



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 • FAX 609-987-0850 • www.njedfa.com

**MINUTES OF THE SPECIAL MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON FRIDAY, FEBRUARY 20, 2015**

The meeting was called to order at 9:05 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 February 17, 2015, 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., Chair
Rochelle Hendricks, Secretary of Higher Education, Vice Chair (via phone)
Ridgeley Hutchinson (via phone)
Katherine Ungar (via phone)
Andrew P. Sidamon-Eristoff, State Treasurer (represented by James Petrino) (via phone)

AUTHORITY MEMBERS ABSENT:

Joshua Hodes, Treasurer
Louis Rodriguez

STAFF PRESENT:

Sheryl A. Stitt, Acting Executive Director
Katherine Newell, Esq., Director of Risk Management
Marie P. Mueller, Controller
Steven Nelson, Project Manager
Gary Vencius, Senior Accountant
Jacqueline McFadyen, Associate Project Manager
Jamie O'Donnell, Project and Communications Specialist
Lisa Walker, Accountant
Debra Paterson, Senior Risk Manager
Sheila Toles, Exec. Assistant/Human Resources Manager

ALSO PRESENT:

Amy Herbold, Esq., Governor's Authorities Unit
Clifford Rones, Esq., Deputy Attorney General

ITEMS OF DISCUSSION

1. Resolution Appointing Professionals in Connection with the Issuance of Bonds by the Authority on Behalf of Princeton University

Mr. Nelson reported that on December 18, 2014, an RFP for underwriter services was distributed to 13 members of the Authority's senior manager underwriting pool and to nine members of the co-manager pool. Nine responses were reviewed by evaluators from the Authority, the State Department of Treasury and the University and based on the highest score of all three evaluators, it was recommended that Morgan Stanley be selected senior manager.

Mr. Nelson reported that two members of the Authority's staff reviewed all proposals from co-managers including the proposals from senior managers who had not been selected in the process. He reported that given the current size of the transaction, the University and the Authority believed that two co-managers would be appropriate and recommended JP Morgan and Bank of America Merrill Lynch to serve as co-managers. Mr. Nelson added that while staff were comfortable with two co-managers, they were requesting the ability to appoint additional co-managers if necessary.

Mr. Nelson advised that Princeton University utilizes the same Trustee for every issue as they operate under a general bond structure. Accordingly, staff recommended BNY Mellon serve as Trustee, whose fees are in line with past proposals for the University.

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

RESOLUTION APPOINTING PROFESSIONALS IN CONNECTION WITH THE
ISSUANCE OF REVENUE BONDS BY THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY ON BEHALF OF PRINCETON UNIVERSITY

The motion was seconded by Ms. Hendricks and passed unanimously.

The adopted resolution is appended as Exhibit I.

2. Resolution of the Authority Authorizing Designated Officers to Implement Certain Provisions of the Lease Agreements Entered into in Connection with the Authority's Higher Education Equipment Leasing Fund

Ms. Stitt reported on the resolution regarding approval of substitution requests by Institutions under the Equipment Leasing Fund agreements. She reported that under the agreements, Section 3.6(b) specifically contemplates and provides for non-material substitutions of equipment but only with prior consent of the Authority; only if the grant amount is the same or less; and the useful life of the substituted equipment is the same or longer. Ms. Stitt explained that the existing language in the agreements specifies the Authority's approval and does not provide a specified delegation to an Authorized Officer of the Authority to approve such changes. She reported that as such, the resolution would provide such delegation to an Authorized Officer to approve substitution requests consistent with the parameters contained in the agreement.

Ms. Stitt reported that the resolution would enable the Authority to manage the requests in an efficient and timely manner.

Ms. Hendricks moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING DESIGNATED OFFICERS TO IMPLEMENT CERTAIN
PROVISIONS OF THE LEASE AGREEMENTS ENTERED INTO IN CONNECTION
WITH THE AUTHORITY'S HIGHER EDUCATION EQUIPMENT LEASING FUND

The motion was seconded by Ms. Ungar and passed unanimously.

The adopted resolution is appended as Exhibit II.

3. Resolution of the Authority Authorizing a Release and Conveyance of Certain Real Property to New Jersey City University

Ms. Newell reported that New Jersey City University is undertaking a P3 dormitory project under the New Jersey Stimulus Act of 2009, which requires that either the University or the State hold title to the project's property. She reported that the Authority holds title to three dormitories (Vodra Hall, Co-op Hall and 2040 Kennedy Hall) under a 1995 lease that relates to the Authority's 1995 C bonds which have been paid in full and that under Section 15.2 of the lease, when the bonds have been paid, the lease terminates and the Authority shall convey the leased property to the "appropriate state entity". Ms. Newell reported that in connection with the P3 Project, Vodra and Co-op Halls will be renovated and a new dormitory will be constructed to replace Kennedy Hall, which will be operated until the P3 Project is completed.

Ms. Newell reported that in consultation with the Attorney General's office and representatives of the State Treasurer, staff had determined that the University is the appropriate state entity to hold title. Accordingly, in response to the University's request for title in connection with the P3 Project and to satisfy the conditions of Section 15.2 of the 1995 lease, the resolution would authorize the conveyance of the properties to the University and authorize all necessary action in connection with the conveyance.

Aaron Aska, Vice President for Administration and Finance for New Jersey City University explained the purpose of the project.

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

RESOLUTION AUTHORIZING A RELEASE AND CONVEYANCE OF CERTAIN
REAL PROPERTY TO NEW JERSEY CITY UNIVERSITY

The motion was seconded by Ms. Ungar and passed unanimously.

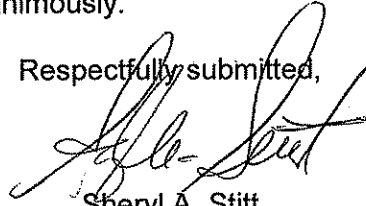
The adopted resolution is appended as Exhibit III.

4. Next Meeting Date

Mr. Jacobs made closing remarks and advised that Ms. Stitt would likely be contacting the Members to schedule special meetings in the coming weeks. The next regularly scheduled meeting will be on Tuesday, March 24th at 9 a.m. at the Authority offices. Mr. Jacobs then requested a motion to adjourn.

Ms. Hendricks moved that the meeting be adjourned at 9:22 a.m.; the motion was seconded by Ms. Ungar and passed unanimously.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sheryl A. Stitt", written in a cursive style.

Sheryl A. Stitt
Acting Secretary



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 • FAX 609-987-0850 • www.njeda.com

Date: February 20, 2015

To: Members of the Authority

Issue: Princeton University, 2015 Series A

Below please find the procurement procedures that were undertaken with respect to the various professional appointments in connection with the Princeton University, 2015 Series A transaction and staff's recommendations with respect thereto.

Bond Counsel

In accordance with Executive Order No. 26 (1994), the Attorney General's office has selected McCarter & English to serve as bond counsel for this transaction.

Senior Managing and Co-Managing Underwriter

On December 18, 2014, the staff of the New Jersey Educational Facilities Authority (the "Authority") distributed a Request for Proposals for Senior Managing and Co-Managing Underwriter Services (the "RFP") to a distribution list of 13 firms which are members of the Authority's Senior Manager Pool and nine firms which are members of the Authority's Co-Managing Underwriter Pool.

The Authority received a total of nine responses from firms seeking appointment as Senior Managing Underwriter for this transaction (two firms from the Senior Manager Pool declined to respond and two other firms from the Senior Manager Pool submitted proposals to serve as Co-Manager). The Authority received a total of nine responses from firms seeking appointment as Co-Managing Underwriter for this transaction. Two firms from the Co-Manager Pool declined to respond and as indicated above, two firms qualified in the Senior Manager Pool submitted proposals to serve as Co-Manager.

Senior Managing Underwriter

As highlighted in the RFP, the evaluation of the Senior Manager responses was performed by three evaluators (one staff member from the Authority, one staff member from Treasury, and one staff member from the University).

The responsive firms and their respective scores are as follows:

<u>Firm</u>	<u>Evaluator #1</u>	<u>Evaluator #2</u>	<u>Evaluator #3</u>	<u>All Evaluators</u>	<u>All Evaluators Rankings</u>	<u>Proposed Fee</u>
BoA Merrill	91.87	73.87	93.87	259.61	3	2.383
Barclays	80.58	60.58	74.58	215.74	7	2.820
Citi	85.80	62.30	86.30	234.40	5	1.729
Goldman Sachs	90.70	79.70	88.20	258.60	4	2.440
Jefferies	58.02	30.52	59.52	148.06	9	3.346
JP Morgan	92.80	78.30	92.30	263.40	2	2.239
Loop	54.94	30.94	65.94	151.82	8	2.359
Morgan Stanley	91.02	91.02	99.02	281.06	1	0.981
Wells Fargo	74.27	68.27	86.27	228.81	6	2.754

Recommendation: Morgan Stanley

Co-Managing Underwriter

The Authority reviewed all Co-Manager submissions as well as the submissions of Senior Manager respondents who were not selected as Senior Manager. As highlighted in the RFP, the evaluation of the Co-Manager responses was performed by two evaluators from the Authority.

The responsive firms and their respective scores are as follows:

<u>Firm</u>	<u>Evaluator #1</u>	<u>Evaluator #2</u>	<u>All Evaluators</u>	<u>All Evaluators Rankings</u>
Baird	70	58	128	14
<i>BofA Merrill</i>	<i>88</i>	<i>90</i>	<i>178</i>	<i>2</i>
Barclays	52	54	106	17
BNY Mellon	62	58	120	15
Citi	85.5	92	177.5	3
Fidelity	80	72	152	8
Goldman	86	84	170	4
Janney	76	70	146	10
Jefferies	72	74	146	10
<i>JP Morgan</i>	<i>94</i>	<i>86</i>	<i>180</i>	<i>1</i>
Loop	74	62	136	13
M&T	78	72	150	9
R&C	72	66	138	12
Ramirez	80	74	154	7
Ray James	79	90	169	5
Siebert	58	60	118	16
Wells	80	82	162	6


Recommendation: JP Morgan and Bank of America Merrill Lynch

The Authority recommends that JP Morgan and Bank of America Merrill Lynch are appointed as the Co-Managing Underwriters in connection with the Financing. In addition, the Authority requests that the Board authorizes the Acting Executive Director with the ability to appoint one or more additional co-managing underwriters, if necessary, in connection with the Financing.

Trustee

On December 30, 2014, the Authority requested a fee proposal from the University's existing Trustee in accordance with the general bond resolution structure which maintains the same trustee for every series of bonds thereafter. On December 31, 2014, the Authority received a fee proposal from BNY Mellon that is in line with fee quotes the Authority has received in response to other recent trustee RFPs. It is the Authority's recommendation to select BNY Mellon to serve as Trustee for this transaction.

The Authority's staff involvement in the procurement processes related to the above referenced professionals was completed as of the 5th day of February, 2015.

By: 
Sheryl A. Stitt
Acting Executive Director

**RESOLUTION APPOINTING PROFESSIONALS IN CONNECTION WITH THE
ISSUANCE OF REVENUE BONDS BY THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY ON BEHALF OF PRINCETON UNIVERSITY**

ADOPTED: FEBRUARY 20, 2015

- 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:** Princeton University (the "University") has requested that the Authority begin the process of procuring professionals in connection with the issuance of bonds by the Authority to finance a refunding project on behalf of the University (the "Financing"); 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 Trustee, Bond Registrar and Paying Agent.**
BNY Mellon is hereby appointed as the Trustee, Bond Registrar and Paying Agent in connection with the Financing.
- 2. Appointment of Senior Managing Underwriter.**
Morgan Stanley is hereby appointed as the Senior Managing Underwriter in connection with the Financing.
- 3. Appointment of Co-Managing Underwriters.**
JP Morgan and Bank of America Merrill Lynch are hereby appointed as the Co-Managing Underwriters in connection with the Financing. In addition, the Authority authorizes the Acting Executive Director of the Authority to appoint one or more additional co-managing underwriters, if necessary, in connection with the Financing.
- 4. Effective Date.** 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 ___ Ms. Hendricks ___ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Rochelle Hendricks
Ridgeley Hutchinson
Katherine Ungar
Andrew Sidamon-Eristoff (represented by James Petrino)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes
Louis Rodriguez

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") AUTHORIZING DESIGNATED OFFICERS TO IMPLEMENT CERTAIN PROVISIONS OF THE LEASE AGREEMENTS ENTERED INTO IN CONNECTION WITH THE AUTHORITY'S HIGHER EDUCATION EQUIPMENT LEASING FUND

Adopted: February 20, 2015

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority") is authorized pursuant to the New Jersey Higher Education Equipment Leasing Fund Act, N.J.S.A. 18A: 72A-40 *et seq.* (the "Leasing Fund Act") to issue bonds ("ELF Bonds") to finance the purchase of higher education equipment for lease to New Jersey public and private institutions of higher education (the "Institutions"); and

WHEREAS, on September 24, 2013 the Authority adopted a resolution (the "Lease Approval Resolution), which approved the form and authorized the execution and delivery of lease agreements between the Authority and Institutions of Higher Education (the "Lease Agreements") in connection with the issuance by the Authority of ELF Bonds to finance for such Institutions, the equipment identified in the Lease Approval Resolution (the "Approved Items of Equipment"); and

WHEREAS, on January 30, 2014, the Authority issued the ELF Bonds and entered into Lease Agreements with the Institutions for the Approved Items of Equipment; and

WHEREAS, pursuant to Section 3.6 of each Lease Agreement, an Institution may not substitute for any Approved Item or Items of Equipment, other item or items of equipment unless the Authority approves the substitution; and

WHEREAS, pursuant to Section 3.6 of each Lease Agreement, the Authority may approve an Institution's request for a substitution of equipment if the aggregate cost of the substituted item or items of equipment does not exceed the cost of the applicable Approved Items of Equipment (unless the Institution pays for the excess), the useful life of the items being substituted is not less than the useful life of the applicable Approved Items of Equipment and the equipment being substituted is not a material change from the applicable Approved Items of Equipment; and

WHEREAS, in order to implement the provisions of the Lease Agreement permitting substitution, it is necessary to authorize officers of the Authority to consent to substitution of equipment for Approved Items of Equipment in accordance with the terms of Section 3.6 of the Lease Agreements and the Members of the Authority have determined that it is necessary and advisable to do so;

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

Section 1. The Secretary, any Assistant Secretary and the Assistant Treasurer or any such officer designated as "acting" or "interim" (each an "Authorized Officer") is hereby authorized to approve a substitution of an item or items of equipment for Approved Items of Equipment provided that: (a) the aggregate cost of the substituted item or items of equipment does not exceed the cost of the applicable Approved Items of Equipment (unless the Institution pays for the excess); (b) the useful life of the items being substituted is not less than the useful life of the applicable Approved Items of Equipment; (c) the equipment being substituted is not a material change from the applicable Approved Items of Equipment; and (d) the institution provides appropriate documentation authorizing the request for the substitution of equipment. The Authorized Officers are authorized to execute any documents, certificates or amendments to the Lease Agreement and to take any and all other action necessary to implement a substitution of equipment approved by an Authorized Officer.

Section 2. This resolution will take effect as provided for under the Act.

___ Ms. Hendricks ___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Ms. Ungar ___ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Rochelle Hendricks
Ridgeley Hutchinson
Katherine Ungar
Andrew Sidamon-Eristoff (represented by James Petrino)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes
Louis Rodriguez

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

**RESOLUTION AUTHORIZING A RELEASE AND CONVEYANCE OF CERTAIN
REAL PROPERTY TO NEW JERSEY CITY UNIVERSITY**

Adopted: February 20, 2015

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority"), is 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, as authorized by the Act, the Authority has assisted Jersey City State College, now known as New Jersey City University (the "University") in the financing and refinancing of dormitory facilities consisting of 2040 Kennedy Apartments, Vodra Hall and Co-Op Hall (collectively the "Financed Projects") through the issuance of the Authority's Revenue Bonds, Jersey City State College Issues, Series 1971 B (the "1971 B Bonds"), Series 1987 A (the "1987 A Bonds") and Series 1995 C (the "1995 C Bonds" and together with the 1971 B Bonds and the 1987 A Bonds, the "Authority Bonds"); and

WHEREAS, the 1995 C Bonds refunded the 1987 A Bonds and the 1987 A Bonds refunded the 1971 B Bonds; and

WHEREAS, the 1995 C Bonds were retired in 2006 and none of the Authority Bonds remain outstanding; and

WHEREAS, as part of the transactions for the issuance of the Authority Bonds, the Authority became the owner of record of certain parcels of real property on which the Financed Projects are located as set forth on Exhibit A attached hereto (the "Project Sites") and the Project Sites are leased to the University pursuant to the provisions of the Lease and Agreement dated as of June 1, 1987, amended as of September 1, 1995 (the "Agreement") which terminated upon payment in full of the 1995 C Bonds; and

WHEREAS, Section 15.02 of the Agreement provides that when the term of the Agreement has expired and the Trustee (as hereinafter defined) for the Authority Bonds has certified to the Authority that all of the obligations of the Authority Bonds have been satisfied, the Authority shall transfer all of its rights, title and interest in and to the Project Sites and the Financed Projects to the appropriate State entity by deed or deeds in form satisfactory to the Authority; and

WHEREAS, the University, pursuant to the New Jersey Economic Stimulus Act of 2009 (the "Stimulus Act"), is in the process of implementing a project consisting, *inter alia*, of the renovation of the Financed Projects (the "P3 Project"); and

WHEREAS, one of the requirements under the Stimulus Act, is that the State or the University retain full ownership of the land upon which the P3 Project is to be developed, constructed and installed and in order to fulfill this requirement, the University has requested that the Authority release the Financed Projects as provided in the Agreement and convey the Project Sites and the Financed Projects to the University; and

WHEREAS, US Bank, N.A. (the "Trustee"), as Trustee for the 1995 C Bonds has certified to the Authority that all of the obligations of the 1995 C Bonds have been satisfied; and

WHEREAS, the Authority, based on information provided by the University, has determined that the University is the appropriate State entity to which the Financed Projects and the related Project Sites, respectively, may be conveyed in accordance with the Agreement; and

WHEREAS, the Members of the Authority have determined that it is necessary and advisable to release the Financed Projects and related Project Sites from the Agreement and to convey the Financed Projects and related Project Sites to the University.

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

Section 1. Authorization and Approval of Release and Conveyance of Financed Projects and Related Project Sites. The Authority, in accordance with the provisions of the Agreement, and in reliance on the information provided by the University hereby authorizes the release and conveyance of the Financed Projects and related Projects Sites to the University; hereby approves and authorizes the execution and delivery of a deed or deeds to the University in form satisfactory to the Authority and the recording thereof by the University; and hereby authorizes the execution and delivery of the deeds and any and all other agreements, documents, certificates, discharges and notices (the "Conveyance Documents") that are necessary to effect the release and conveyance of the Financed Projects and the related Project Sites and to evidence the termination of the Agreement.

Section 2. Authorization of Action by Authorized Officers. The Authority hereby authorizes and directs the Chair, Vice Chair, Secretary, an Assistant Secretary, Executive Director, Deputy Executive Director or Director of Risk Management of the Authority and any such officers designated as "acting" or "interim" (each an "Authorized Officer") to execute and deliver the deed or deeds to the respective Project Sites for the Financed Projects to the University in the form approved by the Authorized Officer executing the same and to take any and all such other actions as may be necessary or appropriate to effect the release and conveyance of the Financed Projects and related Project Sites to the University and the termination of the Agreement, including without limitation the Conveyance Documents. The Secretary and any Assistant Secretary are authorized to execute, attest and affix the official common seal of the Authority, as applicable, to the deed or deeds and any and all other necessary Conveyance Documents. Approval of the form of all documents executed pursuant to this Resolution shall be conclusively evidenced by the execution thereof.

Section 3. Effective Date. This Resolution shall take effect in accordance with the provisions of the Act.

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

AYE: Roger B. Jacobs
Rochelle Hendricks
Ridgeley Hutchinson
Katherine Ungar
Andrew Sidamon-Eristoff (represented by James Petrino)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes
Louis Rodriguez

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

SUMMARY OF NEW JERSEY CITY UNIVERSITY PROPERTY CONVEYANCES

Bond Issue	Project Financed	Date of Conveyance	Grantor	Block	Lot(s)
Series 1971 B	Student Apartments	10/27/1970	2040 Boulevard Inc.	23001 (f/k/a 1284.5)	13 (f/k/a 33 and 34)
Series 1987 A	Co-Op Hall (Tract 1)	6/1/1987	NJ Board of Higher Ed/Board of Trustees of Jersey City State College	22901 (f/k/a 503)	9, 10, 11, 12 and 13 (f/k/a 58, 59, 60, 61 and 62)
Series 1995 C	Vodra Hall (Tract 2)	6/1/1987	NJ Board of Higher Ed/Board of Trustees of Jersey City State College	22901 (f/k/a 503)	3 (f/k/a 43)