remarketing Agent to the Trustee, the Authority, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the 2025 Bonds to which such Daily Rate is applicable, and to the University, by Electronic Notice, no less frequently than once each week and on the Business Day preceding each Interest Accrual Date. The Trustee shall inform the holders of each Daily Rate determined by the Remarketing Agent, as set forth in the Remarketing Agent's notice to the Trustee, upon request.

#### **Section 2.20. Weekly Rates.**

(a) *Interest Rate Period.* Whenever 2025 Bonds are to bear interest accruing at a Weekly Rate, Weekly Interest Rate Periods shall commence on Thursday of each week and end on and include Wednesday of the following week; *provided, however*, that (i) in the case of a Conversion to a Weekly Rate from another Interest Rate Mode, the initial Weekly Interest Rate Period for such 2025 Bonds shall commence on the Conversion Date into the Weekly Period and end on and include the next succeeding Wednesday, and (ii) in the case of a Conversion from a Weekly Rate to another Interest Rate Mode, the last Weekly Interest Rate Period prior to Conversion shall end on the last day immediately preceding the applicable Conversion Date.

(b) *Effective Period.* The interest rate for each Weekly Interest Rate Period shall be effective from and including the commencement date of such Weekly Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) *Determination Time.* Each Weekly Rate shall be determined by the Remarketing Agent by 5:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Weekly Interest Rate Period to which it relates. Notice of each Weekly Rate shall be given by the Remarketing Agent to the Trustee, the Authority, the University, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the 2025 Bonds to which such Weekly Rate is applicable by Electronic Notice not later

than 6:00 p.m., New York City time, on the date of determination. The Trustee shall inform the holders of each Weekly Rate determined by the Remarketing Agent upon request.

## **Section 2.21. Short-Term Rates.**

(a) *Interest Rate Period.* Whenever 2025 Bonds are to bear interest accruing at a Short-Term Rate, each Short-Term Interest Rate Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding that Short-Term Interest Rate Period that will, in the judgment of the Remarketing Agent, produce the greatest likelihood of the lowest net interest cost during the term of such Short-Term Bonds; *provided*, that each Short-Term Interest Rate Period (i) shall be from 1 to 364 days in length but, if a Credit Facility or a Liquidity Facility is in effect with respect to such Short-Term Bonds, shall not exceed the number of days of interest coverage provided by such Credit Facility or such Liquidity Facility minus five days, shall not extend beyond the date that is five days before the Expiration Date of such Credit Facility or such Liquidity Facility and shall not exceed the number of days remaining prior to the Conversion Date if the Remarketing Agent has given or received notice of any Conversion to a different Interest Rate Mode, and (ii) shall commence on a Business Day (except that in the case of a Conversion to a Short-Term Mode, the initial Short-Term Rate shall commence on the Conversion Date), and (iii) shall end on a day preceding a Business Day or the day preceding the maturity date for such 2025 Bonds. The Remarketing Agent may, in the reasonable exercise of its judgment, determine one or more Short-Term Interest Rate Periods that result in a Short-Term Rate or Short-Term Rates on 2025 Bonds that are higher than would be borne by such 2025 Bonds with a shorter Short-Term Interest Rate Period in order to increase the likelihood of achieving the lowest net interest cost during the term of such Short-Term Bonds by providing for a longer Short-Term Interest Rate Period. The determination of each Short-Term Interest Rate Period by the Remarketing Agent shall be based upon the relative market yields of the Short-Term Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent, are otherwise comparable to the Short-Term Bonds, or any fact or circumstance relating to the Short-Term Bonds or affecting the market for the Short-Term Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, may affect the market for the Short-Term Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the University, but the Remarketing Agent's determination of the Short-Term Interest Rate Periods will be based solely upon the reasonable exercise of the Remarketing Agent's judgment.

(b) *Effective Period.* The interest rate for each Short-Term Interest Rate Period shall be effective from and including the commencement date of that Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) *Short-Term Interest Rate Periods.* Short-Term Bonds may bear interest for different Short-Term Interest Rate Periods and at different Short-Term Rates; *provided*, that all Short-Term Bonds with the same Short-Term Interest Rate Period shall bear interest at the same Short-Term Rate.



(d) *Determination Time.* During each Short-Term Period, each Short-Term Rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement of the Short-Term Interest Rate Period to which it relates. Notice of each Short-Term Rate and of each Short-Term Interest Rate Period shall be given by the Remarketing Agent to the Trustee, the Authority, the University, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the 2025 Bonds to which such Short-Term Rate or Short-Term Interest Rate Period is applicable, by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Trustee shall inform the holders of each Short-Term Rate and each Short-Term Interest Rate Period determined by the Remarketing Agent, as set forth in the Remarketing Agent's notice, upon request.

## **Section 2.22. Long-Term Rates.**

(a) *Interest Rate Period.* Whenever 2025 Bonds are to bear interest accruing at a Long-Term Rate, the Long-Term Rate shall commence on the date of issuance and delivery of the 2025 Series A Bonds with respect to the Initial Long-Term Period and, thereafter, Long-Term Interest Rate Periods shall commence on a Long-Term Rate Conversion Date or a Long-Term Rate Mandatory Purchase Date, and end on a day that is at least 12 months after such Long-Term Rate Conversion Date, which shall be the day preceding (i) the subsequent Long-Term Rate Mandatory Purchase Date, (ii) the Conversion Date on which a different Interest Rate Mode shall become effective or (iii) the maturity date for such 2025 Bonds; *provided*, that if a Credit Facility or a Liquidity Facility is in effect with respect to such 2025 Bonds, each Long-Term Interest Rate Period shall not extend to a date beyond the fifth day next preceding the Expiration Date of such Credit Facility or Liquidity Facility.

(b) *Effective Period.* The interest rate for each Long-Term Interest Rate Period shall be effective from and including the commencement date of that Long-Term Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) *Determination Time.* Each Long-Term Rate and the term of each Long-Term Interest Rate Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on or prior to the Business Day immediately preceding the commencement of the Long-Term Interest Rate Period to which it relates. Notice of each Long-Term Rate and the term of each Long-Term Interest Rate Period shall be given by the Remarketing Agent to the Authority, the Trustee and the University by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination.

(d) *Remarketing.* The Long-Term Rate for each Long-Term Interest Rate Period for the 2025 Bonds shall be the rate of interest per annum borne by the 2025 Bonds that shall be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would permit the 2025 Bonds in question, assuming the 2025 Bonds were all available for sale to investors, to have a purchase price equal to the principal amount thereof under prevailing market conditions and based on the market for and the relative yields of the 2025 Bonds and other securities that bear interest at interest rates that, in the judgment of the Remarketing Agent, are otherwise comparable to the 2025 Bonds, as of the date of determination. Notwithstanding the foregoing, the Long-Term Rate for a Long-Term Interest Rate Period may be the rate of interest per annum

determined by the Remarketing Agent to be the interest rate that, if borne by the 2025 Bonds, would enable the Remarketing Agent to sell such 2025 Bonds on the date and at the time of such determination at a price that will result in the lowest net interest cost for such 2025 Bonds, after taking into account any premium or discount at which such 2025 Bonds are sold by the Remarketing Agent; *provided*, that in connection with selling such 2025 Bonds at a premium or discount:

(i) The Remarketing Agent certifies to the Authority, the Trustee and the University that the sale of the 2025 Bonds at the Long-Term Rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such 2025 Bonds on the commencement date of the Long-Term Interest Rate Period;

(ii) The University consents in writing to the sale of the 2025 Bonds by the Remarketing Agent at such premium or discount;

(iii) In the case of 2025 Bonds to be sold at a discount, either (a) a Credit Facility or a Liquidity Facility is in effect with respect to the 2025 Bonds and provides for the purchase of such 2025 Bonds from the tendering holders at par or (b) the University agrees to transfer to the Trustee on the commencement date of such Long-Term Interest Rate Period, in immediately available funds, for deposit in the University Funds Account, an amount equal to such discount;

(iv) In the case of 2025 Bonds to be sold at a premium, the Remarketing Agent shall transfer remarketing proceeds equal to such premium in accordance with the written direction of the Authority; and

(v) On or before the commencement date of the Long-Term Period, an Opinion of Bond Counsel to the effect that such determination of the Long-Term Rate will not, in and of itself, cause the interest on the 2025 Bonds to be included in the gross income of the holders for federal income tax purposes shall have been received by the Trustee, the Authority, the University and the Remarketing Agent.

### **Section 2.23. Flexible Rates.**

(a) *Interest Rate Period.* A Flexible Rate Period for the 2025 Bonds in the Flexible Mode shall be of such duration of from one to 270 calendar days, ending on a day preceding a Business Day or the maturity date, as the Remarketing Agent shall determine in accordance with the provisions of this Section 2.23; *provided, however*, that no Flexible Rate Period set after delivery by the University of the notice of the intention to effect a Conversion pursuant to Section 2.32 hereof that has been received by the Remarketing Agent shall extend beyond the Mandatory Purchase Date of the 2025 Bonds subject to such Conversion. A Flexible Rate Bond can have a Flexible Rate Period, and bear interest at a Flexible Rate, different than another Flexible Rate Bond. In making the determinations with respect to Flexible Rate Periods, subject to limitations imposed by the second preceding sentence, on each Flexible Rate Determination Date for a Flexible Rate Bond, the Remarketing Agent, in consultation with the University, shall select for such 2025 Bond the Flexible Rate Period that would result in the Remarketing Agent

being able to remarket such 2025 Bond at par in the secondary market at the lowest average interest cost for all Flexible Rate Bonds; *provided, however*, that if the Remarketing Agent has received notice from the University that the 2025 Bonds are to be converted from the Flexible Mode to any other Interest Rate Mode, the Remarketing Agent shall select Flexible Rate Periods that do not extend beyond the resulting applicable Mandatory Purchase Date of the 2025 Bonds. The Remarketing Agent shall notify the Trustee in writing of the terms of the Flexible Rate Period and the 2025 Bonds affected.

(b) *Determination Time.* By 1:00 p.m., New York City time, on each Flexible Rate Determination Date, the Remarketing Agent, with respect to each 2025 Bond in the Flexible Mode that is subject to adjustment on such date, shall determine the Flexible Rate Periods then selected for such 2025 Bond as described above and shall give notice by Electronic Notice to the Trustee and the University of the Flexible Rate Periods, the Mandatory Purchase Date(s) and the Flexible Rate(s). The Remarketing Agent shall make the Flexible Rate and Flexible Rate Period available after 2:00 p.m., New York City time, on each Flexible Rate Determination Date by Electronic Notice to any owner requesting such information.

(c) *Payment of Purchase Price.* Except while the 2025 Bonds are registered in a book-entry only system, in order to receive payment of the Purchase Price the owner of any 2025 Bond in the Flexible Mode must present such 2025 Bond to the Trustee, by 12:00 noon, New York City time, on the applicable Mandatory Purchase Date, in which case, the Trustee shall pay the Purchase Price to such owner by 3:00 p.m., New York City time, on the same day.

#### **Section 2.24. FRN Rates.**

(a) *Interest Rate Period.* Whenever 2025 Bonds are to bear interest accruing at an FRN Rate, each FRN Interest Rate Period shall commence on the applicable FRN Rate Conversion Date and end on the day immediately preceding the FRN Rate Mandatory Purchase Date with respect to such FRN Interest Rate Period.

(b) *Calculation of FRN Rate.* Each FRN Rate shall be determined by the Calculation Agent (based on the FRN Index, FRN Spread and FRN Index Percentage determined by the Remarketing Agent prior to an FRN Rate Conversion Date) by 5:00 p.m., New York City time, on the FRN Rate Determination Date. The FRN Rate determined on an FRN Rate Determination Date that is based on the SIFMA Index shall be effective on the Thursday immediately following the FRN Rate Determination Date (or the same day if the FRN Rate Determination Date is a Thursday, as described below) through, and including, the following Wednesday in such FRN Interest Rate Period. Each FRN Rate determined on an FRN Rate Determination Date that is based on any other benchmark index permitted hereunder shall be effective on such FRN Rate Determination Date through, and including, the day immediately preceding the next succeeding FRN Rate Determination Date in such FRN Interest Rate Period as such dates are determined on an FRN Rate Conversion Date. In the case of a Conversion to the FRN Mode or to a new FRN Interest Rate Period, such rate shall apply from the applicable FRN Rate Conversion Date, as the case may be, (i) through and including the following Wednesday if such FRN Rate is based on the SIFMA Index or (ii) through and including the dates determined on an FRN Rate Conversion Date if such FRN Rate is based on any other benchmark index permitted hereunder. Notice of each FRN Rate shall be given by the Calculation Agent to the Trustee, the Authority, the

University, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the 2025 Bonds to which such interest FRN Rate is applicable on a monthly basis or upon request. The Trustee shall inform the holders of FRN Bonds of each FRN Rate, as set forth in the notice given by the Calculation Agent, upon request.

(c) *FRN Bonds Election.* In the case of a Conversion to an FRN Rate from another Interest Rate Mode or the continuation of 2025 Bonds as FRN Bonds in a new FRN Interest Rate Period, the University shall, prior to such FRN Rate Conversion Date or continuation, elect by Electronic Notice to the Trustee, the Remarketing Agent and the Authority that such FRN Bonds be either FRN Rate Hard Put Bonds or FRN Rate Soft Put Bonds, and the related FRN Rate Mandatory Purchase Date with respect to such election.

(d) *Remarketing of FRN Bonds.* If the University has delivered its notice (pursuant to Section 2.32 hereof) to convert 2025 Bonds to FRN Bonds and/or to continue 2025 Bonds as FRN Bonds in a new FRN Interest Rate Period with a new FRN Rate Mandatory Purchase Date, at least one Business Day prior to such FRN Rate Conversion Date, (i) the Remarketing Agent shall determine the FRN Spread and shall give Electronic Notice of such to the Trustee and the University and (ii) the University shall determine the FRN Index, the FRN Index Percentage, the FRN Rate Mandatory Purchase Date, the FRN Rate Determination Date for such FRN Interest Rate Period and the dates during which such FRN Bonds may be called for optional redemption if different than as prescribed in Section 2.32 hereof and shall give Electronic Notice of such to the Trustee. The FRN Spread shall be the minimum spread that, when added to or subtracted from the product of the FRN Index multiplied by the FRN Index Percentage, in the judgment of the Remarketing Agent under prevailing market conditions, will result in the remarketing of such FRN Bonds in the new FRN Interest Rate Period at a purchase price equal to their principal amount.

## **Section 2.25. Window Rates.**

(a) *Interest Rate Period.* Whenever 2025 Bonds are to bear interest accruing at a Window Rate, each Window Rate shall be in effect for each Window Interest Rate Period, which shall commence on and include Thursday of each week and end on and include the next succeeding Wednesday, unless such Window Interest Rate Period ends on a day other than Wednesday, in which event the last Window Rate for such Window Interest Rate Period will apply from and including the Thursday preceding the last day of such Window Interest Rate Period to and including the last day of such Window Interest Rate Period; *provided, however*, that in the case of a Conversion to a Window Mode from another Interest Rate Mode, the initial Window Interest Rate Period for the 2025 Bonds shall commence on such Conversion Date.

(b) *Calculation of Window Rate.* Each Window Rate shall be determined by the Calculation Agent by 4:00 p.m., New York City time, on the applicable Window Rate Determination Date, which Window Rate shall be equal to the SIFMA Index on such Window Rate Determination Date plus the Window Rate Spread. The Calculation Agent shall furnish each Window Rate so determined to the Trustee, the Remarketing Agent, the University, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice no later than the Business Day next succeeding the date of determination.

The sum of the SIFMA Index plus the Initial Window Rate Spread shall be equal to the rate of interest per annum determined by the Remarketing Agent (based on an examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the 2025 Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate that, if borne by the Window Bonds, would enable the Remarketing Agent to sell all of such 2025 Bonds on the applicable Window Rate Determination Date at a price equal to the principal amount thereof. During a Window Period with respect to the 2025 Bonds, the Remarketing Agent may (i) with the consent of the University, increase the Window Rate Spread with respect to such 2025 Bonds effective as of any Window Rate Optional Purchase Date, any University Elective Purchase Date or any Window Rate Mandatory Purchase Date, or (ii) reduce the Window Rate Spread effective as of any University Elective Purchase Date or any Window Rate Mandatory Purchase Date. The sum of the SIFMA Index plus the revised Window Rate Spread shall be equal to the rate of interest per annum determined by the Remarketing Agent (based on an examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the 2025 Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate that, if borne by the Window Bonds, would enable the Remarketing Agent to sell all of such 2025 Bonds on the effective date of the revised Window Rate Spread at a price equal to the principal amount thereof. A revised Window Rate Spread shall apply to all 2025 Bonds bearing interest at a Window Rate as of the effective date of the revised Window Rate Spread.

The Remarketing Agent shall give Electronic Notice of the revised Window Rate Spread to the Trustee not later than the second Business Day after the effective date of such revised Window Rate Spread. The Trustee shall give notice of such revised Window Rate Spread by Electronic Notice, confirmed by first class mail, to the holders, with a copy to the Authority, the University, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, not later than the second Business Day after receiving notice of such Window Rate Spread from the Remarketing Agent. If a court holds that the Window Rate set for any Window Interest Rate Period is invalid, illegal or unenforceable or if the SIFMA Index is not available for any week, the Window Rate for such Window Interest Rate Period shall be determined by the Remarketing Agent and shall be equal to a rate per annum equal to 85% of the interest rate on 30 day high grade unsecured flexible notes sold through dealers by major corporations as reported in The Wall Street Journal on such Window Rate Determination Date, plus the Window Rate Spread. The SIFMA Index shall be used in the calculation of the Window Rate Spread whenever the SIFMA Index is available.

## **Section 2.26. Direct Purchase Rates.**

(a) *Determination of Direct Purchase Rates.* During each Direct Purchase Period with respect to the 2025 Bonds, the 2025 Bonds shall bear interest at the Direct Purchase Rate. For any Direct Purchase Period, interest on the 2025 Bonds shall be payable on each Interest Payment Date for each applicable Interest Accrual Period commencing on the Interest Accrual Date preceding such Interest Payment Date. For any Direct Purchase Period, the Direct Purchase Rate shall be determined by utilizing the Applicable Spread, the Applicable Factor and the Direct Purchase Index for such Direct Purchase Period, all in a manner determined by the Direct Purchaser or the Market Agent prior to the Conversion to any Direct Purchase Period or as

otherwise set forth in a Certificate of Determination or in the applicable 2025 Bondholder Agreement (provided that the Direct Purchase Rate, unless otherwise established in a Certificate of Determination or in a 2025 Bondholder Agreement, shall equal the sum of (i) the Applicable Factor multiplied by the Direct Purchase Index plus (ii) the Applicable Spread, per annum). The Calculation Agent shall determine the Direct Purchase Rate on each Direct Purchase Rate Determination Date to become effective on the immediately succeeding Index Reset Date during the Direct Purchase Period, and interest shall accrue at such rate for each day during the Interest Accrual Period commencing on the Index Reset Date. The Direct Purchase Rate shall be rounded, if necessary, to the third decimal place. For each Direct Purchase Period, prior to the commencement of such Direct Purchase Period, the Direct Purchaser or the Market Agent shall also determine the Direct Purchase Period, the Interest Accrual Period, the Direct Purchase Rate Mandatory Purchase Date, the Direct Purchase Period Earliest Redemption Date (if applicable), the Term Out Period (if applicable) and the Direct Purchase Term Out Rate (if applicable). During each Direct Purchase Period, the Direct Purchase Bonds shall be subject to optional redemption as provided in Section 2.05.

(b) *Conversion to Direct Purchase Period.* Subject to Section 2.32, at any time, the Authority, at the direction of the University, by Electronic Notice to the Trustee, the Credit Facility Provider, if any, the Liquidity Facility Provider, if any, and the Remarketing Agent, may direct that all or a portion of the 2025 Bonds shall be converted to bear interest at a Direct Purchase Rate. Such direction of the University shall specify the proposed Conversion Date, which shall be (1) a Business Day not earlier than the 20th day following receipt by the Trustee of such direction, and (2) in the case of a Conversion from a Long-Term Period, the Business Day immediately following the last day of the then current Long-Term Period. In addition, such direction shall be accompanied by a letter of Bond Counsel that it expects to be able to render an Opinion of Bond Counsel on the proposed Conversion Date. In addition, such direction shall specify the duration of the Direct Purchase Period immediately following the proposed Conversion Date. During each Direct Purchase Period for 2025 Bonds commencing on a date so specified and ending on the day immediately preceding the effective date of the next succeeding Direct Purchase Interest Rate Period, the interest rate borne by the 2025 Bonds shall be a Direct Purchase Rate.

(c) *Notice of Conversion to Direct Purchase Mode.* The Trustee shall give notice of a Conversion to a Direct Purchase Mode to the holders of the 2025 Bonds in accordance with Section 2.32.

(d) *Direct Purchase Bonds; Agreement Provisions.* The following shall apply during each Direct Purchase Period:

(i) The Direct Purchase Bonds shall be in Authorized Denominations.

(ii) The Direct Purchase Bonds shall be registered in the name of the Direct Purchaser, shall not have a CUSIP number assigned thereto (unless the Direct Purchaser consents thereto or directs that the 2025 Bonds be in book-entry form), and shall not be held under a book-entry only system (unless the Direct Purchaser consents thereto or directs that the 2025 Bonds be in book-entry form). The Direct Purchase Bonds, without the prior written consent of the Direct Purchaser, shall not be rated by any Rating Agency

and shall not be marketed during any period in which the Direct Purchase Bonds are held by the Direct Purchaser pursuant to any official statement, offering memorandum or any other disclosure documentation (other than in connection with any Conversion to an Interest Rate Mode other than a Direct Purchase Mode).

(iii) Unless otherwise directed by the Direct Purchaser, the Authority shall provide for physical delivery of the Direct Purchase Bonds to the Direct Purchaser substantially in the form attached to this 2025 Series A and Series B Series Resolution. Each 2025 Bond bearing interest at the Direct Purchase Rate shall contain a legend indicating that the transferability of such 2025 Bond is subject to the restrictions set forth in this 2025 Series A and Series B Series Resolution.

(iv) No modifications or amendments to, or waivers of, the terms of the Direct Purchase Bonds, the Bondholder Agreement or any related documents by the Direct Purchaser shall be made or granted without the receipt by the Authority, the Trustee and the University of an Opinion of Bond Counsel.

(v) During any period when the Direct Purchase Bonds are in the Direct Purchase Mode, the Direct Purchaser, as the sole holder of such Direct Purchase Bonds, shall have the right to enforce the rights and remedies provided to the Trustee under this 2025 Series A and Series B Series Resolution with respect to such Direct Purchase Bonds and to control all proceedings relating to the exercise of such rights and remedies with respect to such Direct Purchase Bonds in its own name and not subject to the restrictions contained herein.

**Section 2.27. Bank Bond Rate.** Bank Bonds will bear interest at the Bank Bond Rate payable at the time and in the manner provided in the applicable Credit Facility or Liquidity Facility for such Bank Bonds or the related Reimbursement Agreement.

**Section 2.28. Limitations on Interest Rates.** No 2025 Bond shall bear interest at a rate that exceeds the applicable Maximum Rate.

**Section 2.29. Limitations on Interest Rate Periods.** No Interest Rate Period shall extend beyond the Expiration Date of the Credit Facility or Liquidity Facility then in effect, if any (or if such Expiration Date is not a Business Day, the immediately preceding Business Day).

**Section 2.30. No Liability.** In determining the interest rate, the Remarketing Agent shall not have any liability to any holder, the Trustee, a Credit Facility Provider, a Liquidity Facility Provider or any owner of the 2025 Bonds, except for its willful misconduct or negligence.

**Section 2.31. Deferred Interest on Bank Bonds.** (i) If, on any date, the Bank Bond Rate would, but for this sentence, exceed the applicable Maximum Rate, then each Bank Bond shall bear interest at the Maximum Rate applicable thereto, and (ii) if thereafter the Bank Bond Rate would, but for this sentence, be less than such Maximum Rate, each Bank Bond shall, to the extent permitted by law, continue to bear interest at the Maximum Rate until such time as the total interest paid and accrued in respect to said Bank Bond is equal to the total interest that the holder thereof would have received (together with, to the extent permitted by law, interest, at the

rate therefor set forth in the applicable Credit Facility or Liquidity Facility or in the related Reimbursement Agreement, on any amounts the payment of which was deferred by reason of the limitation contained in the first clause of this sentence) if such Bank Bonds had borne interest without regard to the limitation contained in clause (i) of this paragraph.

### **Section 2.32. Conversion of Interest Rate Modes.**

(a) In the event that the University shall elect to convert the interest rate on the 2025 Bonds (or a portion of the 2025 Bonds, as applicable) to another Interest Rate Mode, then the written Conversion direction furnished by the University shall be made by Electronic Notice. Notwithstanding anything in this 2025 Series A and Series B Series Resolution to the contrary, (i) any such Conversion may be with respect to all or a portion of the any series of the 2025 Bonds. Any 2025 Bonds to be converted in part shall be selected by the Trustee in such manner as the Trustee deems appropriate subject to the provisions of this 2025 Series A and Series B Series Resolution regarding Authorized Denominations of 2025 Bonds subject to each such Interest Rate Mode, and the portion of the 2025 Bonds to be converted shall be re-designated as a new subseries to distinguish such portion from the portion of such 2025 Bonds or series or subseries thereof not to be converted. All references herein to any Conversion of 2025 Bonds or a series or subseries of 2025 Bonds shall refer to the portion of such series or subseries that is subject to Conversion in the event that less than all of such 2025 Bonds or series or subseries thereof is subject to Conversion. The following shall constitute a Conversion for purposes of this Section 2.32: (i) a conversion from any Direct Purchase Period to the next Direct Purchase Period; (ii) a conversion of the FRN Bonds into a new FRN Interest Rate Period; (iii) a conversion from one Fixed Period to a new Fixed Period; (iv) a conversion from any Short-Term Interest Rate Period to a new Short-Term Interest Rate Period; (v) a conversion from any Flexible Rate Period to another Flexible Rate Period; and (vi) a conversion from any Long-Term Interest Rate Period to a new Long-Term Interest Rate Period.

If less than all of the 2025 Bonds are to be converted to a new Interest Rate Mode in which 2025 Bonds will no longer be supported by a Credit Facility or Liquidity Facility, prior to such Conversion, the Trustee shall establish separate accounts for all funds established under this 2025 Series A and Series B Series Resolution and shall segregate such funds so that the deposits and other moneys allocated to the 2025 Bonds supported by a Credit Facility or Liquidity Facility shall not be comingled with the deposits and other moneys allocated to the 2025 Bonds not supported by a Credit Facility or Liquidity Facility.

(b) Notwithstanding anything in this Section 2.32, in connection with any proposed Conversion of 2025 Bonds (or a portion of the 2025 Bonds, as applicable) on a Purchase Date that is not otherwise a Mandatory Purchase Date, the University shall have the right to deliver to the Trustee, the Authority, the Remarketing Agent, if any, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, on or prior to 10:00 a.m., New York City time, on the effective date of any such Conversion, a notice to the effect that the University elects to rescind its election to implement any such Conversion. If the University rescinds its election to implement any such Conversion, then the Conversion shall not occur, the mandatory tender shall not occur and, except as otherwise provided herein, the 2025 Bonds shall continue to bear interest at the current Interest Rate Mode in effect immediately prior to such proposed Conversion Date.



(c) No Conversion shall take effect under this 2025 Series A and Series B Series Resolution unless each of the following conditions and the conditions set forth in paragraph (f) below, to the extent applicable, shall have been satisfied.

(i) In the case of any Conversion with respect to which there shall be no Liquidity Facility or Credit Facility in effect to provide funds for the purchase of 2025 Bonds to be converted on the Conversion Date, the remarketing proceeds and funds in the University Funds Account and available on the Conversion Date shall not be less than the amount required to purchase all of the 2025 Bonds to be converted at the applicable Purchase Price.

(ii) In the case of any Conversion of 2025 Bonds to any Interest Rate Mode (except a Direct Purchase Mode), prior to the Conversion Date the University shall have appointed a Remarketing Agent and there shall have been executed and delivered a Remarketing Agreement.

(iii) If such Conversion is with respect to less than all of the 2025 Bonds, the 2025 Bonds shall be designated as separate subseries as provided in this 2025 Series A and Series B Series Resolution.

(d) If, on a Conversion Date, any condition precedent to a proposed Conversion shall not have been satisfied, then such Conversion shall not occur and the 2025 Bonds or portion thereof to have been converted shall continue to bear interest at the current interest rate as in effect immediately prior to such proposed Conversion Date, and the 2025 Bonds or portion thereof, subject to and unless otherwise provided herein, shall not be subject to mandatory tender for purchase on the proposed Conversion Date, unless such proposed Conversion Date is also a Mandatory Purchase Date pursuant to Section 2.36 hereof.

(e) Notwithstanding anything in this Section 2.32 to the contrary, in connection with any Conversion that would require the mandatory tender for purchase of 2025 Bonds at a Purchase Price greater than the principal amount thereof, the University, as a condition to implementing such Conversion, shall deliver to the Trustee, on or prior to the Conversion Date, immediately available funds for the purpose of paying such premium, unless the Liquidity Facility, if any, or Credit Facility, if any, then in effect with respect to such 2025 Bonds provides for the payment of such premium on such Conversion Date.

(f) The 2025 Bonds may be converted in whole or in part in Authorized Denominations and in a minimum principal amount of the lesser of \$5,000,000 or the full principal amount thereof. Any 2025 Bonds subject to such Conversion may be assigned a new CUSIP number and shall be designated or numbered by the Trustee to distinguish each such subseries of 2025 Bonds from another subseries. Such Bonds may be converted as follows:

(i) *Conversion Date.* Subject to the following provisions of this paragraph, all Conversion Dates shall be Interest Payment Dates; *provided, however*, that (A) for a Conversion of Long-Term Bonds, such Conversion shall only occur on a Long-Term Rate Mandatory Purchase Date on which such Long-Term Bonds are subject to purchase pursuant to Section 2.36(a)(iii) hereof or on any date when the Long-Term Bonds are

subject to optional redemption pursuant to Section 2.05 hereof, (B) for a Conversion of FRN Bonds, such Conversion shall only occur on an FRN Rate Mandatory Purchase Date on which such FRN Bonds are subject to purchase pursuant to Section 2.36(a)(v) hereof or any date such FRN Bonds are subject to optional redemption pursuant to Section 2.05 hereof, (C) for a Conversion of Direct Purchase Bonds, such Conversion shall only occur on a Direct Purchase Rate Mandatory Purchase Date pursuant to Section 2.36(a)(ix) hereof or on any other date specified in a Certificate of Determination or in a Bondholder Agreement, and (D) for a Conversion of Fixed Bonds, such Conversion may only occur on any date during the period such Fixed Bonds are subject to optional redemption pursuant to Section 2.05 hereof. Interest shall accrue on such 2025 Bonds at the new interest rate commencing on such Conversion Date, whether or not a Business Day. Any action required to be taken on such Conversion Date, if such day is not a Business Day, may be taken on the next succeeding Business Day as if it had occurred on such Conversion Date.

(ii) *Notice of Intent to Convert.* The University shall give written notice of its intent to exercise its option to implement any such Conversion to the Authority, the Remarketing Agent, the Trustee, the Credit Facility Provider, if any, the Liquidity Facility Provider, if any, and if the Conversion is from the Direct Purchase Mode, the Direct Purchaser, with respect to the affected Bonds by Electronic Notice not fewer than five days (or such shorter period as shall be acceptable to the applicable parties) prior to the date on which the Trustee is required to provide notice of Conversion to the holders. Such notice shall specify the proposed Conversion Date, the 2025 Bonds and/or subseries of 2025 Bonds to which the Conversion will be applicable and Interest Rate Mode that will be effective upon Conversion and will be delivered together with the form of notice to be delivered by the Trustee to the holders pursuant to subsection (f)(iii) below.

(iii) *Notice of Conversion and Mandatory Tender to Holders.* Not fewer than 15 days (or for any Conversion of Fixed Bonds, not fewer than 20 days) prior to the proposed Conversion Date, the Trustee shall give Electronic Notice, confirmed by first class mail, of the Conversion and, if applicable, of the mandatory tender of such 2025 Bonds to the holders of such 2025 Bonds at their addresses as they appear on the registration books as of the date Electronic Notice of the election is received by the Trustee from the University. Such notice shall specify the proposed Conversion Date, the 2025 Bonds and/or subseries of 2025 Bonds to which the Conversion will be applicable and Interest Rate Mode that will be effective upon Conversion.

Neither the failure to mail the foregoing notice to any holders of the 2025 Bonds to be converted nor any defect therein shall affect the validity of any interest rate, the change in the Interest Rate Mode, the mandatory tender of 2025 Bonds to be converted or extend the period for tendering any 2025 Bonds for purchase. The Trustee shall not be liable to any holder of a 2025 Bond by reason of its failure to mail such notice or any defect therein.

(iv) *Opinion of Bond Counsel.* Any Conversion pursuant to this Section 2.32 shall be subject to the conditions that, on or before the Conversion Date, the University shall have delivered to the Authority, the Trustee, the Remarketing Agent, the Credit

Facility Provider, if any, the Liquidity Facility Provider, if any, and the Direct Purchaser, if any, an Opinion of Bond Counsel to the effect that the Conversion is authorized by this 2025 Series A and Series B Series Resolution and will not, in and of itself, cause the interest on the 2025 Bonds to be included in the gross income of the holders for federal income tax purposes.

(v) *Conditions to Conversion.* Notwithstanding the University's delivery of notice of the exercise of its option to effect a Conversion, such Conversion to the new Interest Rate Mode shall not take effect if:

(A) the University withdraws such notice of the exercise of its option to effect Conversion not later than the second Business Day preceding the date on which the interest rate for the new Interest Rate Mode is to be determined, as permitted by Section 2.32(b);

(B) the Remarketing Agent fails to determine, when required, the interest rate for the new Interest Rate Mode;

(C) the Electronic Notice to holders of 2025 Bonds of the Conversion is not given when required;

(D) the University fails to deliver to the Authority, the Trustee and the Remarketing Agent the Opinion of Bond Counsel referred to in clause (iv) above; or

(E) sufficient funds are not available by 3:00 p.m., New York City time, on the Conversion Date to purchase all of the 2025 Bonds required to be purchased on such Conversion Date.

(vi) *Serialization and Sinking Fund; Price.* Upon Conversion of the 2025 Bonds (or a portion thereof) to the Fixed Mode from another Interest Rate Mode (or from one Fixed Period to a new Fixed Period), the 2025 Bonds (or such portion thereof) shall be remarketed at a Purchase Price equal to the applicable Redemption Price as set forth in Section 2.05, shall mature on the same maturity date(s) and be subject to the same mandatory sinking fund redemption, if any, and special redemption provisions, if any, as set forth in this 2025 Series A and Series B Series Resolution for the Interest Rate Mode in effect immediately prior to Conversion; *provided, however*, that the University may, if the University shall deliver to the Trustee and the Authority an Opinion of Bond Counsel, elect to: (1) have some of the 2025 Bonds be serial bonds with different interest rates for different serial maturities and some subject to sinking fund redemption, even if such 2025 Bonds were not serial bonds or subject to mandatory sinking fund redemption prior to such change; (2) change the optional redemption dates and/or applicable redemption premium(s); and/or (3) cause some or all of the 2025 Bonds to be remarketed at a premium or a discount to par. In connection with any proposed serialization of Sinking Fund Installments (or the converse) in connection with a Conversion to the Fixed Mode (or from one Fixed Period to a new Fixed Period), the Remarketing Agent shall determine and certify that the 2025 Bonds would bear a lower effective net interest cost if

such 2025 Bonds were serial bonds, term bonds or any combination of serial bonds and term bonds in principal amounts and with maturity dates or Sinking Fund Installments, as applicable, that correspond to the Sinking Fund Installments (or, as applicable, the maturity dates) in effect immediately prior to such Conversion. In connection with any proposed change to the optional redemption dates and/or applicable redemption premium(s) in connection with a Conversion to the Fixed Mode, the Remarketing Agent shall determine and certify that the 2025 Bonds would bear a lower effective net interest cost if such optional redemption dates and/or premiums were so changed (rather than remarketed with the optional redemption dates and/or premiums previously in effect). In connection with any proposed remarketing at a premium or a discount to par in connection with a Conversion to the Fixed Mode (or a new Fixed Period), the requirements of Section 2.17(c)(i) through (v) must be satisfied.

(vii) *Additional Notice Parties.* Each notice required by paragraph (f)(ii) or (iii) of this Section shall also be given to each affected Credit Facility Provider or Liquidity Facility Provider and the Remarketing Agent, and to each Rating Agency then rating the 2025 Bonds; *provided, however*, that the giving of any such notice to such persons shall not be a condition precedent to the Conversion of the 2025 Bonds to a new Interest Rate Mode, to the effectiveness of any election made pursuant to Section 2.32 hereof or to the rescission of a Conversion Notice, and failure to give any such notice to such persons shall not affect the validity of the proceedings for such Conversions, continuance or rescission.

**Section 2.33. Assignment of CUSIP Numbers to Bank Bonds.** If useful to facilitate the transfer of Bank Bonds, the Remarketing Agent shall cause additional CUSIP numbers to be reserved for assignment solely to Bank Bonds. Upon the delivery of, or the transfer of ownership interests in, a Bank Bond that is in book-entry form, the Trustee shall arrange for such Bank Bond, or ownership interest therein, to be assigned a CUSIP number identifying such Bank Bond as bearing interest at the Bank Bond Rate from the date of purchase thereof. The CUSIP number so assigned to such Bank Bond shall remain in effect (i) so long as such 2025 Bond is a Bank Bond and (ii) until interest accrued thereon shall have been paid to the registered owner of such Bank Bond, whereupon such 2025 Bond shall be assigned a CUSIP number not specifically reserved for Bank Bonds, identifying such 2025 Bond as bearing interest from the date of such assignment, at rates determined in the manner provided herein for 2025 Bonds that are not Bank Bonds.

**Section 2.34. Calculation Agent.**

(a) The Calculation Agent shall be entitled to the same protections, immunities and indemnities afforded to the Trustee under this 2025 Series A and Series B Series Resolution, including its right to compensation. The University shall appoint a Calculation Agent for the 2025 Bonds whenever required by this 2025 Series A and Series B Series Resolution for any Interest Rate Mode. Any Calculation Agent that is not also the Trustee shall designate its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Authority, the University and the Trustee in which the Calculation Agent will agree to perform all calculations and provide all

notices required of the Calculation Agent under this 2025 Series A and Series B Series Resolution.

(b) The Calculation Agent may at any time resign and be discharged of the duties and obligations created by this 2025 Series A and Series B Series Resolution by giving at least 60 days' notice to the Authority, the University, the Trustee, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any. Upon receipt of such notice, during any Interest Rate Period in which the services of a Calculation Agent are required under this 2025 Series A and Series B Series Resolution, the University shall diligently seek to appoint a successor Calculation Agent to assume the duties of the Calculation Agent on the effective date of the prior Calculation Agent's resignation. In the event that the University shall fail to appoint a successor Calculation Agent in a timely manner when required under this 2025 Series A and Series B Series Resolution, the Trustee shall, subject to its right to be indemnified to its satisfaction, petition any court of competent jurisdiction for the appointment of a successor Calculation Agent, at the University's expense, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Calculation Agent; *provided, however*, that during the pendency of any such petition the University shall itself act as Calculation Agent, service in any such case shall commence on the effective date of the resignation of the prior Calculation Agent and to remain in effect until a successor Calculation Agent assumes such position in accordance with the provisions hereof. The Calculation Agent may be removed at any time by written notice from the University to the Authority, the Trustee, the Credit Facility Provider, if any, the Liquidity Facility Provider, if any, and the Remarketing Agent; *provided*, that such removal shall not be effective until a successor Calculation Agent assumes such position in accordance with the provisions hereof.

(c) The Trustee shall, within 30 days of the resignation or removal of the Calculation Agent or the appointment of a successor Calculation Agent, give notice thereof by Electronic Notice, confirmed by first class mail, to the University and the registered owners of the 2025 Bonds.

(d) Promptly after determining any interest rate required to be determined by the Calculation Agent under this 2025 Series A and Series B Series Resolution, the Calculation Agent shall provide Electronic Notice thereof to the Trustee, the Authority, the Remarketing Agent, the University and any requesting holder who has provided it with appropriate notice address.

#### **Section 2.35. Optional Tenders During Daily Periods, Weekly Periods, Term Floater Rate Periods and Window Periods.**

(a) Holders of Eligible Bonds may elect to have their Daily Bonds, Weekly Bonds, Term Floater Rate Periods or Window Bonds, or portions thereof in amounts in Authorized Denominations, purchased at the Purchase Price on the following Purchase Dates and upon giving the following Electronic Notice or written notice meeting the further requirements set forth below:

(i) Eligible Bonds with interest payable at a Daily Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of Electronic Notice of tender to the Trustee and the Remarketing Agent with respect to such 2025 Bonds not later than 10:45 a.m., New York City time, on the designated Purchase Date.

(ii) Eligible Bonds with interest payable at a Weekly Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of Electronic Notice of tender to the Trustee and the Remarketing Agent with respect to such 2025 Bonds not later than 5:00 p.m., New York City time, on a Business Day not fewer than seven days prior to the designated Purchase Date.

(iii) Eligible Bonds with interest payable at a Window Rate may be tendered for purchase at the Purchase Price payable in immediately available funds upon delivery of Electronic Notice of tender to the Trustee and the Remarketing Agent with respect to such 2025 Bonds not later than 5:00 p.m., New York City time, on any Business Day for tender on a Window Rate Optional Purchase Date designated by the Remarketing Agent, if any.

(iv) Eligible Bonds with interest payable at a Term Floater Rate may be tendered for purchase at the Purchase Price payable in immediately available funds upon delivery of Electronic Notice of tender to the Trustee and the Remarketing Agent with respect to such 2025 Bonds on any Business Day for tender for purchase of such 2025 Bonds on the earliest Remarketing Date, which shall not be later than five Business Days following the Electronic Notice of tender; *provided, however*, that if such Electronic Notice of tender is not received by the Remarketing Agent prior to 5:00 p.m., New York City time, on any day, it will not be deemed received by the Remarketing Agent until the following Business Day.

(b) Each notice of tender:

(i) Shall, in case of a written notice, be delivered to the Trustee and the Remarketing Agent at their respective designated addresses and be in form satisfactory to the Trustee and the Remarketing Agent;

(ii) Shall state (A) the principal amount of the Daily Bond, Weekly Bond, Term Floater or Window Bond to which the notice relates and the CUSIP number of such Daily Bond, Weekly Bond, Term Floater or Window Bond, (B) that the holder irrevocably demands purchase of such Daily Bond, Weekly Bond, Term Floater or Window Bond or a specified portion thereof in an Authorized Denomination, (C) for any Daily Bond, Term Floater or Weekly Bond, the Purchase Date on which such Daily Bond, Term Floater or Weekly Bond or portion thereof is to be purchased and (D) payment instructions with respect to the Purchase Price; and

(iii) Shall automatically constitute (A) an irrevocable offer to sell the Daily Bond, Weekly Bond, Term Floater or Window Bond (or portion thereof) to which such notice relates on the Purchase Date (which, in the case of Window Bonds, shall be the

Purchase Date, if any, designated by the Remarketing Agent pursuant to Section 2.40(a)(iii) hereof (a "*Window Rate Optional Purchase Date*")), to any purchaser selected by the Remarketing Agent, with respect to the applicable 2025 Bonds at a price equal to the Purchase Price, (B) an irrevocable authorization and instruction to the Trustee to effect transfer of such Daily Bond, Weekly Bond, Term Floater or Window Bond (or portion thereof) upon receipt by the Trustee of funds sufficient to pay the Purchase Price on the Purchase Date (subject to Section 2.40(a)(iii) hereof with respect to Window Bonds), (C) an irrevocable authorization and instruction to the Trustee to effect the exchange of the Daily Bond, Weekly Bond, Term Floater or Window Bond be purchased in whole or in part for other Daily Bonds, Weekly Bonds, Term Floaters or Window Bonds in an equal aggregate principal amount so as to facilitate the sale of such Daily Bond, Weekly Bond, Term Floater or Window Bonds (or portion thereof to be purchased), and (D) an acknowledgment that such holder will have no further rights with respect to such Daily Bond, Weekly Bond, Term Floater or Window Bond (or portion thereof) upon deposit of an amount equal to the Purchase Price therefor with the Trustee on the Purchase Date, except for the right of such holder to receive such Purchase Price upon surrender of such Daily Bond, Weekly Bond, Term Floater or Window Bond to the Trustee.

The determination of the Trustee and the Remarketing Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the holder. The Trustee or the Remarketing Agent may waive any irregularity or nonconformity in any notice of tender.

(c) The right of holders to tender Daily Bonds, Weekly Bonds, Term Floaters or Window Bonds for purchase pursuant to this Section 2.35 shall terminate upon a Conversion Date with respect to such Daily Bonds, Weekly Bonds, Term Floaters or Window Bonds, respectively, to an Interest Rate Mode that is not a Daily Mode, Weekly Mode, Term Floater Rate Mode or Window Mode, respectively.

(d) Notwithstanding anything to the contrary herein, all Daily Bonds, Weekly Bonds, Term Floaters or Window Bonds as to which Electronic Notice specifying the Purchase Date has been delivered pursuant to this Section 2.35 (and which have not been tendered to the Trustee) shall be deemed tendered on the specified Purchase Date. From and after the specified Purchase Date of a 2025 Bond or Bonds tendered to the Trustee or deemed tendered pursuant to this Section 2.35, the former holder of such 2025 Bond or Bonds shall be entitled solely to the payment of the Purchase Price of such 2025 Bond or Bonds tendered or deemed tendered, which Purchase Price shall be payable only as set forth in this Section 2.35.

(e) The Trustee shall promptly return any notice of tender delivered pursuant to Section 2.35(b) hereof (together with the 2025 Bonds submitted therewith) that is incomplete or improperly completed or not delivered within the times required by Section 2.35(b) hereof to the person or persons submitting such notice and 2025 Bonds upon surrender of the receipt, if any, issued therefor.

### **Section 2.36. Mandatory Tender for Purchase of 2025 Bonds.**

(a) Bonds shall be subject to mandatory tender for purchase at the Purchase Price on the following Mandatory Purchase Dates with respect to such 2025 Bonds:

(i) Each Conversion Date for 2025 Bonds, as provided in Section 2.37 hereof, except Conversions between the Weekly Mode and the Daily Mode; *provided, however*, that if such Conversion Date is already a Mandatory Purchase Date, as specified in Sections 2.36(a)(ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) and (x) hereof, no separate mandatory tender shall occur;

(ii) Each Short-Term Rate Mandatory Purchase Date;

(iii) Each Long-Term Rate Mandatory Purchase Date;

(iv) In connection with a Termination Date, an Expiration Date of the Credit Facility or the Liquidity Facility in effect with respect to any 2025 Bonds or the delivery of an Alternate Liquidity Facility or an Alternate Credit Facility, on the dates and as provided in Section 2.38 hereof, and (A) during any time in which the University has delivered a Self-Liquidity Arrangement for the 2025 Bonds as permitted herein, on the effective date of any Liquidity Facility or Credit Facility that is delivered to the Trustee in substitution for such Self-Liquidity Arrangement, and (B) during any time in which the 2025 Bonds are not supported by a Liquidity Facility, a Credit Facility or a Self-Liquidity Arrangement, on the effective date of any Liquidity Facility, Credit Facility or Self-Liquidity Arrangement that is delivered to the Trustee in support of the 2025 Bonds;

(v) Each FRN Rate Mandatory Purchase Date for any FRN Bonds;

(vi) Each Window Rate Mandatory Purchase Date for any Window Bonds, as provided in Section 2.40(b)(iii) hereof;

(vii) Each University Elective Purchase Date for any Daily Bonds, Weekly Bonds or Window Bonds, as provided in Section 2.36(g) hereof;

(viii) With respect to Term Floaters, any Business Day designated as provided in Section 2.39 hereof;

(ix) Each Direct Purchase Rate Mandatory Purchase Date; and

(x) With respect to a Flexible Rate Bond, the first Business Day following the last day of each Flexible Rate Period.

(b) 2025 Bonds to be purchased pursuant to Section 2.36(a) hereof shall be delivered by the holders thereof to the Trustee (together with necessary assignments and endorsements) at or prior to 12:00 noon, New York City time, on the applicable Purchase Date (provided, however, that the holder of a Direct Purchase Bond subject to Conversion to another Direct Purchase Period shall have the option to retain possession of such Direct Purchase Bond if such holder is to continue to hold such Direct Purchase Bond for the ensuing Direct Purchase Period).



(c) Any 2025 Bonds to be purchased pursuant to this Section 2.36 that are not delivered for purchase on or prior to the Mandatory Purchase Date, for which there has been irrevocably deposited in trust with the Trustee an amount sufficient to pay the Purchase Price of such 2025 Bonds, shall be deemed to have been tendered to the Trustee for purchase, and the holders of such 2025 Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Purchase Date) other than the respective Purchase Prices of such 2025 Bonds, and such 2025 Bonds shall not be entitled to any benefits of this 2025 Series A and Series B Series Resolution, except for payment of such Purchase Price out of the moneys deposited for such payment as aforesaid.

(d) In addition to any other requirements set forth in this 2025 Series A and Series B Series Resolution (except as otherwise provided in Section 2.18 hereof), notices of mandatory tender of 2025 Bonds delivered to holders shall:

(i) Specify the proposed Mandatory Purchase Date and the event that gives rise to the proposed Mandatory Purchase Date;

(ii) State that such 2025 Bonds shall be subject to mandatory tender for purchase on such Mandatory Purchase Date;

(iii) State that holders may not elect to retain such 2025 Bonds subject to mandatory tender;

(iv) State that all such 2025 Bonds subject to mandatory tender shall be required to be delivered to the designated corporate trust office of the Trustee at or before 12:00 noon, New York City time, on the Mandatory Purchase Date;

(v) State that if the holder of any 2025 Bond subject to mandatory tender fails to deliver such 2025 Bond to the Trustee for purchase on the Mandatory Purchase Date, and if the Trustee is in receipt of funds sufficient to pay the Purchase Price thereof, such 2025 Bond (or portion thereof) shall nevertheless be deemed purchased on the Mandatory Purchase Date and ownership of such 2025 Bond (or portion thereof) shall be transferred to the purchaser thereof;

(vi) State that any holder that fails to deliver any 2025 Bond for purchase shall have no further rights thereunder or under this 2025 Series A and Series B Series Resolution except the right to receive the Purchase Price thereof upon presentation and surrender of said 2025 Bond to the Trustee and that the Trustee will place a stop transfer against the 2025 Bonds subject to mandatory tender registered in the name of such holder(s) on the registration books;

(vii) State that if moneys sufficient to effect such purchase shall have been provided through (A) the remarketing of such 2025 Bonds by the Remarketing Agent, (B) the Credit Facility, if any, or the Liquidity Facility, if any, or (C) funds provided by the University (if applicable), all such 2025 Bonds shall be purchased;

(viii) In the case of mandatory tender upon any proposed Conversion of 2025 Bonds, state that such Conversion and such mandatory tender will not occur in the event of the occurrence of certain events specified in Article II hereof, and that any such failure to effect the Conversion shall not constitute an Event of Default (unless the 2025 Bonds, by their terms are otherwise subject to mandatory tender as described in Section 2.36(a)(i) hereof);

(ix) In the case of mandatory tender as a result of the upcoming Expiration Date of the Credit Facility, if any, or the Liquidity Facility, if any, state that such mandatory tender will not occur if, on or prior to the Mandatory Purchase Date, such Expiration Date is extended; and

(x) In the case of a mandatory tender on a Term Floater Special Mandatory Purchase Date, contain the information required pursuant to Section 2.37 hereof.

(e) Notice of mandatory tender of 2025 Bonds by reason of a proposed Conversion shall be given in accordance with Section 2.32 hereof. Notice of mandatory tender of 2025 Bonds by reason of other events described in Section 2.36(a) hereof shall be given by the Trustee (i) to the holders of the 2025 Bonds subject to mandatory tender (at their addresses as they appear on the registration books as of the date of such notice) by Electronic Notice, confirmed by first class mail, and (ii) to the University, the Authority, the Remarketing Agent, the Calculation Agent, if any, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to such 2025 Bonds by Electronic Notice not fewer than 10 days prior to the applicable Mandatory Purchase Date (except in the case of a mandatory tender pursuant to Section 2.38 hereof, which notice period shall be as described therein, in the case of a mandatory tender of Term Floaters pursuant to Section 2.36(a)(viii) hereof, which notice period shall be in accordance with Sections 2.39 and 2.40 hereof, and in the case of a Window Rate Mandatory Purchase Date, which notice shall be given in accordance with Section 2.40(b)(iii) hereof). Any notice of mandatory tender pursuant to Section 2.36(g) hereof shall state that the mandatory tender of the 2025 Bonds on a University Elective Purchase Date (as defined in Section 2.36(g) hereof) is conditioned upon receipt by the Trustee of sufficient funds to pay the Purchase Price of the 2025 Bonds on the University Elective Purchase Date, that any failure to provide such funds shall not constitute an Event of Default and that the notice of mandatory tender shall be rescinded in the event that sufficient funds are not deposited with the Trustee on such University Elective Purchase Date.

(f) If, following the giving of notice of mandatory tender of 2025 Bonds pursuant to Section 2.36(a) hereof, an event occurs that, in accordance with the terms of this 2025 Series A and Series B Series Resolution, causes such mandatory tender not to occur, then (i) the Trustee shall so notify the holders of such 2025 Bonds (at their addresses as they appear on the registration books on the date of such notice), by Electronic Notice, confirmed by first class mail, as soon as may be practicable after the applicable Mandatory Purchase Date, and (ii) the Trustee shall return to their holders any such 2025 Bonds tendered to the Trustee in connection with such mandatory tender of such 2025 Bonds.

(g) During any Daily Period, Weekly Period or Window Period, the 2025 Bonds are subject to mandatory tender for purchase on any Business Day (a "University Elective Purchase Date") designated by the University at the Purchase Price, payable in immediately available funds. Such University Elective Purchase Date shall be a Business Day not earlier than the 10th day following the second Business Day after receipt by the Trustee of such designation. If on a University Elective Purchase Date sufficient funds are not available for the purchase of all 2025 Bonds, as applicable, then the University's designation of such University Elective Purchase Date for such 2025 Bonds shall be deemed rescinded, the University shall have no obligation to purchase the 2025 Bonds tendered or deemed tendered on such University Elective Purchase Date, and the failed remarketing shall not constitute an Event of Default under this 2025 Series A and Series B Series Resolution. The Trustee shall give Electronic Notice of such rescission to the holders, with a copy to the University, the Authority, the Remarketing Agent, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, as soon as practicable and in any event not later than the date of rescission of the proposed University Elective Purchase Date.

**Section 2.37. Mandatory Tender for Purchase on Conversion Date, on First Day of Each Interest Rate Mode or During Direct Purchase Period.**

(a) Eligible Bonds shall be subject to mandatory tender for purchase on any Conversion Date or on the first day of each Interest Rate Mode with respect to such 2025 Bonds (except for Conversions between the Weekly Mode and the Daily Mode), at the applicable Purchase Price for such 2025 Bonds, payable in immediately available funds, or, in the case of a purchase on the first day of an Interest Rate Mode that is preceded by a Long-Term Period or a Fixed Period and that commences prior to the day originally established as the last day of such preceding Long-Term Period or Fixed Period, at a Purchase Price equal to the optional Redemption Price set forth in Section 2.05 that would have been applicable to such 2025 Bonds if such 2025 Bonds had been optionally redeemed on such Purchase Date. The Purchase Price of any 2025 Bond so purchased shall be payable only upon surrender of such 2025 Bond to the Trustee at its Principal Office at or prior to 12:00 noon, New York City time, on the date specified for such delivery in this paragraph or in the notice provided pursuant to Section 2.32 hereof.

(b) The Direct Purchase Bonds shall be subject to mandatory tender for purchase (i) on each Direct Purchase Rate Mandatory Purchase Date, and (ii) during any Direct Purchase Period, on the date which is the fifth Business Day following receipt of notice given to the University and the Trustee from the Direct Purchaser that an event of default under the Bondholder Agreement has occurred and is continuing and directing a mandatory tender of the Direct Purchase Bonds.

**Section 2.38. Mandatory Tender upon Termination or Expiration of Liquidity Facility or Credit Facility.** If a Liquidity Facility or a Credit Facility has been delivered to the Trustee in accordance with the provisions of this 2025 Series A and Series B Series Resolution, the 2025 Bonds supported by such Liquidity Facility or Credit Facility shall be subject to mandatory tender for purchase prior to the Termination Date or the Expiration Date, as applicable, for such Liquidity Facility or Credit Facility, on the dates determined pursuant to Section 2.46 hereof and as more particularly set forth in Section 2.46 hereof, at the Purchase Price, payable in immediately available funds. The Purchase Price of any 2025 Bond so

purchased shall be payable only upon surrender of such 2025 Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the holder thereof or by the holder's duly authorized attorney, at or prior to 12:00 noon., New York City time, on the date specified for such delivery in a notice provided to the holders by the Trustee. Any drawing upon a Liquidity Facility or a Credit Facility to pay the Purchase Price of 2025 Bonds subject to mandatory tender in connection with the delivery of an Alternate Credit Facility or an Alternate Liquidity Facility shall be made upon the existing Credit Facility or Liquidity Facility and not upon the Alternate Credit Facility or Alternate Liquidity Facility.

**Section 2.39. Mandatory Tender of 2025 Bonds Bearing Interest at Term Floater Rate.** 2025 Bonds bearing interest at the Term Floater Rate are subject to mandatory tender for purchase on any Business Day designated by the University at a price equal to the Purchase Price, payable in immediately available funds. The Tender Date shall be a Business Day not earlier than the 20th calendar day following receipt by the holders of such designation.

**Section 2.40. Notice of Tender.**

(a) Upon:

(i) receipt of any Electronic Notice or written notice of tender relating to 2025 Bonds bearing interest at a Daily Rate pursuant to Section 2.35(a)(i) hereof, the Trustee shall, not later than 11:00 a.m., New York City time, notify the University, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by telephonic notice of the amount of such 2025 Bonds to be tendered pursuant to such notice and the Trustee shall confirm such telephonic notice by Electronic Notice by 11:15 a.m., New York City time, on the Purchase Date, including in such telephonic notice and the confirmation thereof the amount of the Purchase Price of such 2025 Bonds and the portion, if any, thereof representing accrued and unpaid interest on such 2025 Bonds to the Purchase Date;

(ii) receipt of any Electronic Notice or written notice of tender relating to 2025 Bonds bearing interest at a Weekly Rate pursuant to Section 2.35(a)(ii) hereof, the Trustee shall, not later than 12:00 noon, New York City time, on the next Business Day, send notice of such tender to the University, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice, including in such notice the amount of the Purchase Price of such 2025 Bonds and the portion, if any, thereof representing accrued and unpaid interest on such 2025 Bonds to the Purchase Date; or

(iii) receipt of any Electronic Notice or written notice of tender relating to 2025 Bonds bearing interest at a Window Rate pursuant to Section 2.35(a)(iii) hereof, the Trustee shall, not later than 12:00 noon, New York City time, on the next Business Day, send notice of such tender to the University, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice, including in such notice the amount of the Purchase Price of such 2025 Bonds and the portion, if any, thereof representing accrued and unpaid interest on such 2025 Bonds to

the Window Rate Optional Purchase Date. The Trustee shall give notice of such optional tender, including the principal amount of 2025 Bonds to be purchased (but not the name of the tendering 2025 Bond owner), by first class mail to the holders not less than the second Business Day after receipt of a notice of optional tender by the Trustee pursuant to this paragraph. If the Remarketing Agent identifies a purchaser for a Window Bond for which a notice of tender has been given during the period beginning on the Business Day such notice of tender is received by the Remarketing Agent and ending on the 30th day (or, if the 30th day is not a Business Day, the next succeeding Business Day) after such notice of tender is received by the Remarketing Agent (a "*Remarketing Window*"), the Remarketing Agent shall give Electronic Notice to the tendering holder, the University, the Trustee and the Authority that a purchaser has been identified. Such notice shall designate the Window Rate Optional Purchase Date for such 2025 Bond, which shall be the earlier of (A) the last day of the Remarketing Window or (B) any Business Day that is at least seven days after such notice is received by the tendering holder. The Trustee shall purchase such 2025 Bond pursuant to Section 2.40(c) hereof on the Window Rate Optional Purchase Date at the Purchase Price, but only with remarketing proceeds or with any other amounts made available by the University, in its sole discretion. If sufficient remarketing proceeds are not available for the purchase of such 2025 Bond on the Window Rate Optional Purchase Date and amounts are not made available by the University, in its sole discretion, for the purchase of such 2025 Bond on the Window Rate Optional Purchase Date, then the Remarketing Agent's designation of a Window Rate Optional Purchase Date for such 2025 Bond shall be deemed to be rescinded, such 2025 Bond shall not be tendered or deemed tendered or required to be purchased on such date and no Event of Default shall occur. The Remarketing Agent shall give Electronic Notice of such rescission to the tendering holder, the Trustee, the Calculation Agent, the Authority and the University as soon as practicable and in any event not later than the next succeeding Business Day.

Simultaneously with the giving (pursuant to Section 2.36(e) hereof) of notice of any mandatory tender of 2025 Bonds pursuant to Section 2.36(a) hereof, the Trustee shall give Electronic Notice, promptly confirmed by a written notice, to the University, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, specifying the applicable Mandatory Purchase Date, the aggregate principal amount and Purchase Price of 2025 Bonds subject to mandatory tender on such Mandatory Purchase Date and the portion, if any, of such Purchase Price representing accrued and unpaid interest on such 2025 Bonds to such Mandatory Purchase Date.

(b) On each Purchase Date, the Trustee shall determine the amount, if any, by which the Purchase Price of the 2025 Bonds to be purchased on such Purchase Date exceeds the amount of the proceeds of the remarketing of such 2025 Bonds by the Remarketing Agent that are on deposit in the Remarketing Proceeds Account with respect to the 2025 Bonds at the times required by this 2025 Series A and Series B Series Resolution; and

(i) If a Liquidity Facility is in effect with respect to the 2025 Bonds on such Purchase Date, then (a) the Trustee shall draw upon the Liquidity Facility at the times required by this 2025 Series A and Series B Series Resolution moneys for the purchase of 2025 Bonds in the amount that the Purchase Price exceeds the amount of remarketing

proceeds that are on deposit in the Remarketing Proceeds Account (by submitting to such Liquidity Facility Provider in accordance with such Liquidity Facility all such documents as are required for such purpose), and (b) the Trustee shall deposit the proceeds of such drawing upon the Liquidity Facility received by the Trustee from the Liquidity Facility Provider into the Credit/Liquidity Facility Account of the Bond Purchase Fund with respect to the 2025 Bonds (for purposes of this paragraph (i), if the Credit Facility, if any, is also serving as a Liquidity Facility, references in this paragraph to Liquidity Facility shall be deemed to refer to Credit Facility) on the Purchase Date at the times required by this 2025 Series A and Series B Series Resolution.

(ii) If the University is obligated under the terms of this 2025 Series A and Series B Series Resolution to provide the Purchase Price therefor, or if the University otherwise elects in its sole discretion to provide the Purchase Price therefor, then (A) the Trustee shall notify the University at the times required by Section 2.42(b)(ii) that the amount of such excess is the amount payable by the University to the Trustee not later than 2:45 p.m., New York City time, on such Purchase Date for purposes of causing the Trustee to purchase, on behalf of the University, 2025 Bonds having a Purchase Price equal to such excess (and, thereby, for the Trustee to have sufficient funds to pay the Purchase Price of all 2025 Bonds subject to purchase on such Purchase Date), and (B) the University shall, not later than 2:45 p.m., New York City time, on such Purchase Date, deliver to the Trustee such amount in immediately available funds for deposit into the University Funds Account of the Bond Purchase Fund with respect to the 2025 Bonds.

(iii) Notwithstanding anything to the contrary contained herein, if by 10:30 a.m., New York City time, on a Window Rate Optional Purchase Date, the Remarketing Agent despite its best efforts has been unable to remarket the 2025 Bonds to be purchased on such Window Rate Optional Purchase Date at par and the University, in its sole discretion, has not provided amounts for the purchase of such 2025 Bonds on the Window Rate Optional Purchase Date: (A) the Remarketing Agent shall deliver Electronic Notice to the tendering holder, the Trustee, the Calculation Agent, the University and the Authority by 10:45 a.m., New York City time, that such Window Rate Optional Purchase Date is deemed rescinded and that such failure shall not constitute an Event of Default and shall include in such notice the principal amount of such 2025 Bonds that will not be purchased on such Purchase Date; and (B) the Trustee shall promptly provide written notice to each Rating Agency of such rescission. If for any reason a 2025 Bond for which a notice of tender for purchase pursuant to Section 2.35(a)(iii) hereof has been delivered is not purchased by the last day of the applicable Remarketing Window, then (1) all such 2025 Bonds bearing interest at a Window Rate shall be subject to mandatory tender for purchase on the last day of the Mandatory Purchase Window (or, if the last day is not a Business Day, the next succeeding Business Day) after such notice is received by the Remarketing Agent (a "*Window Rate Mandatory Purchase Date*") at the Purchase Price, payable in immediately available funds, and (2) the Remarketing Agent shall give notice of such Window Rate Mandatory Purchase Date to the Trustee and the University by Electronic Notice no later than the second Business Day after the end of the applicable Remarketing Window. The Trustee shall give Electronic Notice of the Window Rate Mandatory Purchase Date to the holders of the 2025 Bonds, the University, the Authority, the Calculation Agent, the Liquidity Facility

Provider, if any, and the Credit Facility Provider, if any, not later than the second Business Day after receiving notice of such Window Rate Mandatory Purchase Date from the Remarketing Agent. The failure to pay the Purchase Price of all tendered Window Bonds when due and payable on a Window Rate Mandatory Purchase Date shall constitute an Event of Default under this 2025 Series A and Series B Series Resolution. Notwithstanding the foregoing provisions of this paragraph, the 2025 Bonds shall not be subject to mandatory tender for purchase on a Window Rate Mandatory Purchase Date if they are otherwise subject to mandatory tender for purchase pursuant to Section 2.36 hereof after the last day of the Remarketing Window and before such Window Rate Mandatory Purchase Date.

(c) Not later than 3:00 p.m., New York City time, on each Purchase Date, the Trustee shall disburse the Purchase Price of 2025 Bonds to be purchased on such Purchase Date to the holders thereof (upon surrender thereof for payment of such Purchase Price) from the sources and in the order of priority set forth in Section 2.42.

(d) Any moneys remaining in the Remarketing Proceeds Account, any Credit/Liquidity Facility Account or the University Funds Account of the Bond Purchase Fund with respect to the 2025 Bonds and representing (but not exceeding) the Purchase Price of 2025 Bonds subject to purchase on the applicable Purchase Date, but not tendered and delivered for purchase on the applicable Purchase Date (following the payments from such Purchase Fund described in Sections 2.42(c) and 2.40(c) hereof), shall be retained by the Trustee in the Bond Purchase Fund for application in accordance with Section 2.40(e) hereof. Any moneys remaining in the Remarketing Proceeds Account, any Credit/Liquidity Facility Account and the University Funds Account of the Bond Purchase Fund with respect to the 2025 Bonds on the applicable Purchase Date (after the payments from such Purchase Fund described in Sections 2.42(c) and 2.40(c) hereof not needed for the purpose described in the preceding sentence of this Section 2.40(d)) shall be wire transferred by the Trustee, in immediately available funds, prior to the close of business on such Purchase Date, to the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the University, respectively.

(e) Moneys in the Bond Purchase Fund with respect to the 2025 Bonds on any Purchase Date shall be applied, on or after such Purchase Date, by the Trustee to pay the Purchase Price of Undelivered Bonds in respect of which they were so transferred, upon the surrender of such 2025 Bonds to the Trustee for such purpose.

**Section 2.41. Irrevocable Notice Deemed to be Tender of 2025 Bonds; Undelivered Bonds.**

(a) The giving of notice by a holder of a 2025 Bond as provided in Section 2.35(a) hereof shall constitute the irrevocable tender for purchase of each such 2025 Bond with respect to which such notice shall have been given, regardless of whether such 2025 Bond is delivered to the Trustee for purchase on the relevant Purchase Date as provided in Article II hereof.

(b) The Trustee may refuse to accept delivery of any such 2025 Bonds for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such 2025 Bond as herein described. For purposes of this Section

2.41, the Trustee shall determine timely and proper delivery of such 2025 Bonds and the proper endorsement of such 2025 Bonds. Such determination shall be binding on the holders of such 2025 Bonds, the University and the Remarketing Agent, absent manifest error. If any holder of a 2025 Bond who shall have given notice of tender of purchase pursuant to Section 2.35(a) hereof or any holder of a 2025 Bond subject to mandatory tender for purchase pursuant to Sections 2.36, 2.37 or 2.38 hereof shall fail to deliver such 2025 Bond to the Trustee at the place and on the applicable Purchase Date and at the time specified in its notice or in the notice provided to the holder, as applicable, or shall fail to deliver such 2025 Bond properly endorsed, such 2025 Bond shall constitute an Undelivered Bond. If funds in the amount of the Purchase Price of the Undelivered Bond are available for payment to the holder thereof on the Purchase Date and at the time specified, from and after the Purchase Date and time of that required delivery, (1) the Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under this 2025 Series A and Series B Series Resolution and (2) interest shall no longer accrue thereon.

#### **Section 2.42. Provisions of Remarketing.**

(a) *Remarketing of 2025 Bonds.*

(i) Promptly upon its receipt, but not later than 11:00 a.m., New York City time, on the Purchase Date with respect to a notice pursuant to Section 2.35(a) hereof with respect to Daily Bonds, and not later than 12:00 noon, New York City time, on the Business Day following receipt from a holder of a notice pursuant to Section 2.35(a) hereof with respect to Weekly Bonds, the Trustee shall notify the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the University by Electronic Notice of such receipt, specifying the principal amount of 2025 Bonds for which it has received a notice pursuant to Section 2.35(a) of this 2025 Series A and Series B Series Resolution, the names of the holders thereof and the date on which such 2025 Bonds are to be purchased in accordance with Section 2.35 hereof.

(ii) As soon as practicable, but in no event later than 10:15 a.m., New York City time, on the Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 2.35(a) hereof, and in no event later than 11:15 a.m., New York City time, on the Purchase Date in the case of Daily Bonds to be purchased pursuant to Section 2.35(a) hereof, and in no event later than 10:15 a.m., New York City time, on the Mandatory Purchase Date in the case of 2025 Bonds to be purchased pursuant to Sections 2.36(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, and in no event later than 4:00 p.m., New York City time, on the last Business Day prior to the Mandatory Purchase Date in the case of 2025 Bonds to be purchased pursuant to Sections 2.37 or 2.38 hereof, the Remarketing Agent shall inform the Trustee by telephone, promptly confirmed in writing, of the principal amount of 2025 Bonds to be purchased for which the Remarketing Agent has identified prospective purchasers and of the name and, if known to the Remarketing Agent, address and taxpayer identification number of each such purchaser, the principal amount of 2025 Bonds to be purchased and the Authorized Denominations in which such 2025 Bonds are to be delivered and that such amount shall be transferred to the Trustee by the time set forth in the definition of Funding Amount. Upon receipt from the Remarketing Agent of such information, the Trustee shall prepare



2025 Bonds in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent.

(iii) By 10:30 a.m., New York City time, on the Mandatory Purchase Date in the case of 2025 Bonds to be purchased pursuant to Sections 2.36(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, and by 10:30 a.m., New York City time, on the Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 2.35(a) hereof or any 2025 Bonds to be purchased pursuant to Sections 2.37 or 2.38 hereof, and by 11:30 a.m., New York City time, on the Purchase Date in the case of Daily Bonds to be purchased pursuant to Section 2.35(a) hereof, the Trustee shall notify the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the University by telephone, promptly confirmed in writing, as to the aggregate Purchase Price of the 2025 Bonds subject to purchase and as to the projected Funding Amount.

The term "*Funding Amount*" means an amount equal to the difference between (1) the total Purchase Price of those 2025 Bonds to be purchased pursuant to Sections 2.35(a), 2.36(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), 2.37 and 2.38 hereof, and (2) the Purchase Price of those 2025 Bonds to be purchased pursuant to Sections 2.35(a), 2.36(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), 2.37 and 2.38 hereof with respect to which the Remarketing Agent expects to transfer, or to cause to be transferred, immediately available funds to the Trustee by 10:30 a.m., New York City time, on the Purchase Date in the case of the Weekly Bonds purchased pursuant to Section 2.35(a) hereof or any 2025 Bonds to be purchased pursuant to Sections 2.37 and 2.38 hereof, by 11:45 a.m., New York City time, on the Purchase Date in the case of Daily Bonds purchased pursuant to Section 2.35(a) hereof, and by 10:30 a.m., New York City time, on the Mandatory Purchase Date in the case of the 2025 Bonds purchased pursuant to Sections 2.36(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof for deposit in the Remarketing Proceeds Account pursuant to Section 2.42(b) hereof.

(iv) Any 2025 Bonds that are subject to mandatory tender for purchase in accordance with Sections 2.36, 2.37 or 2.38 hereof that are not presented to the Trustee on the Mandatory Purchase Date and any 2025 Bonds that are the subject of a notice pursuant to Section 2.35 hereof that are not presented to the Trustee on the Purchase Date, shall, in accordance with the provisions of Section 2.36 hereof, be deemed to have been purchased upon the deposit of moneys equal to the Purchase Price thereof into any or all of the accounts of the Bond Purchase Fund.

(b) *Deposits of Funds.*

(i) The Trustee shall deposit into the Remarketing Proceeds Account any amounts received by it in immediately available funds by 10:45 a.m., New York City time, on any Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 2.35(a) hereof or any 2025 Bonds to be purchased pursuant to Sections 2.37 and 2.38 hereof, by 11:45 a.m., New York City time, on the Purchase Date in the case of Daily Bonds to be purchased pursuant to Section 2.35(a) hereof, and by 10:45 a.m., New York City time, on any Purchase Date in the case of 2025 Bonds purchased pursuant to

Sections 2.36(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof from the Remarketing Agent against receipt of 2025 Bonds by the Remarketing Agent pursuant to Section 2.42(d) hereof and on account of 2025 Bonds remarketed pursuant to the terms of the Remarketing Agreement.

(ii) By 11:00 a.m., New York City time, on the Purchase Date in the case of 2025 Bonds purchased pursuant to Sections 2.36(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, by 11:00 a.m., New York City time, on the Purchase Date (or such other time as may be required to ensure the payment of funds by a Liquidity Facility Provider or a Credit Facility Provider, as applicable, on the Purchase Date in accordance with the terms of a Liquidity Facility or a Credit Facility, as applicable) in the case of Weekly Bonds to be purchased pursuant to Section 2.35(a) hereof or any 2025 Bonds to be purchased pursuant to Sections 2.37 and 2.38 hereof, and by 12:00 noon, New York City time, on the Purchase Date with respect to Daily Bonds to be purchased pursuant to Section 2.35(a) hereof, the Trustee shall notify the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Direct Purchaser, if any, and the University by Electronic Notice of the additional amount of funds, if any, required to be transferred to the Trustee (the "*Additional Funding Amount*"), which shall be the amount, if any, by which the total Purchase Price of the 2025 Bonds exceeds the sum of the amounts then on deposit in the Remarketing Proceeds Account. If a Liquidity Facility or a Credit Facility is in effect with respect to the 2025 Bonds, the Trustee shall, at or before (A) 11:00 a.m., New York City time, on the Purchase Date (or such other time as may be required to ensure the payment of funds by a Liquidity Facility Provider or a Credit Facility Provider, as applicable, on the Purchase Date in accordance with the terms of a Liquidity Facility or a Credit Facility, as applicable) with respect to Weekly Bonds to be purchased pursuant to Sections 2.35(a) hereof or any 2025 Bonds to be purchased pursuant to Sections 2.37 and 2.38 hereof; (B) 12:00 noon, New York City time, on the Purchase Date with respect to Daily Bonds to be purchased pursuant to Section 2.35(a) hereof; and (C) 11:00 a.m., New York City time, on the Purchase Date with respect to 2025 Bonds to be purchased pursuant to Sections 2.36(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), present drafts for payment under a Liquidity Facility or a Credit Facility, as may be applicable, in an amount equal to the Additional Funding Amount. A Liquidity Facility Provider or a Credit Facility Provider, as may be applicable, shall be required to provide such Additional Funding Amount, in immediately available funds, to the Trustee no later than (1) 2:30 p.m., New York City time, on the Purchase Date with respect to Weekly Bonds to be purchased pursuant to Section 2.35(a) hereof or any 2025 Bonds to be purchased pursuant to Sections 2.37 and 2.38 hereof, and (2) 2:30 p.m., New York City time, on the Purchase Date with respect to Daily Bonds to be purchased pursuant to Section 2.35(a) hereof and 2025 Bonds to be purchased pursuant to Sections 2.36(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof. The Trustee shall deposit such amounts in the Credit/Liquidity Facility Account. If more than one Liquidity Facility or Credit Facility is then in effect, the Trustee shall establish a separate subaccount in the Credit/Liquidity Facility Account for each Liquidity Facility or Credit Facility and apply the moneys in such subaccounts solely to pay the Purchase Price of 2025 Bonds supported by such Liquidity Facility or Credit Facility.

(iii) The University will pay to the Trustee, in immediately available funds, the Additional Funding Amount by 2:45 p.m., New York City time, other than with respect to the payment of the Purchase Price due and owing relating to the following dates or events: (A) a Window Rate Optional Purchase Date; (B) in connection with a Term Floater Rate Period Failed Remarketing Event; (C) a University Elective Purchase Date; (D) an FRN Rate Soft Put Mandatory Purchase Date; and (E) a Conversion from 2025 Bonds operating in the Fixed Period. The Trustee shall deposit any such amounts received from or provided by the University into the University Funds Account; *provided, however*, that in the event the 2025 Bonds bearing interest at a Daily Rate or a Weekly Rate are secured by a Liquidity Facility or a Credit Facility constituting a direct-pay letter of credit, as applicable, and a Liquidity Facility Provider or a Credit Facility Provider, as applicable, fails to honor a properly presented and conforming drawing under a Liquidity Facility or a Credit Facility, as applicable, to pay the Purchase Price of tendered 2025 Bonds in connection with a Purchase Date, the University shall pay the Trustee the Additional Funding Amount required to pay the Purchase Price of the tendered 2025 Bonds with respect to which the failure occurred within 370 days after the date on which the tendered 2025 Bonds are required to be purchased.

(iv) The Trustee shall hold all proceeds received from the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, or the University pursuant to this Section 2.42(b) hereof in trust for the tendering 2025 Bond owners. In holding such proceeds and moneys, the Trustee will be acting on behalf of such 2025 Bond owners by facilitating purchases of the 2025 Bonds and not on behalf of the Authority, any Liquidity Facility Provider, any Credit Facility Provider or the University, and will not be subject to the control of any of them. Subject to the provisions of Section 2.42(c) hereof, following the discharge of the lien created by this 2025 Series A and Series B Series Resolution or after payment in full of the 2025 Bonds, the Trustee shall pay any moneys remaining in any account of the Bond Purchase Fund directly to the persons for whom such money is held upon presentation of evidence reasonably satisfactory to the Trustee that such person is rightfully entitled to such money, and the Trustee shall not pay such amounts to any other person.

(c) *Disbursements; Payment of Purchase Price.* Moneys delivered to the Trustee on a Purchase Date shall be applied at or before 3:00 p.m., New York City time, on such Purchase Date to pay the Purchase Price of 2025 Bonds that are delivered to the Trustee at or prior to 12:00 noon, New York City time, on such Purchase Date in accordance with Section 2.36(b), in immediately available funds, as follows in the indicated order of application and, to the extent not so applied, shall be held in the separate and segregated accounts of the Bond Purchase Fund for the benefit of the holders of the 2025 Bonds that were to have been purchased:

FIRST: Moneys deposited in the Remarketing Proceeds Account of the Bond Purchase Fund with respect to the 2025 Bonds (representing the proceeds of the remarketing by the Remarketing Agent with respect to the 2025 Bonds).

SECOND: Moneys, if any, deposited in a Credit/Liquidity Facility Account of the Bond Purchase Fund with respect to the 2025 Bonds (representing the proceeds of a drawing under such Liquidity Facility or Credit Facility).

THIRD: Moneys, if any, deposited in the University Funds Account of the Bond Purchase Fund with respect to the 2025 Bonds (representing amounts paid by the University to the Trustee for the purchase of such 2025 Bonds).

Any moneys held by the Trustee in the University Funds Account remaining unclaimed by the holders of the 2025 Bonds that were to have been purchased for two years after the respective Purchase Date for such 2025 Bonds shall be paid, and after all amounts due and owing under the Bondholder Agreement, if any, have been paid, upon the written request of the University, to the University, against written receipt therefor. The holders of 2025 Bonds subject to purchase on a Purchase Date who have not yet claimed money in respect of such 2025 Bonds shall thereafter be entitled to look only to the University, to the extent moneys have been transferred to the University in accordance with this Section 2.42.

(d) *Delivery of Purchased Bonds.*

(i) The Remarketing Agent shall give Electronic Notice, promptly confirmed in writing, to the Trustee on each date on which 2025 Bonds shall have been purchased pursuant to Sections 2.35, 2.36, 2.37 and 2.38 hereof, specifying the principal amount of such 2025 Bonds, if any, sold by the Remarketing Agent pursuant to Section 2.42 hereof, along with a list of such purchasers showing the names and Authorized Denominations in which such 2025 Bonds shall be registered and, if known to the Remarketing Agent, the addresses and social security or taxpayer identification numbers of such purchasers. By 12:00 noon, New York City time, on any Purchase Date in the case of 2025 Bonds to be purchased pursuant to Sections 2.35(a), 2.36, 2.37 and 2.38 hereof, a principal amount of 2025 Bonds equal to the amount of 2025 Bonds purchased with moneys from the Remarketing Proceeds Account shall be made available by the Trustee to the Remarketing Agent against payment therefor in immediately available funds. The Trustee shall prepare each 2025 Bond to be so delivered in such names as directed by the Remarketing Agent pursuant to Section 2.42(a)(ii) hereof.

(ii) A principal amount of 2025 Bonds equal to the amount of 2025 Bonds purchased from moneys on deposit in the Credit/Liquidity Facility Account, if any, shall be delivered on the day of purchase by the Trustee to or as directed by a Liquidity Facility Provider or a Credit Facility Provider, as applicable. The Trustee shall register such 2025 Bonds in the name of the Liquidity Facility Provider, if any, or the Credit Facility Provider, if any, as applicable, or as otherwise provided in a Liquidity Facility or a Credit Facility.

(iii) A principal amount of 2025 Bonds equal to the amount of 2025 Bonds purchased from moneys on deposit in the University Funds Account, if any, shall be delivered on the day of such purchase by the Trustee to or as directed by the University. The Trustee shall register such 2025 Bonds in the name of the University or as otherwise directed by the University.

### **Section 2.43. Remarketing of 2025 Bonds; Notice of Interest Rates.**

(a) Upon a mandatory tender or notice of the tender for purchase of 2025 Bonds, the Remarketing Agent shall offer for sale and use its best efforts to sell such 2025 Bonds, any such sale to be made on the date of such purchase in accordance with Section 2.42 hereof at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the Purchase Date. In connection with any remarketing of 2025 Bonds upon a mandatory tender thereof, such remarketing may be, with respect to such 2025 Bonds, in whole or with respect to a portion thereof, as directed by the University. No 2025 Bonds that have been tendered pursuant to Section 2.38 hereof shall be remarketed as Weekly Bonds or Daily Bonds, unless and until (i) the Liquidity Facility or Credit Facility, if applicable, has been reinstated or extended for such 2025 Bonds; (ii) an Alternate Liquidity Facility or Alternate Credit Facility has been provided for such 2025 Bonds; or (iii) the University has agreed to provide a Self-Liquidity Arrangement for such 2025 Bonds.

(b) The Remarketing Agent shall offer for sale and use its best efforts to sell Bank Bonds at a price equal to the principal amount thereof plus accrued interest to the Purchase Date. On such a Purchase Date, the proceeds of the remarketing of such Bank Bonds shall be received by the Trustee on behalf of the applicable Liquidity Facility Provider or Credit Facility Provider and paid in immediately available funds to the applicable Liquidity Facility Provider or Credit Facility Provider on such Purchase Date. On such a Purchase Date, the applicable Liquidity Facility Provider or Credit Facility Provider shall notify the Trustee of any Additional Funding Amount due with respect to the interest on such Bank Bonds. The Trustee shall pay such Additional Funding Amount to a Liquidity Facility Provider or a Credit Facility Provider, as applicable, on the date of remarketing, but only from funds available under this 2025 Series A and Series B Series Resolution or otherwise as provided by the University. Bank Bonds shall not be delivered upon remarketing unless the Trustee shall have received Electronic Notice from a Liquidity Facility Provider or a Credit Facility Provider that a Liquidity Facility or a Credit Facility, as applicable, has been reinstated in accordance with its terms to the full amount of the then required stated amount.

(c) The Remarketing Agent shall not knowingly remarket Bonds to the Authority, the University or any affiliate thereof.

### **Section 2.44. Remarketing of Tendered Bonds in Term Floater Rate Mode.**

The Remarketing Agent will use its best efforts to remarket Tendered Term Floaters in the Term Floater Rate Mode, subject to the following terms and conditions:

(i) Upon receipt of a Tender Notice, the Remarketing Agent shall offer for sale, and use its best efforts to sell, all Tendered Term Floaters at a Term Floater Interest Rate that would enable the Remarketing Agent to sell all Tendered Term Floaters on the same day or up to and including a day that is five Business Days from the date of the Tender Notice (a "*Term Floater Remarketing Window*") at a price equal to par plus accrued but unpaid interest to the Tender Date. If multiple holders deliver Tender Notices on different dates, there will be multiple Tender Dates and the Remarketing Agent shall first remarket Tendered Term Floaters having the earliest Tender Date.

(ii) If the Remarketing Agent successfully remarkets the Tendered Term Floaters by identifying a purchaser for such Tendered Term Floaters at any time during the Term Floater Remarketing Window, the Remarketing Agent shall give notice to the Trustee and the holders of such Tendered Term Floaters that a purchaser has been identified for a purchase of such Tendered Term Floaters on the Tender Date.

**Section 2.45. Failed Remarketing in Connection with Optional Tender for Remarketing while in Term Floater Rate Mode.**

(i) If for any reason any Tendered Term Floater is not successfully remarketed during a Term Floater Remarketing Window (a "*Failed Remarketing Event*"), all of such Tendered Term Floaters shall continue to be owned by their respective holders and no Tendered Term Floaters shall be tendered or purchased on their respective Tender Date. Upon the occurrence of a Failed Remarketing Event, (i) the Remarketing Agent shall notify the Rating Agencies, the Trustee, the Authority and the University, (ii) all Term Floaters shall become subject to mandatory redemption on the Term Floater Special Mandatory Redemption Date (if such Term Floater Special Mandatory Redemption Date occurs prior to the scheduled maturity date for the Term Floaters), (iii) the Remarketing Agent will no longer determine the Term Floater Rate on a daily basis, but will continue to attempt to remarket the 2025 Bonds as set forth below, and (iv) all Term Floaters shall bear interest at the Term Out Rate (as determined by the Remarketing Agent on the date of the Failed Remarketing Event) during the Term Out Period, until the earlier of (a) the scheduled maturity date for the Term Floaters, (b) the Term Floater Special Mandatory Redemption Date, (c) the optional redemption of all Term Floaters, (d) the date on which all Term Floaters are successfully remarketed and (e) the date on which the University elects to convert the 2025 Bonds from the Term Floater Rate Mode to a different Interest Rate Mode.

(ii) Following the occurrence of a Failed Remarketing Event, the Remarketing Agent shall offer for sale, and use its best efforts to sell, all Tendered Term Floaters at a price equal to the Purchase Price. Upon identifying a purchaser or purchasers for all (but not less than all) of the Tendered Term Floaters (but subject to Section clause (iii) below), the Remarketing Agent shall give notice (the "*Remarketing Notice*") to the Rating Agencies, the Trustee, the Authority, the University and all holders of Term Floaters that a purchaser or purchasers has or have been identified for a purchase of the Tendered Term Floaters on the date set forth in such notice (the "*Remarketing Date*"), which Remarketing Date shall be the next Business Day following delivery of the Remarketing Notice, and all Tendered Term Floaters shall be subject to mandatory tender for purchase at a price equal to the Purchase Price on the Remarketing Date.

(iii) Any holder of a Term Floater that is not a Tendered Term Floater that is part of a Failed Remarketing Event may deliver written notice to the Remarketing Agent at least one Business Day prior to the related Remarketing Date that it wishes to retain its 2025 Bonds bearing interest at a Term Floater Rate.

(iv) On the Remarketing Date, the Remarketing Agent shall resume resetting the interest rate on such Term Floaters pursuant to the provisions set forth in Section 2.19 herein, the Term Floater Rate will no longer equal the Term Out Rate and the 2025 Bonds bearing interest at a Term Floater Rate will no longer be subject to mandatory redemption on the Term Floater Special Mandatory Redemption Date.

(v) For payment of the Purchase Price on the Remarketing Date, 2025 Bonds bearing interest at a Term Floater Rate must be delivered at or prior to 11:00 a.m. (New York City time) on the Remarketing Date to the Remarketing Agent at its designated office, accompanied by an instrument of transfer thereof, in form satisfactory to the Remarketing Agent, executed in blank by the holder thereof or by the holder's duly-authorized attorney, with such signature guaranteed by a member of a signature medallion program. If any Term Floaters are delivered after that time, the Purchase Price for such 2025 Bonds bearing interest at a Term Floater Rate will be paid on the next succeeding Business Day.

**Section 2.46. Termination of Liquidity Facility or Credit Facility Prior to Expiration Date; Purchase by Liquidity Facility Provider or Credit Facility Provider; Notices.**

(a) The obligation of the Liquidity Facility Provider to provide funds for the purchase of tendered 2025 Bonds pursuant to the Liquidity Facility may be terminated or suspended automatically and without prior notice upon the occurrence of certain defaults as shall be set forth in the Liquidity Facility.

(b) If an Immediate Termination Date of a Liquidity Facility occurs, the Trustee shall promptly upon receiving written notice thereof, but in no event more than three Business Days after receipt, provide Electronic Notice to the University, the Remarketing Agent, the Authority, the Credit Facility Provider, if any, and the holders of all Outstanding 2025 Bonds the payment of the Purchase Price of which is supported by such Liquidity Facility that the Liquidity Facility has been terminated, that the Trustee will no longer be able to draw on the Liquidity Facility to purchase 2025 Bonds and the Liquidity Facility Provider will be under no obligation to advance funds or to purchase 2025 Bonds under the Liquidity Facility; *provided, however*, that if the Trustee is unable to provide Electronic Notice to the 2025 Bond owners because it does not have the necessary contact information to do so, it shall provide written notice to the 2025 Bond owners.

(c) Following the Termination Date, the Trustee will no longer be able to draw on the Liquidity Facility or the Credit Facility, as applicable, to purchase 2025 Bonds. Promptly upon the receipt of notice of the proposed Termination Date from the Liquidity Facility Provider or the Credit Facility Provider, as applicable, but in no event more than three Business Days after receipt, the Trustee shall provide Electronic Notice to the University, the Authority, the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the holders of all Outstanding 2025 Bonds supported by such Liquidity Facility or Credit Facility, as applicable, of the Termination Date and the proposed Mandatory Purchase Date for such 2025 Bonds, which Purchase Date shall be no later than five days prior to the Termination Date; *provided, however*, that if the Trustee is unable to provide Electronic Notice to the 2025

Bond owners because it does not have the necessary contact information to do so, it shall provide written notice to the 2025 Bond owners. In addition, at least 14 days prior to the Expiration Date of the Liquidity Facility or the Credit Facility, as may be applicable, the Trustee shall also give notice to the Authority and the holders of Outstanding 2025 Bonds of the Expiration Date for the Liquidity Facility or the Credit Facility and the proposed Mandatory Purchase Date for such 2025 Bonds, which shall be no later than one Business Day prior to the Expiration Date, or, in the case of a delivery of an Alternate Liquidity Facility or an Alternate Credit Facility, shall be the effective date of delivery of, and acceptance by the Trustee of, such Alternate Liquidity Facility or Alternate Credit Facility. Each such notice shall be given by Electronic Notice and first class mail and shall (i) state that the Trustee may no longer draw on the Liquidity Facility or Credit Facility (and the Liquidity Facility Provider or Credit Facility Provider will have no obligation) to purchase (or provide funds for the purchase of) 2025 Bonds after the proposed Termination Date or the Expiration Date, as the case may be, (ii) specify the Termination Date or the Expiration Date, as the case may be, and the applicable Mandatory Purchase Date, (iii) state that the Eligible Bonds are subject to mandatory tender for purchase on the applicable Mandatory Purchase Date, (iv) specify, if, but only if applicable, that the University will be the only party obligated to purchase Eligible Bonds after the Termination Date or the Expiration Date, and (v) state that all Eligible Bonds (if subject to mandatory purchase) must be delivered for purchase to the Trustee and that, on such Mandatory Purchase Date, the Trustee expects to hold moneys equal to the Purchase Price for all Eligible Bonds in trust for the holders of such Eligible Bonds, which moneys will be paid upon surrender of such Eligible Bonds to the Trustee. Any notice given substantially as provided in this subsection (c) shall be conclusively presumed to have been duly given, whether or not actually received by each 2025 Bond owner.

(d) Upon receipt of the notice specified in (c) above, and if said notice provides that all Eligible Bonds are subject to mandatory purchase, all holders of Outstanding Eligible Bonds shall be required to tender their 2025 Bonds to the Trustee for purchase on such Mandatory Purchase Date. In addition, in the event that a holder of 2025 Bonds has delivered a tender notice pursuant to Section 2.35(a) on or prior to the date on which the Liquidity Facility Provider or the Credit Facility Provider has sent notice to the Trustee of the proposed Termination Date or the Expiration Date with a Purchase Date to occur on or after the date of such notice (but prior to the Termination Date or the Expiration Date), the 2025 Bonds to which such tender notice relates shall be purchased by the Trustee on such Purchase Date. Any Eligible Bond so delivered shall be purchased by the Trustee at a Purchase Price equal to the principal amount thereof plus accrued interest to the Purchase Date (unless such date is an Interest Payment Date, in which case the Purchase Price will be the principal amount of such 2025 Bond). In addition to the notice specified in subsection (c) above, the Trustee shall give notice to the holders of the 2025 Bonds, the University, the Authority and the Remarketing Agent of the proposed provision or extension of any Liquidity Facility or Credit Facility at least 45 days prior to any such proposed provision or extension, if available, otherwise the Trustee shall give notice promptly upon such provision or extension of any Liquidity Facility or Credit Facility.

#### **Section 2.47. Insufficient Funds for Payment of Purchase Price.**

(a) If the funds available for the purchase of 2025 Bonds subject to purchase on a Purchase Date are insufficient to purchase all of such 2025 Bonds on such Purchase Date (including Undelivered Bonds), then no purchase of any 2025 Bond shall occur on such Purchase



Date and, on such Purchase Date, the Trustee shall (i) return all of such 2025 Bonds that were tendered to the holders thereof, and (ii) return all moneys received by the Trustee for the purchase of such 2025 Bonds to the respective persons that provided such moneys (in the respective amounts in which such moneys were so provided).

(b) The failure to purchase 2025 Bonds on a Purchase Date shall constitute an Event of Default; *provided, however*, the failure to purchase 2025 Bonds on any of the following dates or events shall not constitute an Event of Default: (i) a Window Rate Optional Purchase Date; (ii) in connection with a Term Floater Rate Period Failed Remarketing Event (as provided in Section 2.45 hereof); (iii) a University Elective Purchase Date; (iv) an FRN Rate Soft Put Mandatory Purchase Date; and (v) a Conversion from 2025 Bonds operating in the Fixed Period; *provided, further*, that failure of the University to pay when due the Additional Funding Amount pursuant to Section 2.42(b)(iii) hereof in connection with a Purchase Date while the 2025 Bonds bear interest at a Daily Rate or a Weekly Rate and are supported by a Liquidity Facility or a Credit Facility, as applicable, shall not constitute an Event of Default if (i) the failure is the result of failure of the Liquidity Facility Provider or the Credit Facility Provider, as applicable, to honor a properly presented and conforming drawing under the Liquidity Facility or the Credit Facility, as applicable, to pay the Purchase Price of the tendered 2025 Bonds, and (ii) the Additional Funding Amount required to pay the Purchase Price of the tendered 2025 Bonds with respect to which the failure occurred is deposited with the Trustee and applied to pay the Purchase Price of the tendered 2025 Bonds, within 370 days after the date on which such tendered 2025 Bonds were required to be purchased.

(c) Subject to the provisions of paragraphs (d) through (i) below, if 2025 Bonds are not purchased when required pursuant to Section 2.35(a) hereof or Section 2.36(a) hereof, such 2025 Bonds shall bear interest at the Maximum Rate from such Purchase Date until such date that all of such 2025 Bonds have been purchased or payment of the principal thereof and interest thereon has otherwise been made in accordance with this 2025 Series A and Series B Series Resolution.

(d) If Daily Bonds or Weekly Bonds are not purchased on a University Elective Purchase Date, then such Daily Bonds or Weekly Bonds shall continue to bear interest at a Daily Rate or a Weekly Rate, as applicable, as determined as provided in Sections 2.19 and 2.20 hereof, respectively.

(e) If FRN Rate Soft Put Bonds are not purchased on an FRN Rate Soft Put Mandatory Purchase Date, such failure to pay the Purchase Price shall not constitute an Event of Default under this 2025 Series A and Series B Series Resolution, and the FRN Rate Soft Put Bonds shall bear interest at the FRN Rate, calculated with an FRN Spread equal to 400 basis points (4%) or such other FRN Spread as may be specified in connection with a Conversion to an FRN Interest Rate Period, or, if less, the Maximum Rate, from such FRN Rate Soft Put Mandatory Purchase Date until such time, if any, as all of the FRN Rate Soft Put Bonds are remarketed.

(f) If Window Rate Bonds are not purchased on a Window Rate Optional Purchase Date or on a University Elective Purchase Date, then such Window Bonds shall continue to bear interest as determined in accordance with Section 2.25 hereof.

(g) If Term Floaters are not purchased on a Purchase Date, then such Term Floaters shall continue to bear interest as determined in accordance with Section 2.45 hereof.

(h) If Fixed Bonds are not purchased on a Purchase Date related to a Conversion of such 2025 Bonds, then such Fixed Bonds shall continue to bear interest at the interest rates in effect prior to such proposed Conversion Date.

(i) Notwithstanding the foregoing, if 2025 Bonds are not purchased when required due to a Credit Facility Provider or a Liquidity Facility Provider failing to honor a properly conforming draw to pay the Purchase Price of the 2025 Bonds, such 2025 Bonds shall bear interest at the Maximum Rate from such Purchase Date until such date that all of such 2025 Bonds have been purchased or payment of the principal thereof and interest thereon has otherwise been made in accordance with this 2025 Series A and Series B Series Resolution. During such period that the 2025 Bonds bear interest at the Maximum Rate, the Remarketing Agent will continue to set the Daily Rate, as set forth in Section 2.19, or will continue to set the Weekly Rate, as set forth in Section 2.20, although the interest rate on the 2025 Bonds will be the Maximum Rate until such unpurchased 2025 Bonds have been purchased. The Remarketing Agent shall have no obligation to remarket 2025 Bonds during such period, unless the Remarketing Agent agrees in its sole discretion. When the Trustee has received sufficient funds to pay the Purchase Price of the tendered 2025 Bonds, the Trustee must establish a date for payment and notify the holders thereof and the holders must surrender their 2025 Bonds to the Trustee on or before such date for payment of the Purchase Price of such tendered 2025 Bonds.

**Section 2.48. Remarketing Agent.** The Authority shall appoint the Remarketing Agent (with the advice and consent of the University) for the 2025 Bonds as may be required by this 2025 Series A and Series B Series Resolution, subject to the conditions set forth in Section 2.49 hereof. The Remarketing Agent shall designate its principal office to the Authority, the University, the Trustee, the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any) and signify its acceptance of the duties and obligations imposed upon it hereunder by executing a Remarketing Agreement, pursuant to which the Remarketing Agent agrees, particularly:

(a) to hold any 2025 Bonds delivered to it for the benefit of the respective 2025 Bond owners that shall have so delivered such 2025 Bonds until moneys representing the Purchase Price of such 2025 Bonds shall have been delivered to the Trustee for deposit in the Bond Purchase Fund;

(b) to deliver to the Trustee all moneys received by it hereunder in connection with the remarketing of the 2025 Bonds;

(c) to keep such books and records as shall be consistent with prudent industry practice; and

(d) to comply with the provisions of this 2025 Series A and Series B Series Resolution with respect to the duties and obligations of the Remarketing Agent.

**Section 2.49. Qualifications of Remarketing Agent; Resignation; Removal.** The Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., authorized by law to perform all the duties imposed upon it by this 2025 Series A and Series B Series Resolution and acceptable to the Authority and the University. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this 2025 Series A and Series B Series Resolution by giving at least 60 days' prior notice to the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the University, the Authority and the Trustee, except as specifically provided in the Remarketing Agreement; *provided, however,* that, except as may be permitted by the Remarketing Agreement under certain circumstances, the resignation or discharge of the Remarketing Agent shall not be effective until the Authority (with the advice and consent of the University) has appointed a successor Remarketing Agent satisfactory to the University and to the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any), which meets all of the requirements of this 2025 Series A and Series B Series Resolution, and the successor Remarketing Agent has accepted such appointment.

The Remarketing Agent may be removed at any time upon 30 days' prior written notice by an instrument signed by the Authority and the University and filed with the Remarketing Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any) and the Trustee, subject to the terms and conditions of the Remarketing Agreement; *provided, however,* that the removal of the Remarketing Agent shall not be effective until the Authority (with the advice and consent of the University) has appointed a successor Remarketing Agent satisfactory to the University, the Credit Facility Provider and the Liquidity Facility Provider (if the 2025 Bonds to be remarketed are secured by a Credit Facility or a Liquidity Facility issued by such Credit Facility Provider or Liquidity Facility Provider), which meets all of the requirements of this 2025 Series A and Series B Series Resolution, and the successor Remarketing Agent has accepted such appointment.

In the event of the resignation or removal of the Remarketing Agent, the Remarketing Agent shall pay over, assign and deliver any moneys and 2025 Bonds held by it in such capacity to its successor or, if there shall be no successor, to the Trustee.

In the event that the Authority fails to appoint a Remarketing Agent hereunder, or in the event that the Remarketing Agent resigns or is removed or dissolved, or if the property or affairs of the Remarketing Agent are taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Authority shall not have appointed its successor as Remarketing Agent, the Trustee, notwithstanding the provisions of the first paragraph of this Section 2.49, shall *ipso facto* be deemed to be the Remarketing Agent for all purposes of this 2025 Series A and Series B Series Resolution until the appointment by the Authority or the University of the Remarketing Agent or successor Remarketing Agent, as the case may be; *provided, however,* that the Trustee, in its capacity as Remarketing Agent, shall not be required to solicit purchasers of, or to remarket, 2025 Bonds or determine the interest rate on the 2025 Bonds pursuant to Article II of this 2025 Series A and Series B Series Resolution and the Trustee shall have the right to appoint a successor Remarketing Agent meeting the qualifications set forth in the provisions of the first paragraph of this Section 2.49.

## **Section 2.50. Credit Facility; Alternate Credit Facility.**

(a) The University may, but shall not be obligated to, provide support for payment of the principal of and interest on the 2025 Bonds and/or for payment of the Purchase Price of 2025 Bonds that are tendered or deemed tendered for purchase and not remarketed by causing a Credit Facility to be delivered to the Trustee. The Trustee shall draw moneys under any such Credit Facility, if any, in accordance with the terms of such Credit Facility and this 2025 Series A and Series B Series Resolution, to the extent necessary to pay the principal of and interest on the 2025 Bonds when due at maturity or by redemption or acceleration and/or to pay the Purchase Price of 2025 Bonds that are tendered or deemed tendered for purchase as provided herein and are not remarketed.

(b) The University shall be permitted to provide for the delivery to the Trustee of an Alternate Credit Facility to replace any such Credit Facility then in effect; *provided*, that such Alternate Credit Facility complies with this Section 2.50 and that the University furnishes to the Authority and the Trustee: (i) the Opinion of Bond Counsel required by Section 2.50(i) hereof; (ii) the legal opinions required by Section 2.50(l) hereof; and (iii) the written consent of the Authority to the selection of a Credit Facility Provider and to the form of an Alternate Credit Facility and any related Credit Facility Documents.

(c) Each Alternate Credit Facility shall become effective for the purposes of this 2025 Series A and Series B Series Resolution (it being understood that an Alternate Credit Facility may become effective in accordance with its own terms prior to such date) on a Credit Facility Substitution Date and upon the delivery to the Trustee of an Alternate Credit Facility issued by a new Credit Facility Provider and each of the other items that are required pursuant to paragraph (b) of this Section 2.50.

(d) Without the prior written consent of the Authority, the stated expiration date of any Alternate Credit Facility must be no earlier than five days after the earlier of (i) the date that is one year after the effective date of such Alternate Credit Facility and (ii) the maturity date of the 2025 Bonds the payment of which is supported by such Alternate Credit Facility.

(e) Provisions herein pertaining to rights of a Credit Facility Provider shall be subject to Section 2.52(c) of this 2025 Series A and Series B Series Resolution and shall be effective only so long as a Credit Facility is in effect or any Credit Facility Provider Payment Obligations are owing to a Credit Facility Provider.

(f) The University agrees that it shall not consent to, or be a party to, any amendment to or modifications of any Credit Facility Documents or any mortgage or security agreement related thereto without the prior written consent of the Authority, other than such amendments or modifications relating to the extension of a Credit Facility Termination Date and/or the payment by the University of fees to a Credit Facility Provider.

(g) In the event of an extension of a Credit Facility Termination Date of a Credit Facility by a Credit Facility Provider, the University shall cause to be delivered to the Authority and the Trustee a copy of the written extension of such Credit Facility Termination Date, issued

by a Credit Facility Provider, by no later than 15 days prior to a Credit Facility Termination Date.

(h) For as long as a Credit Facility constituting a direct-pay letter of credit is in effect with respect to the 2025 Bonds, the Trustee shall apply amounts derived thereunder to the payment of regularly scheduled principal of and interest on the 2025 Bonds, in the manner provided below, prior to the Trustee using any other amounts on deposit in the funds and accounts established under this 2025 Series A and Series B Series Resolution for such purpose. The Trustee shall draw upon a Credit Facility in accordance with its terms, by 5:00 p.m. New York City time on the Business Day preceding such payment date, to pay on any interest or principal payment date principal of and interest on any 2025 Bonds supported thereby (excluding Bank Bonds), whether on an Interest Payment Date or upon regularly scheduled mandatory sinking fund redemption or other redemption, at maturity or upon acceleration of maturity, and, at the times required by Section 2.42 on any Purchase Date, to pay, on such Purchase Date, in accordance with the last two sentences of this subsection (h), the Purchase Price of 2025 Bonds tendered or deemed tendered for purchase. A Credit Facility Provider shall be required to provide any amount so drawn upon a Credit Facility (i) on each Interest Payment Date or regularly scheduled principal maturity date, mandatory sinking fund redemption or other redemption date, or upon acceleration of maturity, in immediately available funds, to the Trustee, no later than 12:00 noon New York City time on each such date; and (ii) on each Purchase Date, to the Trustee, no later than at the times required by Section 2.42. The Trustee shall also draw upon any Credit Facility constituting a letter of credit in accordance with its terms to pay principal of and interest on such 2025 Bonds then due with respect to regularly scheduled mandatory sinking fund redemption or other redemption, at maturity or upon acceleration of maturity. Amounts received pursuant to drawings upon a Credit Facility shall be deposited into the Debt Service Fund or a Credit/Liquidity Facility Account, as applicable, and shall be segregated and not be commingled with moneys in any other fund and shall be held uninvested in the trust created and maintained under this 2025 Series A and Series B Series Resolution, by the Trustee for the benefit of, and application to, the express purpose for which such drawing was made. Any amounts received by the Trustee from a drawing on a Credit Facility shall be promptly applied to the payment of the principal or Purchase Price of and interest on the 2025 Bonds, as the case may be.

(i) At any time that is at least 45 days prior to the expiration or termination of any Credit Facility, the University may, subject to the provisions of this Section 2.50, provide for the delivery to the Trustee of an Alternate Credit Facility. Provision of such Alternate Credit Facility may be evidenced by delivery of an irrevocable commitment for the Alternate Credit Facility issued by the proposed Credit Facility Provider and agreed to by the University at least 45 days prior to the expiration or termination of any Credit Facility then in effect. Any such Alternate Credit Facility may be for a term of years that is more or less than the Credit Facility that is being replaced (subject to the provisions of Section 2.50(d)) and shall contain administrative provisions reasonably acceptable to the Trustee. Any Alternate Credit Facility delivered in substitution for another Credit Facility shall provide for the purchase of any Bank Bonds held on the Mandatory Tender Date by the issuer of the prior Credit Facility, unless there are no Bank Bonds held on the Mandatory Tender Date. On or prior to the date of the delivery of such Alternate Credit Facility to the Trustee, the University shall furnish to the Trustee an Opinion of Bond Counsel to the effect that the delivery of the proposed Alternate Credit Facility

to the Trustee is permitted under this 2025 Series A and Series B Series Resolution and complies with the terms of this 2025 Series A and Series B Series Resolution and will not adversely affect the exclusion of the interest payable on the 2025 Bonds to which it relates from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code. Upon receipt of such documents and the documents set forth in Section 2.50(l) below, the Trustee shall accept such Alternate Credit Facility on the Mandatory Tender Date relating thereto, which Alternate Credit Facility shall be effective on the Credit Facility Substitution Date, and in any case not later than the date that is two Business Days prior to the applicable Credit Facility Termination Date, and shall surrender the Credit Facility then in effect to the Credit Facility Provider that issued such Credit Facility on the Credit Facility Substitution Date.

(j) The Trustee shall comply with any procedures set forth in any outstanding Credit Facility relating to the expiration or termination thereof.

(k) Nothing herein shall require the University to deliver to the Trustee an Alternate Credit Facility upon the expiration or termination of a Credit Facility.

(l) Notwithstanding anything contained herein to the contrary, no Alternate Credit Facility shall be delivered to the Trustee hereunder unless such Alternate Credit Facility is accompanied by: (i) legal opinions of counsel reasonably satisfactory to the Authority and the Trustee to the effect that (1) the proposed Credit Facility Provider is duly organized and existing under the laws of the jurisdiction of its organization and is duly qualified to do business in any state of the United States of America; (2) the Alternate Credit Facility is a legal, valid and binding obligation of the Credit Facility Provider, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, and by the availability of equitable remedies, including specific performance and injunctive relief; (3) to the extent required by any Rating Agency, payments made by the proposed Credit Facility Provider of amounts drawn under the Alternate Credit Facility will not be recoverable from the 2025 Bond owners as voidable preferences under Section 547(b) of the United States Bankruptcy Code or any successor provision in the event of the commencement of a proceeding by or against the University or by the Authority as debtor under the United States Bankruptcy Code; and (4) the Alternate Credit Facility is an exempt security under the Securities Act of 1933, as amended, and accordingly neither the registration of the related 2025 Bonds under the Securities Act of 1933, as amended, nor the qualification of an indenture in respect thereof under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of such Alternate Credit Facility or the remarketing of the 2025 Bonds secured thereby; and (ii) the written consent of the Authority to the selection of the proposed Credit Facility Provider.

(m) The Trustee shall not sell, assign or otherwise transfer a Credit Facility except to a successor Trustee hereunder and in accordance with the terms of a Credit Facility.

(n) Notwithstanding any other provision hereof, any then current Credit Facility shall not be released until the Trustee has on deposit in immediately available funds sufficient moneys (from remarketing proceeds or from a drawing for the payment of the Purchase Price under a Credit Facility then in effect) to pay in full all 2025 Bonds tendered or deemed tendered for purchase on a Purchase Date.

(o) Drafts of all documents to be provided to the Trustee or the Authority pursuant to this Section 2.50 shall be delivered to the Trustee and the Authority at least 14 days prior to any applicable Mandatory Tender Date (or such shorter period as shall be acceptable to the Authority and the Trustee).

(p) In the event of an extension of the stated expiration date or termination date of a Credit Facility by the Credit Facility Provider, the University shall cause a copy of the written extension of such expiration date or termination date issued by the Credit Facility Provider to be delivered to the Authority and the Trustee by no later than 45 days prior to the Credit Facility Termination Date.

### **Section 2.51. Liquidity Facility; Alternate Liquidity Facility.**

(a) The University may, but shall not be obligated to, provide support for payment of the principal of and interest on the 2025 Bonds and/or for payment of the Purchase Price of 2025 Bonds that are tendered or deemed tendered for purchase and not remarketed by causing a Liquidity Facility to be delivered to the Trustee. The University hereby authorizes and directs the Trustee to draw moneys under any such Liquidity Facility, in accordance with the terms of such Liquidity Facility and this 2025 Series A and Series B Series Resolution, to the extent necessary to pay the principal of and interest on the 2025 Bonds when due at maturity or by redemption or acceleration and/or to pay the Purchase Price of 2025 Bonds that are tendered or deemed tendered for purchase as provided in Article II of this 2025 Series A and Series B Series Resolution and are not remarketed.

(b) The University shall be permitted to provide for the delivery to the Trustee of an Alternate Liquidity Facility to replace a Liquidity Facility then in effect; *provided*, that such Alternate Liquidity Facility complies with this Section 2.51 and that the University furnishes to the Authority and the Trustee: (i) the Opinion of Bond Counsel required by Section 2.51(i) hereof; (ii) the legal opinions required by Section 2.51(l) hereof; and (iii) the written consent of the Authority to the selection of a Liquidity Facility Provider and to the form of the Alternate Liquidity Facility and any related Liquidity Facility Documents.

(c) Each Alternate Liquidity Facility shall become effective for the purposes of this 2025 Series A and Series B Series Resolution (it being understood that an Alternate Liquidity Facility may become effective in accordance with its own terms prior to such date) on a Liquidity Facility Substitution Date and upon the delivery to the Trustee of the Alternate Liquidity Facility issued by the new Liquidity Facility Provider and each of the other items that are required pursuant to paragraph (b) of this Section 2.51.

(d) Without the prior written consent of the Authority, the stated expiration date of any Alternate Liquidity Facility must be no earlier than five days after the earlier of (i) the date that is one year after the effective date of such Alternate Liquidity Facility and (ii) the maturity date of the 2025 Bonds the payment of which is supported by such Alternate Liquidity Facility.

(e) Provisions herein pertaining to rights of a Liquidity Facility Provider shall be subject to Section 2.54(b) of this 2025 Series A and Series B Series Resolution and shall be effective only so long as a Liquidity Facility is in effect or any Liquidity Facility Provider Payment Obligations are owing to a Liquidity Facility Provider.

(f) The University agrees that it shall not consent to, or be a party to, any amendment to or modifications of any Liquidity Facility Documents or any mortgage or security agreement related thereto without the prior written consent of the Authority, other than such amendments or modifications relating to the extension of a Liquidity Facility Termination Date and/or the payment by the University of fees to a Liquidity Facility Provider.

(g) In the event of an extension of a Liquidity Facility Termination Date of a Liquidity Facility by a Liquidity Facility Provider, the University shall cause to be delivered to the Authority and the Trustee a copy of the written extension of such Liquidity Facility Termination Date, issued by such Liquidity Facility Provider, by no later than 15 days prior to a Liquidity Facility Termination Date.

(h) For as long as a Liquidity Facility is in effect with respect to the 2025 Bonds, the Trustee shall draw upon the Liquidity Facility in accordance with its terms, by the times required by Section 2.42, to pay, on each Purchase Date, the Purchase Price of 2025 Bonds tendered or deemed tendered for purchase. The Liquidity Facility Provider shall be required to provide any amount so drawn upon the Liquidity Facility on each Purchase Date, to the Trustee, at the times required by Section 2.42. Amounts received pursuant to drawings upon the Liquidity Facility shall be deposited into the Credit/Liquidity Facility Account and shall be segregated and not be commingled with moneys in any other fund and shall be held uninvested in the trust created and maintained under this 2025 Series A and Series B Series Resolution, by the Trustee for the benefit of, and application to, the express purpose for which such drawing was made. Any amounts received by the Trustee from a drawing on the Liquidity Facility shall be promptly applied to the payment of the Purchase Price of the 2025 Bonds.

(i) At any time that is at least 45 days prior to the expiration or termination of any Liquidity Facility, the University may, subject to the provisions of Section 2.51 hereof, provide for the delivery to the Trustee of an Alternate Liquidity Facility. Provision of such Alternate Liquidity Facility may be evidenced by delivery of an irrevocable commitment for the Alternate Liquidity Facility issued by the proposed Liquidity Facility Provider and agreed to by the University at least 45 days prior to the expiration or termination of any Liquidity Facility then in effect. Any such Alternate Liquidity Facility may be for a term of years that is more or less than the Liquidity Facility that is being replaced (subject to the provisions of Section 2.51(d) hereof) and shall contain administrative provisions reasonably acceptable to the Trustee. Any Alternate Liquidity Facility delivered in substitution for another Liquidity Facility shall provide for the purchase of any Bank Bonds held on the Mandatory Tender Date by the issuer of the prior Liquidity Facility, unless there are no Bank Bonds held on the Mandatory Tender Date. On or prior to the date of the delivery of such Alternate Liquidity Facility to the Trustee, the University shall furnish to the Trustee an Opinion of Bond Counsel to the effect that the delivery of the proposed Alternate Liquidity Facility to the Trustee is permitted under this 2025 Series A and Series B Series Resolution and complies with the terms of this 2025 Series A and Series B Series Resolution and will not adversely affect the exclusion of the interest payable on the 2025 Bonds



to which it relates from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code. Upon receipt of such documents and the documents set forth in Section 2.51(l) below, the Trustee shall accept such Alternate Liquidity Facility on the Mandatory Tender Date relating thereto, which Alternate Liquidity Facility shall be effective on the Liquidity Facility Substitution Date, and in any case not later than the date that is two Business Days prior to the applicable Liquidity Facility Termination Date and shall surrender the Liquidity Facility then in effect to the Liquidity Facility Provider that issued such Liquidity Facility on the Liquidity Facility Substitution Date.

(j) The Trustee shall comply with any procedures set forth in any outstanding Liquidity Facility relating to the expiration or termination thereof.

(k) Nothing herein shall require the University to deliver to the Trustee an Alternate Liquidity Facility upon the expiration or termination of a Liquidity Facility.

(l) Notwithstanding anything contained herein to the contrary, no Alternate Liquidity Facility shall be delivered to the Trustee hereunder unless such Alternate Liquidity Facility is accompanied by: (i) legal opinions of counsel reasonably satisfactory to the Authority and the Trustee to the effect that (1) the proposed Liquidity Facility Provider is duly organized and existing under the laws of the jurisdiction of its organization and is duly qualified to do business in any state of the United States of America; (2) the Alternate Liquidity Facility is a legal, valid and binding obligation of the Liquidity Facility Provider, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, and by the availability of equitable remedies, including specific performance and injunctive relief; (3) to the extent required by any Rating Agency, payments made by the proposed Liquidity Facility Provider of amounts drawn under the Alternate Liquidity Facility will not be recoverable from the 2025 Bond owners as voidable preferences under Section 547(b) of the United States Bankruptcy Code or any successor provision in the event of the commencement of a proceeding by or against the University or by the Authority as debtor under the United States Bankruptcy Code; and (4) the Alternate Liquidity Facility is an exempt security under the Securities Act of 1933, as amended, and accordingly neither the registration of the related 2025 Bonds under the Securities Act of 1933, as amended, nor the qualification of an indenture in respect thereof under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of such Alternate Liquidity Facility or the remarketing of the 2025 Bonds secured thereby; and (ii) the written consent of the Authority to the selection of the proposed Liquidity Facility Provider.

(m) The Trustee shall not sell, assign or otherwise transfer the Liquidity Facility except to a successor Trustee hereunder and in accordance with the terms of the Liquidity Facility.

(n) Notwithstanding any other provision hereof, any then current Liquidity Facility shall not be released until the Trustee has on deposit in immediately available funds sufficient moneys (from remarketing proceeds or from a drawing for the payment of the Purchase Price under the Liquidity Facility then in effect) to pay in full all 2025 Bonds tendered or deemed tendered for purchase on a Purchase Date.

(o) Drafts of all documents to be provided to the Trustee or the Authority pursuant to this Section 2.51 shall be delivered to the Trustee and the Authority at least 14 days prior to the applicable Mandatory Tender Date (or such shorter period as shall be acceptable to the Authority and the Trustee).

(p) In the event of an extension of the stated expiration date or termination date of a Liquidity Facility by the Liquidity Facility Provider, the University shall cause a copy of the written extension of such expiration date or termination date issued by the Liquidity Facility Provider to be delivered to the Authority and the Trustee by no later than 45 days prior to the Liquidity Facility Termination Date.

#### **Section 2.52. Rights of Credit Facility Provider.**

(a) So long as a Credit Facility Provider is not in default on its payment obligations under a Credit Facility, such Credit Facility Provider shall at all times be deemed to be the exclusive owner of the 2025 Bonds enhanced pursuant to a Credit Facility issued by such Credit Facility Provider for the purposes of all approvals, consents, waivers or institution of any action and the direction of all remedies.

(b) In the event that the principal of and/or interest on the 2025 Bonds shall be paid by a Credit Facility Provider pursuant to the terms of a Credit Facility, the 2025 Bonds shall remain Outstanding, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the registered owners shall continue to exist and a Credit Facility Provider shall be entitled to all of the rights of such registered owners in accordance with the terms and conditions hereof and of any Credit Facility Documents.

(c) Notwithstanding any provision herein to the contrary, a Credit Facility Provider shall have no rights hereunder, other than rights of subrogation as herein provided to the extent that a Credit Facility Provider has made payments under a Credit Facility, in the event that a Credit Facility is not in effect or a Credit Facility Provider is in default on its payment obligations under a Credit Facility.

**Section 2.53. Credit Facility Provider Consent.** Notwithstanding any other provisions hereof, for so long as a Credit Facility is in effect with respect to the 2025 Bonds, unless a Credit Facility Provider is in payment default under a Credit Facility, the consent of the owners of 2025 Bonds for which a Credit Facility has been issued shall for purposes hereof be deemed to have been obtained when the consent of the Credit Facility Provider is obtained. Notwithstanding any provision herein to the contrary, (i) any action by the Trustee or the Authority that requires the consent or approval of all or a certain percentage of 2025 Bond owners hereunder shall also require the prior written consent of a Credit Facility Provider, unless a Credit Facility Provider is in payment default under a Credit Facility; (ii) nothing shall affect the Authority's right to specifically enforce the provisions of this 2025 Series A and Series B Series Resolution; and (iii) all provisions herein requiring the consent of the Credit Facility Provider shall have no force and effect if a Credit Facility is not in effect or if a Credit Facility Provider is in payment default under such Credit Facility.

#### **Section 2.54. Rights of Liquidity Facility Provider.**

(a) In the event that the principal of and/or interest on the 2025 Bonds shall be paid by a Liquidity Facility Provider pursuant to the terms of a Liquidity Facility, the 2025 Bonds shall remain Outstanding, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the registered owners shall continue to exist and a Liquidity Facility Provider shall be entitled to all of the rights of such registered owners in accordance with the terms and conditions hereof and of any Liquidity Facility Documents.

(b) Notwithstanding any provision in herein to the contrary, a Liquidity Facility Provider shall have no rights hereunder, other than rights of subrogation as herein provided to the extent that a Liquidity Facility Provider has made payments under a Liquidity Facility, in the event that a Liquidity Facility is not in effect or a Liquidity Facility Provider is in default on its payment obligations under a Liquidity Facility.

**Section 2.55. Sale of 2025 Bonds.** Morgan Stanley & Co. LLC is hereby appointed the senior managing underwriter (the "*Senior Manager*") to purchase the 2025 Bonds. Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority a contract of purchase (the "*Purchase Contract*") by and among the Authority, the University and the Senior Manager, on behalf of itself and any other members of an underwriting syndicate headed by such firm (collectively, the "*Underwriter*"), in substantially the form presented to this meeting with such changes as shall be approved by any Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the purchase of the 2025 Bonds at the price or prices to be agreed upon; *provided, however*, that the Underwriter's discount for the 2025 Bonds shall not exceed \$2.50 per \$1,000 of principal amount. A copy of the Purchase Contract as executed shall be filed with the records of the Authority.

The Executive Director, the Deputy Executive Director or any such officer designated "acting" or "interim" is hereby authorized to appoint one or more co-managing underwriters, if necessary, in connection with the financing in accordance with the Authority's standard procurement policies and procedures to purchase the 2025 Bonds as members of an underwriting syndicate headed by the Senior Manager.

The Authority hereby finds and determines that the issuance of the 2025 Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26 (Whitman 1994), namely, volatile market conditions and a complex financing structure, and that a competitive sale of the 2025 Bonds is not in the best interest of the Authority and the University.

The preparation, publication and distribution of a Preliminary Official Statement (in substantially the form presented to the Authority at the time of adoption hereof, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, ratified and confirmed, the preparation, publication and distribution of a final Official Statement for the 2025 Bonds (in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem

necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, and any Authorized Officer is hereby authorized to sign and deliver to the Underwriter of the 2025 Bonds the Official Statement in final form acceptable to such Authorized Officer. Any Authorized Officer is hereby authorized, with the advice of Bond Counsel and the Attorney General of the State, to deem the Preliminary Official Statement final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and to provide written evidence relating thereto in form acceptable to Bond Counsel. Any Authorized Officer is hereby authorized and directed to deliver the 2025 Bonds to the Underwriter and to approve, execute and deliver all documents and instruments required in connection therewith, with such changes, omissions, insertions and revisions as shall be deemed necessary or advisable by the officer executing the same.

The 2025 Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair or Executive Director (or such other Authorized Officer authorized by resolution of the Authority to execute Authority bonds) and its official common seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary, any Assistant Secretary or any other Authorized Officer or in such other manner as may be permitted by law.

**Section 2.56. Continuing Disclosure.** Pursuant to Section 27 of the Loan Agreement, the University has undertaken all responsibility for compliance with all continuing disclosure requirements, and the Authority shall have no liability to the holders of the 2025 Bonds or any other person with respect to such disclosure matters. The Trustee shall comply with and carry out all of the obligations imposed on the Trustee under the Continuing Disclosure Agreement and Section 27 of the Loan Agreement. The form of the Continuing Disclosure Agreement presented at this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. Notwithstanding any other provision of the Resolution and this 2025 Series A and 2025 Series B Series Resolution, failure of the University to comply with the Continuing Disclosure Agreement shall not be considered an "event of default" under Section 7.01 of the Resolution; *however*, the Trustee may (and at the request of any Participating Underwriter or the holders of at least twenty-five percent (25%) in aggregate principal amount of 2025 Bonds Outstanding, the Trustee shall, subject to the provisions of Section 6.02 of the Resolution) or any holder of the 2025 Bonds may take such actions as may be deemed necessary or appropriate, including seeking mandate or specific performance by court order, to cause the University to comply with its obligations under Section 27 of the Loan Agreement or to cause the Trustee to comply with its obligations under this Section 2.16.

**Section 2.57. Appointment of Verification Agent.** American Municipal Tax-Exempt Compliance, Avon, Connecticut, is hereby appointed to act as verification agent in connection with the Refunding Project.

## ARTICLE III

### APPLICATION AND DISBURSEMENT OF 2025 BOND PROCEEDS, CERTAIN MONEYS AND REVENUES

**Section 3.01. Confirmation of Establishment of Funds.** The Authority hereby ratifies and confirms the establishment of the following funds and separate accounts within funds under the Resolution, which funds and accounts shall be held, maintained and applied by the Trustee in accordance with Article IV of the Resolution, except as so provided in this 2025 Series A and 2025 Series B Series Resolution, for the 2025 Bonds:

- Revenue Fund;
- Debt Service Fund;
  - Interest Account (for the 2025 Bonds);
  - Principal Account (for the 2025 Bonds);
  - Sinking Fund Account (for the 2025 Bonds);
- Bond Purchase Fund;
  - Credit/Liquidity Facility Account (for the 2025 Bonds);
  - Remarketing Proceeds Account (for the 2025 Bonds);
  - University Funds Account (for the 2025 Bonds);
- Rebate Fund; and
- Redemption Fund.

The Trustee shall establish such additional accounts or subaccounts within such funds as are called for by the provisions hereof at such time or times as such accounts or subaccounts are required or become applicable or as directed by the Authority.

**Section 3.02. Establishment of Construction Fund.** Pursuant to Section 4.01 of the Resolution, the Construction Fund for the 2025 Bonds is hereby created and established to be held by the Trustee and maintained and applied by the Authority.

**Section 3.03. Application of 2025 Bond Proceeds and Allocation Thereof.** Upon receipt of the proceeds of the 2025 Bonds, including accrued interest thereon, the Authority shall make payments from such moneys as follows: (a) a sum equal to the interest on the 2025 Bonds accruing from their dated date to their date of delivery (if such dated date is not the date of delivery) will be paid to the Trustee for deposit in the Interest Account (for the 2025 Bonds) of the Debt Service Fund, (b) an amount of the proceeds of the 2025 Series B Bonds set forth in a certificate of an Authorized Officer of the Authority shall be deposited in various sub-accounts of the Redemption Fund established under the Resolution and, together with certain other funds held under the Resolution, if available, applied to the purchase of investment securities or held uninvested in cash as set forth in the Letter of Instruction, and (c) the balance of the proceeds shall be deposited in the Construction Fund for payment of the costs of the 2025 Series A Project and certain Costs of Issuance.

**Section 3.04. Application of Certain Moneys.** Upon receipt by the Authority of any moneys for the purpose of paying costs of the 2025 Project pursuant to the Loan Agreement, the Authority shall deposit all such moneys so received in the Construction Fund for the 2025 Project.

**Section 3.05. Application of Moneys in Construction Fund.** Moneys on deposit in the Construction Fund shall be applied as provided in Section 4.03 of the Resolution.

**Section 3.06. Deposit of Revenues and Allocation Thereof.** There is established and created by this 2025 Series A and 2025 Series B Series Resolution an account within the Revenue Fund to be designated the "2025 Revenue Account". Notwithstanding anything in the Resolution to the contrary, moneys in the 2025 Revenue Account of the Revenue Fund shall be paid to the Trustee on or prior to the fifth (5th) day after deposit thereof as follows and in the following order of priority:

First: To the Interest Account of the Debt Service Fund, the amount necessary to equal the unpaid interest to become due on the 2025 Bonds Outstanding on the next succeeding semiannual Interest Payment Date.

Second: To the Principal Account of the Debt Service Fund, the amount, if any, necessary to make the amount on deposit in the Principal Account equal to the principal amount becoming due on the 2025 Bonds Outstanding on the next succeeding July 1.

Third: To the Sinking Fund Account of the Debt Service Fund, the amount, if any, necessary to make the amount on deposit in the Sinking Fund Account equal to the sinking fund installment, if any, payable on the 2025 Bonds Outstanding on the next succeeding July 1.

Fourth: To the Authority, the amounts as are payable to the Authority for (i) any expenditures of the Authority for insurance, fees and expenses of auditing and fees and expenses of the Trustee, all as required by the Resolution and not otherwise paid or caused to be paid or provided for by the University; (ii) all other expenditures reasonably and necessarily incurred by the Authority by reason of its financing of the 2025 Project in accordance with the Loan Agreement, including expenses incurred by the Authority to compel full and punctual performance of all provisions of the Loan Agreement in accordance with the terms thereof; and (iii) the Annual Administrative Fee unless otherwise paid, but only upon receipt by the Trustee from the Authority of a certificate signed by an Authorized Officer stating in reasonable detail the amounts payable to the Authority.

**Section 3.07. Investment of Moneys in Construction Fund.** For purposes of the 2025 Bonds only, notwithstanding anything contained in Section 4.08 of the Resolution to the contrary, in addition to any investment permitted in Section 4.08 of the Resolution with respect to the Construction Fund, moneys deposited in the Construction Fund may also be invested in accordance with the Authority's Investment Policy, adopted July 25, 2017, as amended, including the investments identified in **Exhibit A** to this 2025 Series A and 2025 Series B Series Resolution. No brokerage confirmations will be provided by the Trustee for so long as the Trustee provides periodic statements to the University and the Authority that include investment activity.

## ARTICLE IV

### MISCELLANEOUS

**Section 4.01. Loan Agreement, Letter of Instruction and Investment of Funds.** The form of the Loan Agreement, by and between the Authority and the University, in the form submitted to the Authority on this date, shall be, and the same is, in all respects, hereby authorized, approved and confirmed, and any Authorized Officer is authorized to execute and deliver the Loan Agreement to the University. The Loan Agreement shall be substantially in the form presented to the Authority with all necessary and appropriate variations, omissions and insertions as approved, permitted or required by any Authorized Officer or as advised by Bond Counsel and the Attorney General of the State, and the execution and delivery thereof by any such Authorized Officer shall be conclusive evidence of such approval.

The form of the Letter of Instruction, in the form submitted to the Authority on this date, shall be, and the same is, in all respects, hereby authorized, approved and confirmed, and any Authorized Officer is authorized to execute and deliver the Letter of Instruction to the Trustee when the same shall have been prepared for execution. The Letter of Instruction shall be substantially in the form presented to the Authority with all necessary and appropriate variations, omissions and insertions as approved, permitted or required by any Authorized Officer or as advised by Bond Counsel and the Attorney General of the State, and the execution and delivery thereof by any such Authorized Officer shall be conclusive evidence of such approval.

Any Authorized Officer is hereby authorized to purchase United States Treasury Obligations, State and Local Government Series, in connection with the Refunding Project, or to select a firm to act as its broker or to direct the Authority's bidding agent to solicit bids to purchase open market U.S. Treasury Obligations (as defined in the Letter of Instruction) in connection with the Refunding Project, in the event that such Authorized Officer of the Authority determines that it is necessary or advantageous to the Authority to purchase such open market U.S. Treasury Obligations. In connection with the purchase of open market U.S. Treasury Obligations, any Authorized Officer of the Authority is further authorized to solicit bids for one or more float forward or escrow reinvestment agreements (a "*Float Forward Agreement*") and to direct the Trustee, pursuant to the Letter of Instruction, to enter into such Float Forward Agreement or agreements with the successful bidder or bidders therefor. Pursuant to the terms of any Float Forward Agreement, the provider, in consideration of an upfront payment to the Trustee, shall have the right to sell U.S. Treasury Obligations to the Trustee at the times and in the amounts set forth in the Float Forward Agreement at an aggregate purchase price not exceeding the maturity value thereof. Such U.S. Treasury Obligations shall mature on or before the dates when the proceeds thereof are needed to make payments in accordance with the Letter of Instruction. Each Float Forward Agreement shall be awarded to the bidder offering to pay the highest upfront payment therefor. The form of any Float Forward Agreement shall be as approved by any Authorized Officer of the Authority, in consultation with Bond Counsel and the Attorney General of the State. Any Authorized Officer of the Authority is further authorized to execute and deliver any such Float Forward Agreement and/or any certificates or other documents required in connection therewith. Notwithstanding the foregoing, nothing contained herein shall prohibit any Authorized Officer of the Authority from purchasing both United States Treasury Obligations, State and Local Government Series, and open market U.S. Treasury

Obligations, to the extent permitted by law. The Trustee, any Participating Underwriter or the financial advisor to the Authority is hereby authorized to act as agent, if so directed by any Authorized Officer of the Authority, on behalf of the Authority, for the subscription of United States Treasury Obligations, State and Local Government Series, via SLG Safe pursuant to the regulations promulgated therefor set forth in 31 CFR Part 344.

**Section 4.02. Investment of Proceeds of 2025 Bonds.** The Authority will make no use of the proceeds of the 2025 Bonds that would cause the 2025 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the "*Code*"); and the Authority hereby imposes on itself, on the Trustee and on all officers having custody or control of the proceeds of the 2025 Bonds, throughout the term of the 2025 Bonds, the obligation to comply with the applicable requirements of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder, and all other applicable regulations, so that none of the 2025 Bonds will be or become an arbitrage bond; *provided*, that the Trustee, in following the directions of the Authority, shall have no responsibility to determine whether such investment is in violation of such regulations.

**Section 4.03. Covenant as to Program Investments.** In accordance with the requirements applicable to the "program investments" under Treasury Regulations §1.148-1(b), the Authority covenants that it shall require that neither the University nor any person or related persons (within the meaning of Treasury Regulations §1.150-1(b)) shall purchase bonds of the Authority that finance the program in an amount related to the amount of the loan.

**Section 4.04. Tax Covenants Relating to Internal Revenue Code of 1986.** In order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2025 Bonds, the Authority shall comply with the provisions of the Code applicable to the 2025 Bonds, including, without limitation, the provisions of the Code relating to the computation of the yield on investments of the gross proceeds (as such term is used in the Authority Tax Certificate) of the 2025 Bonds, reporting of earnings on the gross proceeds of the 2025 Bonds and rebate of excess earnings to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Authority shall comply with the Authority Tax Certificate, to be delivered by Bond Counsel at the time the 2025 Bonds are issued, as to compliance with the Code with respect to the 2025 Bonds, as such certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code. All of the representations and warranties of the Authority contained in the Authority Tax Certificate and of the University contained in the University Tax Certificate are incorporated herein by reference with the same force and effect as if set forth in full herein.

The Authority may pay requisitions from 2025 Bond proceeds or investment earnings thereon with respect to the Costs of Issuance of the 2025 Bonds only to the extent that the aggregate requisitions paid with such proceeds with respect to the Costs of Issuance do not cause the amount paid for Costs of Issuance with the proceeds of the 2025 Bonds or the investment earnings thereon to exceed two percent (2%) of the "proceeds" of the 2025 Bonds (within the meaning of Section 147(g) of the Code).



The Authority shall not take or permit any action or fail to take any action that would adversely affect the status of the 2025 Bonds as "qualified 501(c)(3) bonds" under Section 145(a) of the Code or otherwise cause the interest on the 2025 Bonds to lose the exclusion from gross income for federal income tax purposes under Section 103 of the Code.

Notwithstanding any other provision of the Resolution and this 2025 Series A and 2025 Series B Series Resolution to the contrary, the covenants contained in this Section 4.04 shall survive the payment of the 2025 Bonds and the interest thereon, including any payment or discharge thereof pursuant to Section 11.03 of the Resolution, as long as necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2025 Bonds.

**Section 4.05. Authorization to Invest 2025 Bond Proceeds.** The Authority's Director of Finance, or any such officer designated as "acting" or "interim", and any other person designated by the Executive Director pursuant to the Authority's Investment Policy (the "*Investment Officer*") is authorized to enter into, or direct the Trustee to enter into, one or more agreements to invest the proceeds of the 2025 Bonds as provided in Section 4.08 of the Resolution and Section 3.07 of this 2025 Series A and 2025 Series B Series Resolution, in the event that such Investment Officer determines, in consultation with and with the consent of the University, that it is advantageous to the University for the Authority to invest any proceeds of the 2025 Bonds as so provided in Section 4.08 of the Resolution and Section 3.07 of this 2025 Series A and 2025 Series B Series Resolution.

**Section 4.06. Reimbursement.** (a) The Authority reasonably expects that the University will seek reimbursement of its expenditures of costs of the 2025 Series A Project that were paid with funds of the University prior to the issuance of the 2025 Series A Bonds from proceeds of the 2025 Series A Bonds.

(b) This 2025 Series A and 2025 Series B Series Resolution is intended to be and hereby is a declaration of the Authority's official intent to reimburse the expenditures for costs of the 2025 Series A Project paid with funds of the University that are not proceeds of tax-exempt bonds prior to the issuance of the 2025 Series A Bonds, with the proceeds of the 2025 Series A Bonds in accordance with Treasury Regulations §1.150-2.

(c) The maximum principal amount of 2025 Series A Bonds expected to be issued to finance costs of the 2025 Series A Project, including amounts, if any, to be used to reimburse the expenditure of costs of the 2025 Series A Project that were paid prior to the issuance of the 2025 Series A Bonds, is an aggregate amount not-to-exceed \$1,080,000,000, including, without limitation, Costs of Issuance.

**Section 4.07. Incidental Action.** The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate, in order to (i) effectuate the delivery of the Preliminary Official Statement, the execution and delivery of the Official Statement, the Loan Agreement and the Letter of Instruction and the sale and issuance of the 2025 Bonds, (ii) effectuate the 2025 Project, (iii) implement the DTC book-entry only system for the 2025 Bonds, (iv) maintain the tax-exempt status of the interest on the 2025 Bonds (including the preparation

and filing of any information reports or other documents with respect to the 2025 Bonds as may at any time be required under Section 149 of the Code and any regulations thereunder), and (v) purchase certain investment securities permitted under the Resolution and this 2025 Series A and 2025 Series B Series Resolution in order to effectuate the defeasance of the Bonds to be Refunded.

**Section 4.08. Conflict.** All resolutions or parts of resolutions or other proceedings in conflict herewith are repealed insofar as such conflict exists.

**Section 4.09. Effective Date.** This 2025 Series A and 2025 Series B Series Resolution shall take effect as provided for under the Act.

## EXHIBIT A

### INVESTMENT OBLIGATIONS

#### *Investment Types*

- A. U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States of America for the payment of principal and interest.
- B. Federal agency or U.S. government sponsored enterprise obligations, participations or other instruments.
- C. Bonds or notes issued by any state or municipality.
- D. Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state chartered bank, credit union or savings association, or by a federally- or state-licensed branch of a foreign bank or financial institution.
- E. Commercial paper.
- F. Corporate bonds and medium-term notes.
- G. Asset-backed securities.
- H. Investment agreements or guaranteed investment contracts.
- I. Certificates of deposit of any bank, savings and loan or trust company organized under the laws of the United States of America or any state thereof, including the Trustee or any holder of the 2025 Bonds; *provided*, that such certificates of deposit shall be fully collateralized (with a prior perfected security interest), to the extent they are not insured by the Federal Deposit Insurance Corporation, by the Investment Obligations described in (A) and (B) above having a market value at all times equal to the uninsured amount of such deposit.
- J. Repurchase agreements that meet the following requirements:
  - a. Must be governed by a written SIFMA Master Repurchase Agreement that specifies securities eligible for purchase and resale and that provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full and timely repayment.
  - b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York or a nationally chartered commercial bank.

- c. Securities underlying repurchase agreements must be delivered to a third-party custodian under a written custodial agreement that may be of deliverable or tri-party form. Securities must be held in the Authority's custodial account or in a separate account in the name of the Authority.
  - d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States of America or any agency of the United States of America, including U.S. agency-issued mortgage-backed securities.
  - e. Underlying securities must have an aggregate current market value, including accrued interest, of at least 102% (or 100%, if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each Business Day.
- K. Shares in open-end and no-load money market mutual funds that are backed by U.S. government securities; *provided*, such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7 thereof.
- L. New Jersey Cash Management Fund.

#### *Collateralization*

All demand deposits, time deposits and certificates of deposit shall be collateralized for amounts over and above Federal Deposit Insurance Corporation coverage. All collateral shall be permitted investments as set out in the below chart. There shall be a written custodial agreement that, among other things, specifies the circumstances under which collateral may be substituted. The Authority shall not accept a pledge of a proportionate interest in a pool of collateral. The market value and accrued interest of collateral should, at least, equal the value of the investment plus any accrued interest at all times. The recorded value of collateral backing any investment should be compared with current market values (mark-to-market) at the time of the initial investment and monthly thereafter to be certain that it continues to be at least equal to the value of the investment plus accrued interest. The mark-to-market reviews should use "bid" prices from a constant source.

### Investment Parameters

Sector Type	Sector Max (%)	Issuer Max (%)	Minimum Ratings Requirement <sup>1</sup>	Max Maturity
US Treasury	100%	N/A	N/A	10 Years
Federal Agency	25%	5%	N/A	10 Years
Municipals	25%	5%	Two Highest LT Rating Categories (AA-/Aa3/AA-)	10 Years
Negotiable CDs	50% in aggregate <sup>2</sup>	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Commercial Paper		5%	Highest ST Rating Category (A-1/P-1/F-1)	270 Days
Corporate Bonds & Medium-Term Notes		5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Asset Backed Securities	20%	5%	Highest LT Rating (AAA/Aaa/AAA)	10 Year Avg. Life
Certificates of Deposit	25%	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Repurchase Agreements	20%	5%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the highest ST Rating Category (A-1/P-1/F-1). If the counterparty is a Federal Reserve Bank, no rating is required.	90 Days
Government Money Market Funds	100%	25%	Highest rating by all NRSROs who rated the fund (AAA <sub>m</sub> or equivalent)	N/A
New Jersey Cash Management Fund	100%	N/A	N/A	N/A

<sup>1</sup>Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. In the case of split-rated issuers, the lowest rating shall prevail. ST= Short-term; LT=Long-term.

<sup>2</sup>Funds invested in the credit sector may exceed the 50% target only with the written permission of the Authority and the borrowing institution.

In addition, the diversification parameters for investment agreements or guaranteed investment contracts are as follows:

- Investment agreements or guaranteed investment contracts with any financial institution whose senior long-term debt obligations, or whose obligations under such an investment agreement or guaranteed investment contract are guaranteed by a financial institution whose senior long-term debt obligations, have a rating (at the time the agreement or contract is entered into) of "Aa3" or higher by Moody's and "AA-" or higher by S&P.

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PRINCETON  
UNIVERSITY



**Mixed Sources**  
Product group from well managed  
forests, controlled sources and  
recycled wood or fibres.

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