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DEREK S. HANSEL
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, AUGUST 28, 2012**

The meeting was called to order at 9:04 a.m. by Chairman Jacobs. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 8, 2012, to The Star Ledger, The Times and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Roger B. Jacobs, Esq., Chairman
Ridgeley Hutchinson, Vice Chairman
Joshua Hodes, Treasurer
Andrew P. Sidamon-Eristoff, State Treasurer (represented by Steven Petrecca)
Rochelle Hendricks, Secretary of Higher Education (represented by Gregg Edwards)

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT:

Derek S. Hansel, Executive Director
Katherine Newell, Esq., Director of Risk Management
Marie P. Mueller, Controller
Kristen Middleton, Assistant Controller
Debra Paterson, Sr. Risk Manager
Nichole Doxey, Communications Specialist
Denise Carroll, Accountant I
Sheila Toles, Exec. Assistant/Human Resources Specialist

ALSO PRESENT:

Brett Tanzman, Esq., Governor's Authorities Unit
Clifford Rones, Esq., Deputy Attorney General

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of May 22, 2012

The minutes of the meeting of May 22, 2012 were hand delivered to Governor Chris Christie under the date of May 23, 2012. Mr. Hutchinson moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Petrecca and passed unanimously.

2. Approval of the Minutes of the Special Meeting of July 2, 2012

The minutes of the special meeting of July 2, 2012 were hand delivered to Governor Chris Christie under the date of July 2, 2012. Mr. Petrecca moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Hutchinson and passed unanimously.

3. Approval of the Minutes of the Meeting of July 24, 2012

The minutes of the meeting of July 24, 2012 were hand delivered to Governor Chris Christie under the date of July 24, 2012. Mr. Hutchinson moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Petrecca and passed unanimously.

4. Executive Director's Report

Mr. Hansel reported that he had visited a number of schools in the past few months, including Princeton University, Princeton Theological Seminary, The William Paterson University of New Jersey and Georgian Court University, among others. He reported that staff has been working on rules and regulations for the existing state backed bond programs. Mr. Hansel reported that staff has also been working on the enhancement of several programs, and will be considering a number of items for the fall, including amendments to the Authority's by-laws; establishing more formal procurement policies; revising the Authority's Employee Policy Manual and post issuance compliance.

5. Legislative Update

Mr. Hansel reported on S-2500 which authorizes \$750 million general obligation bonds and provides grants for higher education, subject to voter approval in November.

He reported that S-2501 was signed into law on August 7, 2012 and establishes a new public-private partnership option for financings of state and county academic facilities through the Economic Development Authority.

Mr. Hansel reported that A-3102/S-2063 relating to the Medical and Health Sciences Education Restructuring Act has also been signed by the Governor and transfers the University of Medicine and Dentistry of New Jersey's debt and assets to Rutgers University, with the exception of those associated with the School of Osteopathic Medicine and University Hospital. He advised that the School of Osteopathic Medicine goes to Rowan University and that University Hospital will get established as a separate entity.

6. **Project Management Report – List of Pending Projects**

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

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

7. **Report on the Sale of NJEFA Revenue Bonds, Ramapo College of New Jersey Issue, Series 2012 B, In the Amount of \$80,670,000**

Mr. Hansel reported that on June 20, 2012 the Authority successfully sold the Series 2012 B bonds on behalf of Ramapo College of New Jersey and described the various components of the transaction.

The transaction was structured as a fixed rate, negotiated transaction with ratings of A2 from Moody's Investors Service and A from Standard and Poor's Rating Services. The bonds have a true interest cost of 3.90% and a final maturity of July 1, 2042. The College realized a net present value savings of 8.17%.

The proceeds of the issue will be used to refund all of the Authority's outstanding Series 1998 G, Series 2002 H, I and J bonds issued on behalf of the College; the renovation of the G-Wing Building and the construction of an addition to house the Adler Center for Nursing Excellence; finance exterior renovations and heating/cooling system replacement for the Phase II College Park Apartments; and certain costs of issuance.

Mark Liff, Director of Bank of America Merrill Lynch, Senior Manager, described the transaction and thanked everyone that worked on the transaction.

A copy of the Bond Sale Summary for the issue is appended as Exhibit II.

8. **Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2012 C and Series 2012 D, In an Amount Not to Exceed \$65,000,000**

Mr. Hansel introduced the Series 2012 C and Series 2012 D resolution for The William Paterson University of New Jersey and asked Steven Bolyai, The William Paterson of New Jersey's Vice President for Administration and Finance, to give a description of the project. Mr. Bolyai complimented the Authority on their great work and gave a brief description.

Mr. Hansel reported that on July 25, 2012, staff circulated an RFP to the five banks that comprise the Authority's pool of trustees and upon evaluation, selected U.S. Bank, National Association. He advised that U.S. Bank, National Association will also serve as Escrow Agent.

John Draikiwicz, Esq. of Gibbons, PC, Bond Counsel, described the resolution presented for the Members' approval.

The financing is being structured as a fixed rate, competitive sale. The proceeds of the issue will be used to finance the construction of a parking garage and all related site renovations including, but not limited to, utility relocation; demolition of existing structures and existing parking lot realignment; paving of roadways; installation of traffic controls; construction of a

salt shed, a chiller plant building, and an addition to an existing physical facilities plant; acquisition and installation of solar panels; refunding of all or a portion of the Authority's outstanding Revenue Bonds, The William Paterson University of New Jersey, Series 2002 E and Series 2004 A; and certain costs of issuance.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$65,000,000 NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, COMPRISED OF REVENUE BONDS, THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2012 C AND REVENUE REFUNDING BONDS, THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2012 D

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

The adopted resolution is appended as Exhibit III.

9. **Resolution Modifying the Project Scope for the Authority's Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2008 C**

Ms. Newell reported that in 2008, the Authority issued bonds to finance a new science center for The William Paterson University of New Jersey. She reported that because of the economy, bids received were very competitive and the cost of the science center was approximately \$2,000,000 less than expected. Ms. Newell reported that the University has now asked the Authority to modify the scope of the project originally approved for the Series 2008 C bonds to permit the use of the proceeds for a bridge that will connect the science center with a new parking facility that is to be financed with the Series 2012 bonds. Ms. Newell advised that the University's board has approved the project modification.

John Bitar, Esq. of Windels, Marx, Lane & Mittendorf, LLP, Bond Counsel, explained that the resolution approves the project change and authorizes all necessary action to implement the project change provided that the Authority receives an opinion of bond counsel that the modification will not adversely affect the tax-exempt status of the Series 2008 C bonds.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY MODIFYING THE PROJECT SCOPE FOR THE AUTHORITY'S REVENUE BONDS, THE WILLIAM PATERSON OF NEW JERSEY ISSUE, SERIES 2008 C

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

The adopted resolution is appended as Exhibit IV.

10. **Resolution of the NJEFA Concerning Certain Litigation Settlements with Respect to Municipal Bond Derivatives**

Ms. Newell reported on class action litigation known as the Municipal Derivatives Antitrust Litigation which is pending against certain firms that provided, brokered or bid derivative products in connection with municipal bonds in which the plaintiffs allege that the defendants engaged in illegal bid rigging and price fixing. She reported that the class of plaintiffs

includes governmental entities and that the Authority has received notices of settlement of the litigation with specific defendants which relate to specific agreements the Authority has entered on behalf of Institutions for which the Authority has issued bonds. She advised that she expects that there may be additional settlements for which the Authority will receive notice in the future.

Ms. Newell reported that there are two types of settlements: settlements between the New Jersey Attorney General and the Attorney Generals' of 25 other states; and the settlements between class members who do not opt out of the settlements (the "Attorney General's Settlements"); and settlements negotiated by the plaintiffs' class action attorneys which must be approved by the court (the "Class Action Settlements"). She advised that if a class member elects to participate in an Attorney General settlement with a particular defendant, that class member becomes ineligible to participate in the Class Action Settlement with that defendant. In addition, to participate in either type of settlement, the plaintiff must release all claims against that defendant arising from the types of agreements covered by the litigation.

Ms. Newell reported that the Authority must sign documents and releases in connection with the settlement because the Authority is a party to these agreements. She advised however, the Authority will advise the affected Institutions of the opportunities to participate in the settlements.

Mr. Hansel added that any money received from the settlements will go to the individual institution that it is attributable to.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY CONCERNING CERTAIN LITIGATION SETTLEMENTS WITH
RESPECT TO MUNICIPAL BOND DERIVATIVES

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

The adopted resolution is appended as Exhibit V.

11. Resolution Appointing a Derivatives Advisor for NJEFA Bonds Issued on Behalf of Seton Hall University

Ms. Newell reported that Seton Hall University has entered into interest rate swaps with Citibank, N.A. in connection with the Authority's outstanding Revenue Bonds, 2005 Series C, Revenue Refunding Bonds, 2006 Series A and Revenue Refunding Bonds, 2009 Series C. She reported that Citibank's credit rating has been lowered since the execution of the agreements and that the University has advised the Authority that it may be advisable to novate one or more of the swaps to a party other than Citibank, or to amend one or more of the agreements to reflect changes that have occurred in law or in the University's borrowing needs.

Ms. Newell reported that at the request of the University, the Authority distributed an RFP for derivative advisory services to assist the University in making a decision whether and what action to take with respect to the swaps. The Authority distributed an RFP to 62 advisory firms and posted the RFP on the Authority's and the State of New Jersey's websites. She advised that Mr. Hansel had recused himself from the procurement process due to a prior financial relationship with one of the respondents. She reported that the Authority received 11 responses and upon evaluation, the Authority's staff recommends that PFM Asset Management, Inc. be appointed the derivatives advisor.

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

RESOLUTION APPOINTING A DERIVATIVES ADVISOR IN CONNECTION WITH POSSIBLE NOVATION AND/OR AMENDMENT OF CERTAIN SWAP AGREEMENTS RELATING TO BONDS ISSUED BY THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY ON BEHALF OF SETON HALL UNIVERSITY AND AUTHORIZING ALL NECESSARY ACTION BY THE AUTHORITY IN CONNECTION THEREWITH

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

The adopted resolution is appended as Exhibit VI.

12. Report on Operating and Construction Fund Statements

Ms. Mueller, Controller, reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments.

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

The reports are appended as Exhibit VII.

13. Next Meeting Date

Mr. Jacobs reminded everyone that the next scheduled meeting would be on September 25, 2012 at the Authority's office and requested a motion to adjourn.

Mr. Hutchinson moved that the meeting be adjourned at 9:49 a.m.; the motion was seconded by Mr. Petrecca and passed unanimously.

Respectfully submitted,



Derek S. Hansel
Secretary

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
 REPORT ON PENDING PROJECTS
 August 28, 2012

<u>Institution</u>	<u>Project</u>	<u>Estimated Size of Issue</u>	<u>Estimated Pricing Date</u>
<u>Private Institutions</u>			
Fairleigh Dickinson University	Refunding of Certain Outstanding Indebtedness	\$65 Million	on hold
<u>Public Institutions</u>			
The William Paterson University of NJ	Construction of a New Parking Garage and the Refunding of Certain Outstanding Indebtedness	\$60 Million	October, 2012
Montclair State University	Construction of Two New Academic Buildings and Related Capital Improvements	\$125 Million	on hold

BOND SALE SUMMARY

Borrower: Ramapo College of New Jersey, Mahwah, New Jersey

Issue: Series 2012 B

Amount: \$80,670,000

Purpose: To provide funds to finance: (i) the refunding of all of the Authority's outstanding Series 1998 G, Series 2002 H, Series 2002 I and Series 2002 J bonds issued on behalf of the University; (ii) the renovation of the G-Wing Building and the construction of an addition to house the Adler Center for Nursing Excellence; (iii) exterior renovations and heating/cooling system replacement for the Phase II College Park Apartments; and (iv) the payment of certain costs of issuance.

Structure: Negotiated Sale, Fixed Rate

Final Maturity: July 1, 2042

True Interest Cost: 3.90%

Net Present Value Savings: \$3,156,553 /8.17%

Bond Ratings: A2 - Moody's Investors Service
A - Standard and Poor's Rating Services

Pricing: June 5, 2012

Closing: June 20, 2012

Professionals on the Transaction:

Bond Counsel:	GluckWalrath, LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Financial Advisor:	Phoenix Advisors, LLC
Senior Manager:	Bank of America Merrill Lynch
Co-Managers:	Jefferies PNC Capital Markets Piper Jaffray & Co. Rice Financial Products Co.
Underwriters' Counsel:	Cozen O'Connor
Trustee/Escrow Agent:	The Bank of New York Mellon
Trustee/Escrow Agent's Counsel:	McManimon & Scotland, LLC
Verification Agent:	Causey Demgen & Moore, Inc.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RESOLUTION AUTHORIZING THE ISSUANCE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$65,000,000 NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, COMPRISED OF REVENUE BONDS, THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2012 C AND REVENUE REFUNDING BONDS, THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2012 D

Adopted: August 28, 2012

**RESOLUTION AUTHORIZING THE ISSUANCE OF AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$65,000,000 NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS,
COMPRISED OF REVENUE BONDS, THE WILLIAM PATERSON
UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2012 C AND REVENUE
REFUNDING BONDS, THE WILLIAM PATERSON UNIVERSITY OF
NEW JERSEY ISSUE, SERIES 2012 D**

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

WHEREAS, the Authority has heretofore issued its Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2002 E (the "Series 2002 E Bonds") on behalf of William Paterson University (the "University"); and the Authority has heretofore issued its Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2004 A (the "Series 2004 A Bonds") on behalf of the University; and

WHEREAS, the Series 2002 E Bonds and the Series 2004 A Bonds were each issued under the terms and provisions of the Authority's General Revenue Bond Resolution, duly adopted on October 10, 1968, as amended on January 12, 1971 (the "General Bond Resolution"), and separate series resolutions adopted by the Authority (collectively, the "Prior Bond Resolution"); and

WHEREAS, the Board of Trustees of the University has determined that it is necessary and advisable to undertake a capital project consisting of the renovation, acquisition, installation and construction of certain capital improvements to the University's facilities, consisting of (i) construction and equipping of a parking garage and all related site renovations including but not limited to utility relocation, demolition of existing structures and existing parking lot realignment, (ii) paving of roadways, (iii) installation of traffic controls, (iv) construction of a salt shed and warehouse, (v) renovation of a chiller plant building, (vi) construction of an addition to an existing physical facilities plant and (vii) acquisition and installation of solar panels on the parking garage (the "Series 2012 C Project"); and

WHEREAS, the University has requested that the Authority issue, and the Authority has determined that it is necessary and in keeping with its authorized purposes to issue, one or more series of bonds for the purpose of providing funds to (i) pay a portion of the cost of the Series 2012 C Project and (ii) pay costs of issuance of such bonds (collectively, the "New Money Project"); and

WHEREAS, the Board of Trustees of the University has determined that it is necessary and advisable to undertake the refunding of all or a part of the outstanding Series 2002 E Bonds and Series 2004 A Bonds (the "Bonds To Be Refunded"); and

WHEREAS, the University has requested that the Authority issue, and the Authority has determined that it is necessary and in keeping with its authorized purposes to issue, one or more series of bonds as described herein for the purpose of providing funds to (i) refund the Bonds to be Refunded and (ii) pay costs of issuance of such bonds (collectively, the "Refunding Project"); and

WHEREAS, the repayment of the bonds to be authorized for the Refunding Project and/or the New Money Project (collectively, the "Bonds") will be secured by a Lease and Agreement by and between the Authority and the University (the "Agreement"); pursuant to which the Authority will lease the Leased Facilities (as defined in the Agreement) to the University; provided, that the Agreement (to the extent set forth therein) shall be subject to the Prior Agreements, if any (as defined in the Agreement); and

WHEREAS, the Bonds will be issued under and secured by a Trust Indenture (the "Trust Indenture") to be entered into between the Authority and the financial institution named herein as trustee (together with its successors in trust, the "Trustee"); and

WHEREAS, a portion of the proceeds of the Bonds issued for the Refunding Project will be deposited with the escrow agent named herein (the "Escrow Agent"), to be held in trust under the terms of an Escrow Deposit Agreement executed in connection with the Series 2002 E Bonds and an Escrow Deposit Agreement executed in connection with the Series 2004 A Bonds (collectively, the "Escrow Deposit Agreements") to be entered into between the Authority and the Escrow Agent for the benefit of the holders of the Bonds To Be Refunded; and

WHEREAS, the Authority desires to approve the form of and authorize the preparation and distribution of one or more Preliminary Official Statements relating to the Bonds, to authorize the appropriate officers of the Authority to deem said Preliminary Official Statements final, and to authorize the preparation and distribution of one or more final Official Statements to be used in connection with the offering and sale of the Bonds; and

WHEREAS, the Authority desires to approve the form of and authorize the distribution of one or more Official Notices of Sale relating to the Bonds and to authorize the appropriate officers of the Authority to authorize the preparation and distribution of the Official Notices of Sale to be used in connection with the offering and sale of the Bonds; and

WHEREAS, the Authority deems it necessary and in keeping with its purposes to issue the Bonds under the Trust Indenture herein authorized for the purpose of financing all or any combination of the purposes enumerated above, and to authorize certain actions and the execution and delivery of certain documents in connection therewith; and

WHEREAS, pursuant to Section 8(c) of the Act, the bonds of the Authority shall be authorized by resolution of the members of the Authority; and

WHEREAS, the University has advised that it may pay for certain costs of the Series 2012 C Project prior to the issuance of the Bonds with funds of the University which are not proceeds of tax-exempt bonds; and

WHEREAS, on July 24, 2012, the University adopted a resolution declaring its official intent to reimburse expenditures for such costs from proceeds of debt obligations to be issued by the Authority on behalf of the University;

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

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

1.1 Purpose and Issuance of the Bonds.

The Authority hereby declares each of the Refunding Project and the New Money Project (collectively, the “Project”) to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Director of Project Management, Director of Risk Management, Controller, Secretary or any Assistant Secretary and any other person authorized by resolution of the Authority, and any such officers designated as “acting” or “interim” (each an “Authorized Officer”), to execute and deliver all documents necessary to enable the Authority, as permitted by the Act, to finance, on behalf of the University, the costs of the Project, in whole or in part.

1.2 Authorization of the Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in an aggregate principal amount not to exceed \$65,000,000, in one or more series, and from time to time, in order to finance, on behalf of the University, the costs of the Refunding Project or the New Money Project, or both, in whole or in part. The portion of the Bonds allocable to the costs of the New Money Project shall not exceed \$25,000,000 and the portion of the Bonds allocable to the costs of the Refunding Project shall not exceed \$40,000,000. The initial Bonds (which may consist of one or more series of Bonds issued at the same time) shall be designated “New Jersey Educational Facilities Authority Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2012 C” (or such other designation or designations as an Authorized Officer may determine) and shall be used to finance the New Money Project and all or a portion of the Refunding Project). An additional series of initial Bonds shall be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2012 D” (or such other designation or designations as an Authorized Officer may determine), and shall be used to finance all or a portion of the Refunding Project. In the event that the initial Bonds do not finance the entire Refunding Project, all or a portion of the remaining portion of the Refunding Project may be financed within twelve (12) months of the effective date of this Resolution.

(b) The Bonds shall be issued in fully registered form, shall be in the denominations, and shall be numbered as shall be provided in the Trust Indenture. The Bonds shall be dated initially and bear interest from the date of issuance thereof at the rates set forth in the Trust Indenture, mature and be executed and authenticated as shall be set forth in the Trust Indenture; *provided, however*, that the final maturity date of the Bonds will be no later than July 1, 2042. The Bonds shall bear interest at one or more fixed interest rates as set forth in the Trust Indenture, with a true interest cost not to exceed 7.00%. The Bonds shall be subject to redemption as provided in the Trust Indenture; *provided, however*, the redemption premium on the Bonds, if any, shall not exceed 5%.

1.3 Form of Bonds.

The Bonds shall be in substantially the form set forth in Exhibit A to the Trust Indenture, with such insertions, omissions or variations as may be necessary or appropriate, as approved by an Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State, such execution and attestation to be conclusive evidence of the approval thereof.

1.4 Delivery of the Bonds.

The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair or Executive Director 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 Executive Director, Secretary or any Assistant Secretary, or in such other manner as may be provided by law; provided, the Bonds may not be attested by the party executing the Bonds. Following the execution of the Bonds, any Authorized Officer is hereby authorized to deliver the Bonds to the Trustee for authentication and, after authentication, to deliver the Bonds to the underwriter thereof or its agent against receipt of the purchase price or unpaid balance thereof.

1.5 Competitive Bond Sale Provisions.

At such time, on such date or dates and at such place or places as shall be selected by an Authorized Officer, sealed proposals in the form of the Official Bid Forms presented to this meeting (the "Official Bid Form") shall be received, opened and considered for the purchase of the Bonds, to be dated and mature as required herein and substantially as contained in the form of the Notices of Sale presented to this meeting (the "Notice of Sale"), with such changes, insertions and omissions to such provisions as an Authorized Officer may approve, with the advice of Bond Counsel and the Attorney General of the State. Bids may also be submitted electronically, at the election of the bidder, in accordance with the provisions of the Notice of Sale. An Authorized Officer is hereby authorized and directed, on behalf of the Authority, to cause the Notice of Sale or a summary thereof to be published prior to the date of bidding at least once in The Bond Buyer, a publication carrying municipal bond notices and devoted primary to financial news published in the City of New York, such notice to be published prior to the day of bidding. The Authority is authorized to accept Financial Surety Bonds, as well as certified or cashier's checks, for purposes of satisfying the Deposit (as defined in the Notice of Sale) requirement, all as set forth in the Notice of Sale.

A Certificate of Determination of an Authorized Officer awarding the Bonds (the "Certificate of Determination") shall be final and conclusive as to the purchaser or purchasers thereof, the rates of interest per annum to be borne thereby, the purchase price thereof and any other terms and details relating to the sale, award and issuance of the Bonds.

1.6 Approval of the Preliminary Official Statement and Official Statement.

The preparation, publication and distribution of one or more Preliminary Official Statements relating to the Bonds (a draft of which is presented to this meeting and shall be filed with the records of the Authority) (the "Preliminary Official Statement"), the Notice of Sale and the Official Bid Form are hereby approved in substantially such form, with such insertions,

deletions and changes therein and any supplements thereto as approved by any Authorized Officer with the advice of Bond Counsel and the Attorney General of the State. Any Authorized Officer of the Authority is hereby authorized to "deem final" the Preliminary Official Statement in accordance with Rule 15c2-12 of the Securities and Exchange Commission, if applicable.

Any Authorized Officer is hereby authorized and directed to execute and deliver one or more final Official Statements relating to the Bonds (the "Official Statement"), in substantially the form of the Preliminary Official Statement, with such changes, insertions and alterations as the Authorized Officer executing same shall approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced exclusively by the execution thereof by such Authorized Officer of the Authority.

1.7 Approval of Agreement.

The form of the Agreement presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer of the Authority is hereby authorized and directed to affix and attest the official common seal of the Authority to the Agreement in substantially such form, with such changes therein (including, without limitation, the date thereof, and any acceptable covenants or provisions that may be required by the bond insurer, if any) and any supplements thereto as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced by such Authorized Officer's execution thereof.

1.8 Approval of Trust Indenture.

The form of the Trust Indenture presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Trust Indenture in substantially such form, with such insertions and changes therein (including, without limitation, the date thereof and the initial Interest Payment Date contained therein, provisions relating to a policy of bond insurance, if any, and any covenants or provisions that may be required by the bond insurer, if any) and any supplements thereto as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced by such Authorized Officer's execution thereof.

1.9 Approval of Escrow Deposit Agreements; Appointment of Escrow Agent.

Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal to (i) an Escrow Deposit Agreement (the "2002 E Escrow Deposit Agreement") by and between the Authority and U.S. Bank National Association, as the trustee for the Series 2002 E Bonds and (ii) an Escrow Deposit Agreement (the "2004 A Escrow Deposit Agreement") and, together with the 2002 E Escrow Deposit Agreement, the "Escrow Deposit

Agreements") by and between the Authority and U.S. Bank National Association, as the trustee for the Series 2004 A Bonds, each in substantially the form as presented to this meeting, with such insertions and changes therein as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

U.S. Bank National Association (the "Escrow Agent") is hereby appointed as the escrow agent under the 2002 E Escrow Deposit Agreement and U.S. Bank National Association is hereby appointed as the escrow agent under the 2004 A Escrow Deposit Agreement. The Escrow Agent shall signify acceptance of the duties and obligations imposed upon it by the 2002 E Escrow Deposit Agreement and by the 2004 A Escrow Deposit Agreement, respectively, by the Escrow Agent's execution thereof.

1.10 Appointments.

(a) U.S. Bank National Association is hereby appointed to act as the initial Trustee under the Trust Indenture. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Trust Indenture by the Trustee's execution and delivery thereof.

(b) Phoenix Advisors, LLC is hereby appointed to act as the Financial Advisor on this transaction (the "Financial Advisor").

(c) The Authority hereby authorizes the Executive Director of the Authority to appoint the verification agent in connection with the refunding of the Bonds To Be Refunded pursuant to the terms of the respective Escrow Deposit Agreement.

1.11 Book-Entry System for the Bonds.

(a) Except as provided in the Trust Indenture, the registered owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) Unless a blanket DTC Representation Letter has theretofore been executed by the Authority and filed with DTC, at or prior to settlement for the Bonds, the Authority and the Trustee shall execute or signify their approval of a DTC Representation Letter. Any Authorized Officer of the Authority is hereby authorized to execute and deliver a DTC Representation Letter to DTC.

1.12 Bond Insurance Authorized.

Any Authorized Officer is hereby authorized to accept one or more commitments for a financial guaranty insurance policy insuring payment of principal of and interest on all or part of the Bonds when due on such terms and conditions acceptable to such 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, and to take all steps necessary to effect the issuance of such policy, including executing and delivering one or more commitments for such insurance, causing payment of the premium therefor (but only from proceeds of the Bonds or other funds provided by the University) and to cause provisions relating to such bond

insurance policy to be included in the Trust Indenture, the Agreement, the Preliminary Official Statement, the Official Statement, the Escrow Deposit Agreements or any other applicable documents, instruments or certificates relating to the Bonds.

1.13 Continuing Disclosure.

Pursuant to the Agreement, the University will undertake all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the holders of the Bonds or any other person with respect to such disclosure matters. The form of the Continuing Disclosure Agreement presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority) is hereby approved. The Trustee shall be appointed to act as Dissemination Agent under the Continuing Disclosure Agreement(s), and shall comply with and carry out all of the obligations imposed on the Dissemination Agent under the Continuing Disclosure Agreement(s) and the Agreement. Notwithstanding any other provision of this Resolution, the Trust Indenture or the Agreement, failure of the University or the Dissemination Agent to comply with the Continuing Disclosure Agreement(s) shall not be considered an event of default under this Resolution, the Trust Indenture or the Agreement.

1.14 Conformance of Documents.

Any Authorized Officer of the Authority is hereby authorized and directed to approve, as Bond Counsel may advise, such changes to the forms of the Preliminary Official Statement, the Official Statement, the Notice of Sale, the Official Bid Form, the Agreement, the Trust Indenture, the Escrow Deposit Agreements and such other agreements, documents or certificates as may be necessary and appropriate to conform same to the bond insurance requirements of the issuer of a financial guaranty insurance policy insuring payment of principal of and interest on the Bonds when due, if any, 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.

1.15 Additional Proceedings.

As additional proceedings of the Authority in connection with the sale and delivery of the Bonds hereby authorized, there is hereby delegated to an Authorized Officer the power to take the following actions and make the following determinations as to the Bonds by the Certificate of Determination of any one such Authorized Officer:

(a) To receive the Official Bid Form pursuant to the Notice of Sale and, if such Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State, so determines, to reject any or all submitted Official Bid Forms, so far as permitted by law, to waive any irregularities or informalities in the Official Bid Form for the Bonds, to postpone the date of the sale of the Bonds and to exercise any and all rights of the Authority under the Notice of Sale. If the Authorized Officer rejects all submitted Official Bid Forms, the Authorized Officer shall also be and is hereby authorized to hold another Bond sale in accordance with the provisions of this Resolution and, in connection with such additional Bond sale, to distribute a Notice of Sale, an Official Bid Form and a Preliminary Official Statement in substantially the forms presented to

this meeting with such changes and insertions to and omissions from such document forms as may be appropriate upon the advice of Bond Counsel and the Attorney General of the State.

(b) To arrange for the submission of bids electronically utilizing the services of such provider of electronic bidding services and on such terms and conditions as such Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State, shall determine, or, if such Authorized Officer so determines, with the advice of Bond Counsel and the Attorney General of the State, to discontinue any such arrangements prior to the sale of the Bonds and to require that all bids be submitted by hand delivery.

(c) To award the Bonds to the successful bidder in accordance with the Notice of Sale.

(d) To return the deposits of all unsuccessful bidders delivered to the Authority.

**ARTICLE II
MISCELLANEOUS**

2.1 Authorization to Invest Bond Proceeds.

(a) Any Authorized Officer is hereby authorized to enter into or direct the Trustee or either or both of the Escrow Agents to enter into one or more agreements to invest the proceeds of the Bonds as permitted by the Trust Indenture and/or the Prior Bond Resolution, as the case may be (the "Eligible Investments"), which may include investment agreements and repurchase agreements, in the event that such Authorized 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 Bonds in Eligible Investments. The form of any such investment agreement or repurchase agreement shall be as approved by an Authorized Officer of the Authority, with the advice of Bond Counsel and the Attorney General of the State.

(b) Any Authorized Officer is hereby authorized to utilize the proceeds of the Bonds or other available moneys held pursuant to the Prior Bond Resolution either (a) to purchase United States Treasury Obligations, State and Local Government Series ("SLGS") or (b) 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 (which qualify as permissible defeasance obligations pursuant to the Prior Bond Resolution), 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 either or both of the Escrow Agents pursuant to either or both Escrow Deposit Agreements to enter into any such Float Forward Agreement with the successful bidder or bidders thereof. Pursuant to the terms of any Float Forward Agreement, the provider, in consideration of an upfront payment to the respective Escrow Agent, shall have the right to sell U.S. Treasury Obligations to the respective Escrow Agent, 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 respective Escrow Deposit Agreement. 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 approved by an Authorized Officer of the Authority, in consultation with Bond Counsel and the Attorney General of the State. An 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 an Authorized Officer of the Authority from purchasing both SLGS and open market U.S. Treasury Obligations, to the extent permitted by law. Bond Counsel and the Financial Advisor are hereby authorized to act as agent(s), if so directed by an Authorized Officer of the Authority, on behalf of the Authority for the subscription of SLGS via SLGSafe pursuant to the regulations promulgated therefor set forth in 31 C.F.R. Part 344.

2.2 Incidental Action.

(a) The Authorized Officers are hereby authorized to refund the Bonds To Be Refunded selected by the University, in consultation with the Authority, and the Financial Advisor.

(b) 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: (i) to effectuate the Project; (ii) to effectuate the execution and delivery of the Agreement, the Trust Indenture, the Certificate of Determination, the Escrow Deposit Agreements and the Official Statement and the issuance, sale and delivery of the Bonds, including, without limitation, documents necessary to effectuate the issuance, sale and delivery of the Bonds; (iii) to implement the DTC book-entry only system for the Bonds and (iv) to maintain the tax-exempt status of the interest on the Bonds and the Bonds To Be Refunded (including the preparation and filing of any information reports or other documents with respect to the Bonds as may at any time be required under Section 149 of the Internal Revenue Code of 1986, as amended, and any regulations thereunder).

(c) The Authorized Officers of the Authority are hereby authorized and directed to take such actions from time to time as may be necessary or appropriate to determine the specific real and/or personal property to be subject to the Agreement and (if necessary) to accept conveyance of such property from, or convey such property to (including property subject to the Lease and Agreements relating to the Bonds To Be Refunded), the University or other applicable entity.

2.3 Prior Resolutions.

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

2.4 Effective Date.

This Resolution shall take effect as provided for under the Act.

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

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Joshua Hodes
Andrew Sidamon-Eristoff (represented by Steven Petrecca)
Rochelle Hendricks (represented by Gregg Edwards)

NAY: None

ABSTAIN: None

ABSENT: None

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

OFFICIAL NOTICE OF SALE

\$ _____ *

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
The William Paterson University of New Jersey Revenue Bonds, Series 2012 C

Dated: Date of Delivery

NOTICE IS HEREBY GIVEN that bids will be received by the Executive Director of the New Jersey Educational Facilities Authority (the "Authority") until the hour of [10:30] a.m., New Jersey Time, on _____, 2012 (the "Bid Date") either (a) electronically via the PARITY[®] Electronic Bid System ("PARITY[®]") of I-Deal LLC ("i-Deal") in the manner described below under the heading "Procedures Regarding Electronic Bidding", or (b) via hand delivery, at the Authority's offices located at 103 College Road East, Princeton, New Jersey, 08540-6612.

Such bids will be publicly opened at such time and such location. The Authority will not consider bids received by mail, by facsimile, by telecopy, or after 10:30 a.m., New Jersey Time (or the time for receipt set forth in any postponement notice), on the Bid Date. All bids must conform with every term, requirement and condition set forth in this Official Notice of Sale, subject to the Authority's rights set forth herein.

Said bids must be for the purchase, at a price (i) not less than [100]% of par value (\$ _____ *) and (ii) not greater than [110]% of par value (\$ _____ *), of all, but not less than all, of the Authority's The William Paterson University of New Jersey Revenue Bonds, Series 2012 C (the "Series 2012 C Bonds"), dated the date of issuance thereof (expected to be October __, 2012), consisting of fully registered bonds, maturing, subject to the right of prior redemption as hereinafter described, on July 1 in each of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Preliminary Annual Principal Amount (\$)*</u>	<u>Year</u>	<u>Preliminary Annual Principal Amount (\$)*</u>
[2013		2028	
2014		2029	
2015		2030	
2016		2031	
2017		2032	
2018		2033	
2019		2034	
2020		2035	
2021		2036	
2022		2037	
2023		2038	
2024		2039	
2025		2040	
2026		2041	

* Preliminary; subject to change.

ESCROW DEPOSIT AGREEMENT

between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent

Dated October __, 2012

With Respect to
Portions of the
New Jersey Educational Facilities Authority

Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2002 E

CONTINUING DISCLOSURE AGREEMENT

BY AND BETWEEN

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

AND

U.S. BANK NATIONAL ASSOCIATION,
AS DISSEMINATION AGENT

Dated as of October 1, 2012

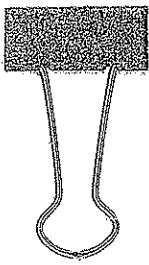
Entered into with respect to the

New Jersey Educational Facilities Authority

\$ _____ Revenue Bonds, The William Paterson University of New Jersey Issue,
Series 2012 C

and

\$ _____ Revenue Refunding Bonds, The William Paterson University of New Jersey Issue,
Series 2012 D



TRUST INDENTURE

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of October 1, 2012

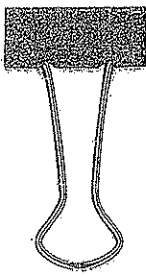
Relating to

\$ _____ New Jersey Educational Facilities Authority Revenue Bonds,
The William Paterson University of New Jersey Issue, Series 2012 C

and

\$ _____ New Jersey Educational Facilities Authority Revenue Refunding Bonds,
The William Paterson University of New Jersey Issue, Series 2012 D

August 24, 2012



LEASE AND AGREEMENT

BY AND BETWEEN

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

DATED AS OF

October 1, 2012

RELATING TO THE PROJECT



**NEW ISSUE
BOOK-ENTRY ONLY**

RATINGS: See "RATINGS" herein

In the opinion of Gibbons P.C., Bond Counsel to the Authority, assuming continuing compliance by the Authority and the University (as defined below) with certain tax covenants described herein, under existing law, interest on the Series 2012 Bonds (as defined below) is excluded from the gross income of the owners of the Series 2012 Bonds for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Series 2012 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In the case of certain corporate holders of the Series 2012 Bonds, interest on the Series 2012 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2012 Bonds in "adjusted current earnings" of certain corporations. Under existing law, interest on the Series 2012 Bonds and net gains from the sale of the Series 2012 Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

EFA
Logo

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS AND REVENUE REFUNDING BONDS
CONSISTING OF**

WPU Logo

\$ _____ * **THE WILLIAM PATERSON UNIVERSITY
OF NEW JERSEY ISSUE, SERIES 2012 C**

AND

\$ _____ * **THE WILLIAM PATERSON UNIVERSITY
OF NEW JERSEY ISSUE, SERIES 2012 D**

Dated: Date of Delivery

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

The New Jersey Educational Facilities Authority (the "Authority") Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2012 C (the "Series 2012 C Bonds") and Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2012 D (the "Series 2012 D Bonds") and, collectively with the Series 2012 C Bonds, the "Series 2012 Bonds" are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2012 Bonds.

Purchases of the Series 2012 Bonds will be made in book-entry form, in denominations of \$5,000 and any integral multiple of \$1,000 in excess thereof. Purchasers ("Beneficial Owners") will not receive certificates representing their interest in Series 2012 Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2012 Bonds, payments of principal, of redemption premium, if any, and interest on the Series 2012 Bonds will be made by U.S. Bank National Association, Morristown, New Jersey, as trustee (the "Trustee"), directly to DTC. Disbursements of such payments to the DTC participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC participants and the indirect participants. See "DESCRIPTION OF THE SERIES 2012 BONDS - Book-Entry-Only System" herein.

The Series 2012 Bonds will be dated their date of delivery and will bear interest from such date at the rates per annum set forth on the inside front cover hereof. Interest on the Series 2012 Bonds will be payable initially on January 1, 2013, and semiannually thereafter on each July 1 and January 1 until maturity or prior redemption. The Series 2012 Bonds will mature on July 1 in the years and in the principal amounts set forth on the inside front cover. The Series 2012 Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption as described herein. See "DESCRIPTION OF THE SERIES 2012 BONDS - Redemption" herein.

The Series 2012 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, a resolution of the Authority adopted August 28, 2012 (the "Resolution") and a Trust Indenture dated as of October 1, 2012 between the Authority and the Trustee (the "Indenture"). The Series 2012 C Bonds are being issued to finance: (i) together with other available funds, the current refunding of all of the Authority's outstanding 2002 E Bonds to be Refunded (as defined herein) (the "2002 E Refunding Project"); (ii) the renovation, acquisition, installation and construction of certain capital improvements to the University's facilities (the "Capital Project"); and (iii) the payment of certain costs incidental to the issuance and sale of the Series 2012 C Bonds (collectively, the "Series 2012 C Project"). The Series 2012 D Bonds are being issued to finance: (i) together with other available funds, the advance refunding of all or portion of the Authority's outstanding 2004 A Bonds to be Refunded (as defined herein) and together with the 2002 E Bonds to be Refunded, the "Bonds to be Refunded" (the "2004 A Refunding Project", and collectively with the 2002 E Refunding Project, the "Refunding Project"); and (ii) the payment of certain costs incidental to the issuance and sale of the Series 2012 D Bonds (collectively, the "Series 2012 D Project", and together with the Series 2012 C Project, the "Series 2012 Project").

The principal and redemption premiums, if any, of and in trust on the Series 2012 Bonds are payable solely from payment to be received by the Authority pursuant to a Lease and Agreement dated as of October 1, 2012 (the "Agreement") by and between the Authority and The William Paterson University of New Jersey (the "University") and from funds and accounts held by the Trustee under the Indenture.

THE SERIES 2012 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO

* Preliminary, subject to adjustment in accordance with the Official Notice of Sale

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY MODIFYING THE PROJECT SCOPE FOR THE
AUTHORITY'S REVENUE BONDS, THE WILLIAM PATERSON
UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2008 C

Adopted: August 28, 2012

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was created as a public body corporate and politic of the State of New Jersey (the "State") pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A. 18A:72A-1 et seq.* (the "Act"); and
- WHEREAS:** On June 26, 2008, the Authority issued its Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2008 C (the "2008 C Bonds") pursuant to the Act, the Bond Resolution adopted on March 31, 2008 authorizing the issuance of the 2008 C Bonds (the "Bond Resolution") and the Trust Indenture dated as of June 1, 2008 (the "2008 C Indenture") between the Authority and The Bank of New York, as Trustee for the purpose of financing the "2008 C Project" as defined in the Bond Resolution, the 2008 C Indenture and the within defined 2008 C Lease; and
- WHEREAS:** The 2008 C Project is defined to include, *inter alia*, a project (the "Science Hall Project") consisting of expanding, renovating and equipping the existing 155,000 square foot Science Hall on the campus of The William Paterson University of New Jersey (the "University"); and
- WHEREAS:** The University has advised the Authority that the bids for the Science Hall Project were less than anticipated and as a result, approximately \$2,000,000 of proceeds of the 2008 C Bonds were not required for the Science Hall Project; and
- WHEREAS:** The University intends to link the Science Hall to a new parking facility (the "Science Hall/Parking Link"); and
- WHEREAS:** The University entered into a Lease and Agreement dated as of June 1, 2008 with the Authority to secure repayment of the 2008 C Bonds (the "2008 C Lease"); and
- WHEREAS:** Section 2.8 of the 2008 C Lease provides that the scope of the 2008 C Project may be modified by mutual agreement of the Authority and the University, and the University has asked the Authority to modify the 2008 C Project to include financing site improvements for the Science Hall/Parking Link (the "2008 C Project Modification"); and
- WHEREAS:** The Board of Trustees of the University approved the 2008 C Project Modification by resolution adopted on July 24, 2012; and
- WHEREAS:** The Series 2008 C Bonds are insured by Assured Guaranty Corp. (the "Bond Insurer"); and

WHEREAS: The Authority has determined that it is necessary and advisable to agree to the 2008 C Project Modification.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Authorization of 2008 C Project Modification; Amendment of Applicable Documents. The Authority hereby approves the 2008 C Project Modification and authorizes the amendment of the 2008 C Indenture, the 2008 C Lease and any and all other documents as necessary to implement the 2008 C Project Modification; provided that the foregoing approval, authorization and amendments are conditioned upon receipt by the Authority of written consents of any and all parties whose consent may be required under the applicable documents including, without limitation, the Bond Insurer and receives all necessary opinions required of Bond Counsel including an opinion from Bond Counsel that such modification is permitted and does not adversely affect the tax-exempt status of the 2008 C Bonds.

Section 2. Authorization of Action by Officers. The Authority hereby authorizes the Chair, Vice Chair, Executive Director, Director of Risk Management of the Authority, Secretary and any Assistant Secretary (each an "Authorized Officer") to: (a) execute and attest and deliver any necessary amendments to the 2008 C Indenture, the 2008 C Lease and any and all other documents and instruments necessary to effect the 2008 C Project Modification, each in the form approved by the Authorized Officer or Authorized Officers executing such amendments and other documents and instruments, in each case such execution to be conclusive evidence of the approval thereof under the official common seal of the Authority to reflect the 2008 C Project Modification; and (b) take any and all such other actions as may be necessary or appropriate in connection with the 2008 C Project Modification.

Section 3. Effective Date. This Resolution shall take effect in accordance with the provisions of *N.J.S.A.* 18A:72A-4(i).

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

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Joshua Hodes
Andrew Sidamon-Eristoff (represented by Steven Petrecca)
Rochelle Hendricks (represented by Gregg Edwards):

NAY: None

ABSTAIN: None

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
CONCERNING CERTAIN LITIGATION SETTLEMENTS WITH RESPECT TO
MUNICIPAL BOND DERIVATIVES**

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, L. 1967, c. 271, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act") and authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and
- WHEREAS:** In connection with certain bonds issued by the Authority to finance and/or refinance facilities of colleges and universities, the Authority has entered into certain municipal bond derivative products including investment agreements and swaps with providers of such products (the "Municipal Bond Derivatives") on behalf of the colleges and universities for which projects were financed with Authority bonds; and
- WHEREAS:** As a result of investigations conducted by the United States Securities & Exchange Commission, the Internal Revenue Service and the United States Department of Justice Antitrust Division into alleged industry-wide price-fixing, bid rigging and other collusive practices, states, other governmental and quasi-governmental issuers and not-for-profit entities (the "Injured Parties") have initiated various lawsuits which have been consolidated in litigation known as *In re Municipal Derivatives Antitrust Litigation* (the "Federal Class Action Litigation") against providers of the Municipal Bond Derivatives, brokers, bidding agents and other alleged co-conspirators (the "Defendants"); and
- WHEREAS:** Certain Defendants have agreed or are expected to agree with the Attorneys General of twenty-five states, including the State of New Jersey, to settle claims similar in nature to those claims alleged in the Federal Class Action Litigation with respect to Municipal Bond Derivatives entered into by the issuers; such as the Authority, in connection with issues of the bonds, such as the Authority's bonds (the "Attorneys General Settlements"); and
- WHEREAS:** Certain Defendants have already agreed or are expected to agree with a class of Injured Parties certified by the presiding court to settle the Federal Class Action Litigation with respect to Municipal Bond Derivatives, including Municipal Bond Derivatives entered into by the Authority in connection with issues of the Authority's bonds (the "Federal Class Action Settlements"); and
- WHEREAS:** An Injured Party may need to decide whether to participate in the Attorneys General Settlements (if eligible), the Federal Class Action Settlement or neither settlement (the Attorneys General Settlements and the Federal Class Action Settlements are hereinafter referred to as the "Settlements"); and

WHEREAS: Because the Authority is a signatory to the Municipal-Bond Derivatives, the Authority must execute releases and other documents relating to acceptance or rejection of such Settlements and carry out implementation of a Settlement if elected; and

WHEREAS: If amounts are paid in connection with such Settlements, the Authority intends to transfer such amounts to the affected colleges and universities and the Authority wishes to give the opportunity to accept or reject these Settlements to the affected colleges and universities;

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

SECTION 1. The Executive Director and the Director of Risk Management (each an "Authorized Officer") are hereby authorized to accept or reject the Attorneys General Settlements and the Federal Class Action Settlements (as applicable) provided that such action is directed in writing by the affected college or university. The Authorized Officers are further authorized to execute and deliver the acceptance or rejection of such Settlements and any and all releases and other necessary documents in the forms approved by the affected college or university and reviewed and approved by the Attorney General of New Jersey. Any Assistant Secretary is authorized to attest required documents in the form executed by an Authorized Officer.

SECTION 2. Each Authorized Officer is hereby authorized to take all steps the Authorized Officer deems necessary or desirable to effect acceptance or rejection of such Settlements and all prior actions taken by any Authorized Officer in implementing or rejecting such Settlements are hereby ratified and approved.

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

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

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Joshua Hodes
Andrew Sidamon-Eristoff (represented by Steven Petrecca)
Rochelle Hendricks (represented by Gregg Edwards)

NAY: None

ABSTAIN: None

ABSENT: None

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

**RESOLUTION APPOINTING A DERIVATIVES ADVISOR
IN CONNECTION WITH POSSIBLE NOVATION AND/OR
AMENDMENT OF CERTAIN SWAP AGREEMENTS
RELATING TO BONDS ISSUED BY THE NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY ON BEHALF
OF SETON HALL UNIVERSITY AND AUTHORIZING ALL
NECESSARY ACTION BY THE AUTHORITY IN
CONNECTION THEREWITH**

ADOPTED AUGUST 28, 2012

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

WHEREAS, Seton Hall University (the "University") executed interest rate swap agreements (the "Agreements") with Citibank, N.A. ("Citibank") in connection with the Authority's outstanding Revenue Bonds, 2005 Series C, Revenue Refunding Bonds, 2006 Series A and Revenue Refunding Bonds, 2009 Series C; and

WHEREAS, Citibank's credit rating has been lowered since execution of the Agreements and the University has advised the Authority that it has determined that it may be advisable that the obligations of Citibank be assumed by one or more other providers in a novation or novations and/or amendments of any and all of the Agreements; and

WHEREAS, the University has advised the Authority that in view of changes in law and changes in the University's borrowing needs since execution of the Agreements it may be beneficial for the University that the terms of the Agreements be amended to change certain financial covenants in some or all of the Agreements; and

WHEREAS, the University has requested that the Authority procure a derivatives advisor (the "Derivatives Advisor") to assist the University in determining whether to enter into one or more novations and/or amendments of the Agreements and to assist the University in negotiating such novations and/or amendment (the "Advice"); and

WHEREAS, the Authority board has been provided with a memorandum summarizing the procurement procedures and Authority staff's recommendations with respect thereto.

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

1. **Appointment of Derivatives Advisor.** PFM Asset Management LLC is hereby appointed as the Derivatives Advisor to provide the Advice to the University.

2. **Authorized Actions.** The Chair, Vice Chair, Executive Director and Director of Risk Management (the "Authorized Officers") of the Authority are hereby authorized and directed to execute, deliver and approve any and all such agreements, documents, certificates, directions and notices and to do and perform such acts and to take such actions as may be necessary or required or which the Authority may deem to be appropriate to implement any and all novations and/or amendments of any and all of the Agreements, upon the written approval of the University and with the advice of the Derivatives Advisor. All such agreements, documents, certificates, directions and notices (the "Documents") executed and delivered by an Authorized Officer shall be in the form approved by the University and the Authorized Officer executing the same with the advice of Bond Counsel, if necessary, or the New Jersey Attorney General. Execution of such Documents by an Authorized Officer shall be conclusive evidence of the approval thereof by the Authorized Officer executing the same. Any Authorized Officer and any Secretary or Assistant Secretary is hereby authorized and directed, for and on behalf of and in the name of the Authority; to attest and deliver said documentation and to affix the seal of the Authority to said documentation.

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

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

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Joshua Hodes
Andrew Sidamon-Eristoff (represented by Steven Petrecca)
Rochelle Hendricks (represented by Gregg Edwards)

NAY: None

ABSTAIN: None

ABSENT: None

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2012 BUDGET VARIANCE ANALYSIS
FOR SEVEN MONTHS ENDED JULY 31, 2012**

Executive Summary

The NJEFA concluded July with year-to-date net operating income in the amount of \$740,597, based on revenues of \$2,166,631 and expenses of \$1,426,034. As a result, net operating income is higher than budgeted by \$488,463. This difference is a result of greater than budgeted revenues in the amount of \$65,209 and less than budgeted expenses in the amount of \$423,254.

Revenues

Revenues were above the budgeted amount through July primarily due to greater than expected bond issuance activity during the period.

Expenses

Operating expenditures for the first seven months of the year were favorable as compared to budget by \$423,254. Most of the line items display positive deviations and are primarily the result of staff vacancies and timing.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
JULY 2012

	Month Ended July 31, 2012			Seven Months Ended July 31, 2012		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$237,431	\$237,431	\$ -	\$ 1,912,253	\$ 1,912,253	\$ -
Initial Fees	-	37,600	(37,600)	252,510	188,000	64,510
Investment Income	551	167	384	1,868	1,169	699
	<u>\$ 237,982</u>	<u>\$ 275,198</u>	<u>\$ (37,216)</u>	<u>\$ 2,166,631</u>	<u>\$ 2,101,422</u>	<u>\$ 65,209</u>
<u>Operating Expenses</u>						
Salaries	\$84,809	\$114,718	\$ 29,909	\$ 586,671	\$ 843,889	\$ 257,218
Employee Benefits	24,546	34,645	10,099	337,208	406,242	69,034
Provision for Post Ret. Health Benefits	14,008	14,008	-	98,056	98,056	-
Office of The Governor	1,667	1,667	-	11,669	11,669	-
Office of The Attorney General	4,667	4,667	-	32,669	32,669	-
Sponsored Programs	-	1,250	1,250	-	8,750	8,750
Telephone	1,062	1,917	855	8,167	13,419	5,252
Gasoline & Auto Maintenance	-	-	-	1,888	-	(1,888)
Rent	18,360	19,667	1,307	129,530	137,669	8,139
Utilities	1,686	1,792	106	11,807	12,544	737
Postage	37	333	296	965	2,331	1,366
Office Supplies & Expenses	600	3,167	2,567	12,506	22,169	9,663
Travel & Official Receptions	16	1,250	1,234	5,708	8,750	3,042
Staff Training & Tuition Reimbursement	1,085	1,750	665	4,764	12,250	7,486
Insurance	2,101	2,841	740	17,053	17,793	740
Annual Report & Newsletters	300	2,542	2,242	633	17,794	17,161
Public Relations	-	167	167	-	1,169	1,169
Professional Services	281	417	136	73,838	86,919	13,081
Dues & Subscriptions	1,192	6,250	5,058	29,875	43,750	13,875
Data Processing	3,500	3,750	250	21,000	26,250	5,250
Maintenance of Equipment	1,325	3,500	2,175	21,321	24,500	3,179
Depreciation	2,958	2,958	-	20,706	20,706	-
Contingency	-	-	-	-	-	-
	<u>164,200</u>	<u>223,256</u>	<u>59,056</u>	<u>1,426,034</u>	<u>1,849,288</u>	<u>423,254</u>
Net Operating Income	<u>\$ 73,782</u>	<u>\$ 51,942</u>	<u>\$ 21,840</u>	<u>\$ 740,597</u>	<u>\$ 252,134</u>	<u>\$ 488,463</u>

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of July 31, 2012

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<u>Private</u>						
Princeton University	2011 Series B	Various Construction & Renovations	265,292,710.35	(171,658,898.03)	93,633,812.32	65%
Rider University	2012 Series A	Capital Improv. for energy efficiency	10,411,400.27	(1,236,217.25)	9,175,183.02	12%
Sub Total			\$ 275,704,110.62	\$ (172,895,115.28)	\$ 102,808,995.34	
<u>Public</u>						
Kean University	Series 2005 B	Various Projects & Renovations	\$ 91,383,145.08	\$ (79,336,360.02)	\$ 12,046,785.06	87%
Kean University	Series 2007 D	2 Residence Halls, Dining, Parking	124,287,050.02	(95,179,305.64)	29,107,744.38	77%
Richard Stockton College of New Jersey	Series 2007 G	Housing V, Various Upgrades & Renov	40,242,421.65	(37,549,880.83)	2,692,540.82	93%
Richard Stockton College of New Jersey	Series 2008 A	Campus Ctr, Science Ctr, College Walk	105,482,763.92	(94,247,779.16)	11,234,984.76	89%
The College of New Jersey	Series 2010 A&B	Construct School of Education	44,293,116.12	(28,104,453.33)	16,188,662.79	63%
New Jersey City University	Series 2010 F	Various Capital Improvements	14,717,070.83	(1,855,150.59)	12,861,920.24	13%
New Jersey City University	Series 2010 G	Various Capital Improvements	18,201,075.23	(6,593,434.74)	11,607,640.49	36%
New Jersey Institute of Technology	Series 2010 I	Acqu., Renov., & Equip Former H.S.	20,336,331.08	(11,128,207.03)	9,208,124.05	55%
Passaic County Community College	Series 2010 C	Construct & Equip. 3-Story Bldg.	13,312,936.20	(12,462,853.69)	850,082.51	94%
Ramapo College of New Jersey	Series 2011 A	Renovation of Student Center	8,165,446.46	(7,549,600.77)	615,845.69	92%
Thomas Edison State College	Series 2011 D	Renovation of Kuser Mansion	8,000,000.00	(1,123,883.25)	6,876,116.75	14%
Ramapo College of New Jersey	Series 2012 B	Refunds & Renov to Coll. Park Apts	48,212,359.94	(270,916.35)	47,941,443.59	1%
Sub Total			\$ 536,633,716.53	\$ (375,401,825.40)	\$ 161,231,891.13	
<u>Other Programs</u>						
Public Library Grant Program	Series 2002 A	Library Grants	\$ 45,380,714.58	\$ (45,308,109.58)	\$ 72,605.00	> 99%
Sub Total			\$ 45,380,714.58	\$ (45,308,109.58)	\$ 72,605.00	
Grand Total			\$ 857,718,541.73	\$ (593,605,950.26)	\$ 264,113,491.47	