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NJEFA
New Jersey Educational Facilities Authority
building futures

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, JANUARY 28, 2014

The meeting was called to order at 9:02 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 14, 2013 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
Katherine Ungar
Louis Rodriguez
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
Sheryl A. Stitt, Director of Legislative Strategy and Public Communications
Jennifer Soyka, Project Manager
Gary Vencius, Senior Accountant
Lisa Walker, Accountant
Debra Paterson, Senior Risk Manager
Jamie O'Donnell, Accountant
Sheila Toles, Exec. Assistant/Human Resources Specialist

ALSO PRESENT:

Peter Simon, Esq., Governor's Authorities Unit
Clifford Rones, Esq., Deputy Attorney General

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of December 12, 2013

The minutes of the meeting of December 12, 2013 were hand delivered to Governor Chris Christie under the date of December 13, 2013. Mr. Hutchinson moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Rodriguez and passed. Mr. Edwards abstained from the vote.

2. Approval of the Minutes of the Special Meeting of December 23, 2013

The minutes of the special meeting of December 23, 2013 were hand delivered to Governor Chris Christie under the date of December 23, 2013. Mr. Hutchinson moved that the minutes of the meeting be approved as presented; the motion was seconded by Ms. Ungar and passed unanimously.

3. Guest Presentation on Fitch Ratings 2014 Outlook: U.S. Colleges and Universities

Ann Flynn, Managing Director of Fitch Ratings gave a brief overview and introduced Joanne Ferrigan, Director of Fitch Ratings. Ms. Ferrigan gave an informative presentation on Fitch's 2014 outlook for U.S. colleges and universities and answered questions.

4. Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, Montclair State University Issue, Series 2014 A, In a Principal Amount Not to Exceed $230,000,000

Ms. Soyka reported on the Series 2014 A financing on behalf of Montclair State University in an amount not to exceed $230,000,000. She reported that the University wishes to finance $160,000,000 of new money projects and that $60-$70 million is for the potential refunding of four series of bonds. Two of the new money projects are to fund the University's match for projects that are funded by the Building Our Future Bond Act for the University's business school and its Center for Environmental and Life Sciences facility. She reported that there is also funding for a match under the Higher Education Technology Infrastructure Fund bond projects and several other facilities the University is renovating throughout the campus. The maximum true interest cost authorized by the resolution is 6.50%. Ms. Soyka advised that the transaction is expected to price in February with a delayed closing in April so that the refunding can qualify as a current refunding.

Donald Cipullo, Vice President for Finance and Treasurer of Montclair State University described the projects.

James Fearon, Esq. of Gluck Walrath, LLP, Bond Counsel, described the resolution.

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

> SECOND AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, MONTCLAIR STATE UNIVERSITY ISSUE, SERIES 2014 A

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

The term sheet and adopted resolution are appended as Exhibit I.

5. **Resolution Approving the NJEFA Post-Issuance Compliance Policies and Procedures for Certain State-Backed Revenue Bond Programs**

Ms. Newell reported that over the past few years, the Internal Revenue Service (IRS) has increased its enforcement activity with respect to tax-exempt bonds and has encouraged post-issuance compliance to try to identify problems that may exist and allow those problems to be corrected. She reported that in connection with that program, the IRS has encouraged issuers to adopt written post-issuance compliance policies. She advised that the Authority had previously adopted a comprehensive written post-issuance compliance policy which is posted on the Authority's website and that it is broad enough to apply to both the Authority's stand alone issues as well as for the state-backed bonds that the Authority will be issuing under the grant program. Ms. Newell stated that the Attorney General's Office had recommended a separately stated policy for the state-backed program. Ms. Newell explained that the resolution adopts procedures that specifically relate to the state-backed issues, which are different than stand alone issues in that grants are provided to many colleges so the issuing analysis and the tax analysis is a bit different, although the areas the IRS looks at are the same.

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

> RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPROVING THE POST-ISSUANCE COMPLIANCE POLICIES AND PROCEDURES FOR BONDS ISSUED PURSUANT TO CERTAIN STATE-BACKED REVENUE BOND PROGRAMS

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

The adopted resolution is appended as Exhibit II.

6. **Resolution Authorizing and Consenting to the Power Purchase Agreement Extending the Solar Energy Project at Ramapo College of New Jersey**

Ms. Newell reported that Ramapo College of New Jersey had previously installed solar equipment on its campus to provide energy at a cost that was more effective than other methods and that because the equipment was installed on Authority bond financed property, the bond documents required that the Authority consent to the installation. She reported that at that time, the College entered into a power purchase agreement with the solar company and that now the College has decided that it is beneficial to install equipment on additional property such as the Bill Bradley Sports and Recreation Center, Nancy Mackin Hall, and Pamela M. Bischoff Hall. Ms. Newell explained that the power purchase agreement needs to be amended and that the Authority needs to consent to the amendment and the installation on the property. The resolution gives that consent and authorizes entry into the amendment for the power purchase agreement with the advice of bond counsel that the installation does not create excessive private use, which may adversely affect the tax-exempt status of the bonds.

Richard Roberts, Associate Vice President, Facilities Management and Construction Contracting Officer at Ramapo College of New Jersey, explained the benefits of the solar energy equipment and that it is consistent with the College's commitment for climate change.

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

> RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING AND CONSENTING TO THE FIRST AMENDMENT TO THE POWER PURCHASE AGREEMENT WHICH EXTENDS THE SOLAR ENERGY PROJECT AT RAMAPO COLLEGE OF NEW JERSEY TO INCLUDE CERTAIN ADDITIONAL AUTHORITY OWNED AND FINANCED PROJECTS

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

The adopted resolution is appended as Exhibit III.

7. **<u>Executive Director's Report</u>**

Mr. Hansel reported that Authority staff is working to reschedule the Authority's higher education finance workshop. The December 10th seminar had been postponed because of inclement weather.

Mr. Hansel reported that staff had priced two state-backed bond programs last week, the Higher Education Technology Infrastructure Fund (HETI) and the Higher Education Equipment Leasing Fund (ELF) and that both had been very successful transactions. He reported that both were competitive sales with the ELF transaction being purchased by JP Morgan Securities, Inc. with a true interest cost of 1.89% and HETI being purchased by Morgan Stanley & Co., Inc. with a true interest cost of approximately 3.05%. Mr. Hansel thanked Authority staff, the Attorney General's Office, Mr. Petrecca, and the Office Public Finance for their assistance in the massive effort. He advised that a preclosing was scheduled for January 29, 2014 and closing on January 30, 2014.

8. **<u>Report on the Sale of NJEFA Revenue Bonds, The College of New Jersey Issue, Series 2013 A, In the Amount of $21,735,000</u>**

Ms. Soyka reported that on December 18, 2013 the Authority successfully closed the Series 2013 A transaction for The College of New Jersey to finance the demolition of Holman Hall and the construction of a new STEM building. The transaction funded the match for projects which received grant proceeds under the Building Our Future Act. Citigroup Global Markets was the Underwriter on the transaction. The fixed-rate transaction closed with a true interest cost of 4.62% with a final maturity of July 1, 2043.

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

9. **<u>Report on the Sale of NJEFA Princeton University Revenue Bonds, 2014 Series A, In the Amount of $200,000,000</u>**

Ms. Soyka reported that on January 16, 2014 the Authority successfully closed the 2014 Series A transaction on behalf of Princeton University. The bonds were sold on a competitive basis and closed with a true interest cost of 3.77% and a final maturity of July 1, 2044. Ms. Soyka reported that the financing would be used for many capital projects throughout the University's campus.

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

10. **Report on the Sale of NJEFA Revenue Bond, Fairleigh Dickinson University Issue, 2013 Series F, In the Amount of $52,000,000**

Ms. Soyka reported that on January 16, 2014 the Authority successfully closed a direct placement for Fairleigh Dickinson University in the amount of $51,925,000. She explained that bonds that had been sold in the public market were refunded through a direct placement with TD Bank. She explained that while the bonds have a 19 year maturity, only the first 15 years will be fixed rate with 4 years at the tail end that will flip to a variable rate or be renegotiated. Shorter fixed rate periods are not uncommon with direct placements. The interest rate on the first 15 years of the bond is 3.65% with a present value savings to the University of just under $6,500,000 or a little over 12% of the refunded bonds. The bonds have a final maturity of 2032.

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

11. **Report on Operating and Construction Fund Statements and Disbursements**

Ms. Mueller reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for December 31, 2013.

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

The reports are appended as Exhibit VII.

12. **Next Meeting Date**

Mr. Jacobs thanked Fitch Ratings for their presentation. He advised that he was not sure if the Authority's March 25, 2014 meeting would be off-site or at the Authority's office but assured everyone that they would be notified once a decision had been made. Mr. Jacobs then requested a motion to adjourn.

Mr. Rodriguez moved that the meeting be adjourned at 10:14 a.m.; the motion was seconded by Mr. Hodes and passed unanimously.

Respectfully submitted,

Derek S. Hansel
Secretary

EXHIBIT I

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

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DEREK S. HANSEL
Executive Director

TERM SHEET

Borrower:	Montclair State University, Montclair, New Jersey
Issue:	Series 2014 A
Amount:	Not to Exceed $230,000,000
Purpose:	To provide funds to finance: (A) a capital project consisting of (i) design, construction, equipping and furnishing of a new facility for the University's School of Business, including instructional and research facilities, offices, seminar/conference rooms, library/student (computer) facilities, and related support spaces, (ii) design, construction, equipping and furnishing of a new facility, along with the redesign, renovation, furnishing and equipping of Morehead Hall, for the Public University's School of Communications and Media, (iii) redesign, renovation, equipping and furnishing of College Hall, Partridge Hall and, if authorized by the Public University, a facility for programs in art and design and filmmaking, (iv) design, construction, equipping and furnishing of a new environmental and life sciences facility, including instructional and research laboratories, research support and equipment rooms, incubator laboratories, offices, seminar/conference rooms and related support spaces and including demolition of the existing structure, and (v) replacement and upgrade of wired and wireless electronic assets and (B) a refunding project consisting of the refunding of all or a portion of the Authority's Revenue Bonds, Montclair State University Issue, Series 2002 F, Series 2003 E, Series 2003 L and Series 2006 A (the "Bonds to be Refunded") and (C) the payment of certain costs of issuance incurred in connection with the issuance of the Series 2014 A Bonds.
Security:	General Obligation of the College
Structure:	Public Offering, Negotiated sale
Term:	July 1, 2053

Initial
Interest Rate: Not to Exceed 6.50%

Tentative Closing: April, 2014

The Authority Members will be asked to adopt the Series 2014 A Bond Resolution which outlines the various parameters of the financing; authorizes the issuance of the Bonds; authorizes and approves the form of all legal documents necessary for the financing, including a Trust Indenture, Lease Agreement, Official Statement, Bond Purchase Contract and Escrow Deposit Agreement; and delegates to any Authorized Officer the ability to take all actions as may be necessary to sell and issue the bonds, redeem the Bonds to be Refunded as well as execute all other bond documents, and finalize this transaction.

Professionals on the Transaction:

Bond Counsel:	GluckWalrath, LLC
Authority's Counsel:	Attorney General of New Jersey
Financial Advisor:	Acacia Financial Group, Inc.
Senior Manager:	Barclays Capital, Inc.
Co-Managers:	Fidelity Capital Markets JP Morgan Securities, Inc. Morgan Stanley & Co., Inc. Ramirez & Co., Inc.
Underwriter' Counsel:	Wolff & Samson
Trustee:	The Bank of New York Mellon
Trustee's counsel:	McManimon, Scotland & Baumann, LLC

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

SECOND AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, MONTCLAIR STATE UNIVERSITY ISSUE, SERIES 2014 A

Adopted: January 28, 2014

SECOND AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, MONTCLAIR STATE UNIVERSITY ISSUE, SERIES 2014 A

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-l *et seq*. (the "Act"); and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Montclair State University Issue, Series 1995 F (the "Series 1995 F Bonds"), the proceeds of which financed the costs of renovations to Russ Hall, which converted the facility from a classroom and office building into a residence hall (the "Series 1995 F Project") on behalf of Montclair State University (the "Public University"); and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Montclair State University Issue, Series 2002 F (the "Series 2002 F Bonds"), the proceeds of which financed the costs of constructing and equipping a new student housing and recreational complex (the "Initial Series 2002 F Project") on behalf of the Public University; and

WHEREAS, the Series 2002 F Bonds were issued under the terms and provisions of a bond resolution of the Authority adopted on October 23, 2002 and an Indenture of Trust dated as of November 1, 2002 (the "Original Series 2002 F Indenture") between the Authority and Wachovia Bank, National Association (now known as U.S. Bank National Association), as trustee (the "Series 2002 F Trustee"); and

WHEREAS, in connection with the remarketing of the Series 2002 F Bonds in 2005, the Authority and the Series 2002 F Trustee entered into an Amendment No. 1 to Indenture of Trust dated as of August 1, 2005 (collectively with the Original Series 2002 F Indenture, the "Series 2002 F Indenture"), and a portion of the net premium generated upon such remarketing has been applied to pay the costs of additions to the Initial Series 2002 F Project and/or certain additional capital projects on behalf of the Public University (collectively with the Initial Series 2002 F Project, the "Series 2002 F Project"); and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Montclair State University Issue, Series 2003 E (the "Series 2003 E Bonds"), the proceeds of which financed the costs of constructing and equipping a new performing arts theater (the "Series 2003 E Bonds") on behalf of the Public University; and

WHEREAS, the Series 2003 E Bonds were issued under the terms and provisions of a bond resolution of the Authority adopted on March 26, 2003 and an Indenture of Trust dated as of May 1, 2003 (the "Original Series 2003 E Indenture") between the Authority and Wachovia Bank, National

Association (now known as U.S. Bank National Association), as trustee (the "Series 2003 E Trustee"); and

WHEREAS, in connection with the remarketing of the Series 2003 E Bonds in 2005, the Authority and the Series 2003 E Trustee entered into an Amendment No. 1 to Indenture of Trust dated as of August 1, 2005 (collectively with the Original Series 2003 E Indenture, the "Series 2003 E Indenture"), and a portion of the net premium generated upon such remarketing has been applied to pay the costs of additions to the Initial Series 2003 E Project and/or certain additional capital projects on behalf of the Public University (together with the Initial Series 2003 E Project, the "Series 2003 E Project"); and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Montclair State University Issue, Series 2003 L (the "Series 2003 L Bonds"), the proceeds of which were used to refund a portion of the Series 1995 F Project and to finance the costs of constructing an academic building (the "Series 2003 L Project") on behalf of the Public University; and

WHEREAS, the Series 2003 L Bonds were issued under the terms and provisions of the Authority's General Bond Resolution, adopted on October 10, 1968, as amended on January 12, 1971, and a Series Resolution adopted on November 20, 2003 (collectively, the "Series 2003 L Resolution"), pursuant to which Wachovia Bank, National Association (now known as U.S. Bank National Association) was appointed to serve as trustee (the "Series 2003 L Trustee"); and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Montclair State University Issue, Series 2006 A (the "Series 2006 A Bonds"), the proceeds of which were used to finance the costs of constructing a student recreation center, a parking structure and an addition to an academic building, and renovations to academic buildings and a gymnasium (the "Series 2006 A Project") on behalf of the Public University; and

WHEREAS, the Series 2006 A Bonds were issued under the terms and provisions of a bond resolution of the Authority adopted on December 21, 2005, as amended and supplemented on January 25, 2006, and a Trust Indenture dated as of June 15, 2006 (the "Series 2006 A Indenture") between the Authority and U.S. Bank National Association, as trustee (the "Series 2006 A Trustee"); and

WHEREAS, the Public 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) pay the cost of refunding all or part of the outstanding Series 2002 F Bonds, Series 2003 E Bonds, Series 2003 L Bonds and Series 2006 A Bonds (the "Bonds To Be Refunded") and (ii) pay costs of issuance of such bonds (the "Refunding Project"); and

WHEREAS, the Board of Trustees of the Public University has determined that it is necessary and advisable to undertake a capital project consisting of (i) design, construction, equipping and furnishing of a new facility of approximately 143,000 square feet for the Public University's School of Business, including instructional and research facilities, offices, seminar/conference rooms, library/student (computer) facilities, and related support spaces, (ii) design, construction, equipping and furnishing of a new facility of approximately 60,000 square feet, along with the redesign, renovation, furnishing and equipping of Morehead Hall, for the Public University's School of Communications and Media, (iii) redesign, renovation, equipping and furnishing of College Hall, Partridge Hall and, if authorized by the Public University, a facility for programs in art and design and filmmaking, (iv) design, construction, equipping and furnishing of a new environmental and life sciences facility of approximately 107,500 square feet, including instructional and research laboratories, research support and equipment rooms, incubator laboratories, offices, seminar/conference rooms and related support spaces and including demolition of the existing structure, and (v) replacement and upgrade of wired and wireless electronic assets (collectively, the "Series 2014 A Project"); and

WHEREAS, the Public 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) pay a portion of the cost of the Series 2014 A Project, (ii) fund capitalized interest on such bonds and (iii) pay costs of issuance of such bonds (collectively, the "New Money 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 one or more Lease and Agreements between the Authority and the Public University (collectively, the "Agreement"), pursuant to which the Authority will lease the Leased Facilities (as defined in the Agreement) to the Public 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 one or more Trust Indentures (collectively, the "Trust Indenture") to be entered into by and 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 one or more Escrow Deposit Agreements executed in connection with the Series 2002 F Bonds, the Series 2003 E Bonds, the Series 2003 L Bonds and the Series 2006 A Bonds (collectively, the "Escrow Deposit Agreement") to be entered into between the Authority and the Escrow Agent for the benefit of the holders of the respective Bonds To Be Refunded, all in accordance with the provisions of the Series 2002 F Indenture, the Series 2003 E Indenture, the Series 2003 L Resolution and the Series 2006 A Indenture (collectively, the "Prior Indentures/Resolution"); 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 Statement(s) final, and to authorize the preparation and distribution of one or more final Official Statement 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 Public University has advised that it may pay for certain costs of the Series 2014 A Project prior to the issuance of the Bonds with funds of the Public University which are not proceeds of tax-exempt bonds; and

WHEREAS, this Resolution amends and restates in its entirety the resolution of the Authority adopted on November 30, 2010, entitled "Resolution Authorizing the Issuance of New Jersey Educational Facilities Authority Revenue Bonds, Montclair State University Issue, Series 2010 M (Tax Exempt) and Series 2010 N (Build America Bonds – Direct Payment) (the "2010 Resolution"), as heretofore amended and restated by the resolution of the Authority adopted on September 27, 2011, entitled "Amended and Restated Resolution Authorizing the Issuance of New Jersey Educational Facilities Authority Revenue Bonds, Montclair State University Issue, Series 2011 E (the "2011 Resolution"); and

WHEREAS, in the 2010 Resolution and the 2011 Resolution the Authority declared its official intent to reimburse expenditures for certain costs of the Series 2014 A Project from proceeds of debt obligations to be issued by the Authority on behalf of the Public University; and

WHEREAS, on September 24, 2013, the Authority adopted a resolution declaring its official intent to reimburse expenditures for certain additional costs of the Series 2014 A Project from proceeds of debt obligations to be issued by the Authority on behalf of the Public University; and

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, Treasurer, Director of Project Management, Director of Risk Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, 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 Public 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 the aggregate principal amount of not to exceed $230,000,000, in one or more series, and from time to time, in order to finance, on behalf of the Public University, the costs of the Project, in whole or in part. The portion of the Bonds allocable to the New Money Project shall not exceed $160,000,000. 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, Montclair State University Issue, Series 2014 A" or such other or additional designation or designations as shall be set forth in the Indenture or as an Authorized Officer may determine. In the event that the initial Bonds only finance the New Money Project, the Refunding Project may be financed within 6 months of the effective date of this Resolution by a separate series of Bonds. Such additional series of Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Montclair State University Issue, Series 2014 _" (with such series designation to be completed by an Authorized Officer), or such other designation as an Authorized Officer may determine.

(b) The Authority hereby finds and determines that the issuance of the Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26 (Whitman 1994), namely, volatile market conditions and a complex financing structure, and that a competitive sale of the Bonds is not in the best interest of the Authority and the Public University.

(c) Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority one or more contracts of purchase (collectively, the "Purchase Contract") by and among the Authority, the Public University and Barclays Capital Inc., on behalf of itself and Fidelity Capital Markets, JPMorgan Securities Inc., Morgan Stanley & Co. Incorporated and Samuel A. Ramirez & Co., Inc. (collectively, the "Underwriter"), in substantially the form presented to this meeting with such changes as shall be approved by any Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the purchase of the Bonds at the price or prices to be agreed upon;

provided, however, that the underwriter's discount for the Bonds shall not exceed $7.50 per $1,000 of principal amount. A copy of the Purchase Contract as executed shall be filed with the records of the Authority.

(d) 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, 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, 2053. 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 6.50%. 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 Approval of the Preliminary Official Statement and Official Statement.

The 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) (collectively, the "Preliminary Official Statement") is 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 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 (collectively, 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.

1.6 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 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 Underwriter or 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.

1.7 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 Underwriter or 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 Escrow Deposit Agreement.

The form of the Escrow Deposit 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 is hereby authorized and directed to affix and attest the official common seal of the Authority to the Escrow Deposit Agreement in substantially such form, 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 by such Authorized Officer's execution thereof.

1.9 Appointments.

(a) The Bank of New York Mellon is hereby appointed to act as the initial Trustee, Bond Registrar and Paying Agent 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) U.S. Bank National Association, the entity serving as Series 2002 F Trustee, Series 2003 E Trustee, Series 2003 L Trustee and Series 2006 A Trustee, is hereby appointed as the Escrow Agent under the Escrow Deposit Agreement. The Escrow Agent shall signify acceptance of the duties and obligations imposed upon it by the Escrow Deposit Agreement by the Escrow Agent's execution thereof.

(c) The Chair, the Vice Chair, the Executive Director, the Director of Risk Management or the Director of Project Management are hereby authorized to appoint a firm to act as verification agent in connection with the refunding of the Bonds To Be Refunded pursuant to the terms of the Escrow Deposit Agreement; provided, that the compensation payable to such firm shall not exceed $20,000.

1.10 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 is hereby authorized to execute and deliver a DTC Representation Letter to DTC.

1.11 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 Public 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 or other applicable documents, instruments or certificates relating to the Bonds.

1.12 Continuing Disclosure.

Pursuant to the Agreement, the Public 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 Public 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.

1.13 Conformance of Documents.

Any Authorized Officer 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 Purchase Contract, the Agreement, the Trust Indenture, the Escrow Deposit Agreement 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.

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 the Escrow Agent to enter into one or more agreements to invest the proceeds of the Bonds as permitted by the Trust Indenture and/or the Prior Indentures/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 Public University, that it is advantageous to the Public 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, 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 Indentures/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 Indentures/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 the Escrow Agent pursuant to the Escrow Deposit Agreement 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 Escrow Agent, shall have the right to sell U.S. Treasury Obligations to the 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 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 Underwriter 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 Public University, in consultation with the Authority and the Underwriter.

(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 and the refunding and redemption of the Bonds To Be Refunded; (ii) to effectuate the execution and delivery of the Purchase Contract, the Agreement, the Trust Indenture, the Escrow Deposit Agreement and the Official Statement, and the issuance and sale of the Bonds, including, without limitation, documents necessary to effectuate the issuance and sale 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 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, or convey such property to (including property subject the Lease and Agreements relating to the Bonds To Be Refunded), the Public University or other applicable entity.

2.3 Prior Resolutions.

The 2010 Resolution and the 2011 Resolution are each hereby amended and restated in its entirety by this Resolution, except that the provisions of Section 2.1 of each of the 2010 Resolution and the 2011 Resolution (declaring the Authority's official intent to reimburse expenditures of Project costs paid prior to the issuance of the Authority's bonds with the proceeds of such bonds) shall remain in effect from and as of their respective effective dates. All other 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. Rodriguez__ and upon roll call the following members voted:

AYE: Roger B. Jacobs

Ridgeley Hutchinson

Joshua Hodes

Louis Rodriguez

Katherine Ungar

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.

PRELIMINARY OFFICIAL STATEMENT DATED ________, 2014

NEW ISSUE | **Ratings: See "Ratings" herein**

BOOK ENTRY ONLY

In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") applicable to the Bonds and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Bonds, interest received by a holder of the Bonds will be excludable from gross income for federal income tax purposes and will not be treated as a preference item for purposes of the alternative minimum tax imposed on individuals or corporations; however, such interest is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax on such corporations. However, interest on the Bonds may become taxable retroactively if certain requirements under the code are not complied with. Under the laws of the State of New Jersey, as enacted and construed on the date of the original delivery of the Bonds, interest on the Bonds and gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a description of certain other provisions of the Code that may affect the federal tax treatment of interest on the Bonds.

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

$________*

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS,
MONTCLAIR STATE UNIVERSITY ISSUE
$________* SERIES 2014 A

[MSU Logo]

Dated: Date of Delivery | **Due: July 1, as shown on the inside cover**

The New Jersey Educational Facilities Authority, $________* Revenue Bonds, Montclair State University Issue, Series 2014 A (the "Bonds"), when issued, will be issued as registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of Bonds will be made in book-entry-only form in denominations of $5,000 or any integral multiple of $1,000 in excess thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as DTC is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants and Indirect Participants. See "DESCRIPTION OF THE BONDS — Book-Entry-Only System". The Bank of New York Mellon, Woodland Park, New Jersey (the "Trustee"), shall act as trustee, bond registrar and paying agent for the Bonds.

Interest on the Bonds will be payable on January 1 and July 1 of each year, commencing July 1, 2014.

The Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to maturity, as described herein.

The 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 Second Amended and Restated Resolution adopted by the New Jersey Educational Facilities Authority (the "Authority") on January 28, 2014 (the "Resolution") and a Trust Indenture dated as of [March] 1, 2014 (the "Trust Indenture") by and between the Authority and the Trustee. The proceeds of the Bonds, together with other available funds, will be used to provide funds to (i) pay the cost of refunding all or part of the Bonds to be Refunded (as defined herein), (ii) fund all or a portion of a project consisting of: (a) design, construction, equipping and furnishing of a new facility of approximately 143,000 square feet for the Public University's School of Business, including instructional and research facilities, offices, seminar/conference rooms, library/student (computer) facilities, and related support spaces, (b) design, construction, equipping and furnishing of a new facility of approximately 60,000 square feet, along with the redesign, renovation, furnishing and equipping of Morehead Hall, for the Public University's School of Communications and Media, (c) redesign, renovation, equipping and furnishing of College Hall, Partridge Hall and, if authorized by the Public University, a facility for programs in art and design and filmmaking, (d) design, construction, equipping and furnishing of a new environmental and life sciences facility of approximately 107,500 square feet, including instructional and research laboratories, research support and equipment rooms, incubator laboratories, offices, seminar/conference rooms and related support spaces and including demolition of the existing structure and (e) replacement and upgrade of wired and wireless electronic assets, (iii) pay capitalized interest on a portion of the Bonds and (iv) pay certain costs incidental to the issuance and sale of the Bonds.

The principal and redemption premium, if any, of and interest on the Bonds are payable solely from payments to be received by the Authority pursuant to a Lease and Agreement, dated as of [March] 1, 2014 (the "Agreement"), by and between the Authority and Montclair State University, and from funds and accounts held by the Trustee under the Trust Indenture.

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

1269043.v10

Draft of 1/27/14

LEASE AND AGREEMENT

BY AND BETWEEN

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

MONTCLAIR STATE UNIVERSITY

DATED AS OF

MARCH 1, 2014

RELATING TO THE SERIES 2014 A PROJECT, THE SERIES 1995 F PROJECT, THE SERIES 2002 F PROJECT, THE SERIES 2003 E PROJECT, THE SERIES 2003 L PROJECT AND THE SERIES 2006 A PROJECT

Draft of 1/24/14

ESCROW DEPOSIT AGREEMENT

between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent

Dated March __, 2014

With Respect to
Portions of the
New Jersey Educational Facilities Authority

Revenue Bonds, Montclair State University Issue, Series 2002 F
Revenue Bonds, Montclair State University Issue, Series 2003 E
Revenue Bonds, Montclair State University Issue, Series 2003 L
Revenue Bonds, Montclair State University Issue, Series 2006 A

Draft of 1/7/14

CONTINUING DISCLOSURE AGREEMENT

BY AND BETWEEN

MONTCLAIR STATE UNIVERSITY

AND

THE BANK OF NEW YORK MELLON,
AS DISSEMINATION AGENT

Dated as of March 1, 2014

Entered into with respect to the

$________ New Jersey Educational Facilities Authority
Revenue Bonds, Montclair State University Issue, Series 2014 A

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
Revenue Bonds
Montclair State University Issue,
Series 2014 A

CONTRACT OF PURCHASE

_________, 2014

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540-6612

Ladies and Gentlemen:

Barclays Capital, Inc. (the "Representative"), on behalf of ourselves and the underwriters named on the list attached hereto and incorporated herein by this reference as Schedule 1 (the Representative and said underwriters being hereinafter collectively referred to as the "Underwriters"), hereby offers to enter into this Contract of Purchase (this "Purchase Contract") with you, the New Jersey Educational Facilities Authority (the "Authority"), and Montclair State University (the "Public University"), which, upon your acceptance of this offer and upon execution hereof by the Authority and the Public University, will be binding upon the Authority, the Public University and the Underwriters. This offer is made subject to the acceptance by the Authority and the Public University at or prior to 6:00 P.M., prevailing Eastern time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Representative upon written notice delivered to the Authority at any time prior to acceptance hereof by the Authority. Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Trust Indenture (as defined herein).

1. **Purchase and Sale of the Bonds and Payment of Underwriters' Discount**. On the basis of the representations, warranties, covenants and agreements herein contained or referred to, but subject to the terms and conditions herein set forth, the Underwriters hereby agree to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriters, all (but not less than all) of its $__________ New Jersey Educational Facilities Authority Revenue Bonds, Montclair State University Issue, Series 2014 A, which are fixed rate, tax-exempt bonds (the "Bonds") to be issued under and pursuant to a Second Amended and Restated Resolution adopted by the Authority on January 28, 2014 (the "Resolution"), and a Trust Indenture, dated as of _________, 2014 (the "Trust Indenture"), by and between the Authority and The Bank of New York Mellon, as trustee (the "Trustee"), at an aggregate purchase price equal to $__________ (such purchase price reflecting Underwriters' discount of $________ and a net reoffering premium of $__________ in connection with the Bonds). The Bonds will be dated the date of issuance thereof and will be issued in the principal amounts, at interest rates and maturing on and having mandatory sinking fund payments due on the dates specified on the Pricing Summary attached as Exhibit A hereto and having the redemption provisions as set forth in the Trust Indenture.

Draft of 1/27/14

TRUST INDENTURE

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

THE BANK OF NEW YORK MELLON,
as Trustee

Dated as of March 1, 2014

Relating to

$________ New Jersey Educational Facilities Authority Revenue Bonds,
Montclair State University Issue, Series 2014 A

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPROVING THE POST-ISSUANCE COMPLIANCE POLICIES AND PROCEDURES FOR BONDS ISSUED PURSUANT TO CERTAIN STATE-BACKED REVENUE BOND PROGRAMS

Adopted: January 28, 2014

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") to provide a means for New Jersey public and private colleges and universities to construct facilities through the financial resources of a public authority empowered to sell tax-advantaged obligations; and

WHEREAS, The Authority is authorized to issue revenue bonds payable subject to appropriation by the legislature of the State of New Jersey (the "State") pursuant to the Higher Education Capital Improvement Fund Act, *N.J.S.A.* 18A:72A-72 *et seq.* ("CIF"); the Higher Education Equipment Leasing Fund Act, *N.J.S.A.* 18A: 72A-40 *et seq.* ("ELF"); the Higher Education Technology Infrastructure Fund Act, *N.J.S.A.* 18A:72A-59 *et seq.* ("HETI"); and the Higher Education Facilities Trust Fund Act, *N.J.S.A.* 18A:72A- 49 *et seq.* ("HEFT" and together with CIF, ELF and HETI, the "State-Backed Programs") to fund educational projects for New Jersey's public and private institutions of higher education; and

WHEREAS, Pursuant to a solicitation distributed by the Secretary of Higher Education (the "Secretary") in January, 2013, many of New Jersey's public and private institutions of higher education applied for funding for educational projects pursuant to the State-Backed Programs; and

WHEREAS, On April 29, 2013, the Secretary certified the list of approved projects and award amounts (the "Projects") for the New Jersey public and private institutions of higher education (collectively, the "Grantees") pursuant to the State-Backed Programs; and

WHEREAS, The Secretary submitted the list of Projects to the New Jersey State Legislature (the "Legislature") and, in the case of Projects to be funded by ELF and HETI submitted the list of those Projects to the Joint Budget Oversight Committee of the Legislature ("JBOC") for review during the applicable prescribed periods; and

WHEREAS, Neither the Legislature nor JBOC, as applicable, acted affirmatively to disapprove the Projects during the prescribed review periods and the Projects for the Grantees are all officially approved; and

WHEREAS, The Authority, in consultation with the Treasurer of the State of New Jersey (the "Treasurer") expects to issue tax-exempt revenue bonds under the State-Backed Programs to fund the Projects for the Grantees; and

WHEREAS, In connection with enforcement activities, the Internal Revenue Service ("IRS") has encouraged issuers of federally tax-exempt bonds or other tax-advantaged bonds (collectively, "Tax-advantaged Bonds") to adopt policies and procedures in order to facilitate compliance with federal tax laws, rules and regulations and has provided guidance to issuers regarding matters to be addressed in such policies and procedures; and

WHEREAS, The IRS currently asks issuers to disclose whether the issuers have written post-issuance compliance policies and procedures in filings related to the issuers' Tax-advantaged Bonds; and

WHEREAS, The IRS has established a program allowing issuers to correct deficiencies in compliance under which penalties for noncompliance may be reduced if an issuer has adopted written post-issuance compliance procedures which satisfy certain IRS guidelines; and

WHEREAS, The Members of the Authority, with respect to the Authority's revenue bonds issued on a conduit basis on behalf of public and private colleges, have previously implemented written post-issuance compliance policies and procedures following IRS guidelines in the "New Jersey Educational Facilities Authority Post-Issuance Compliance Policy For Tax-Advantaged Obligations"; and

WHEREAS, The Authority has determined, in consultation with the Treasurer, the State Attorney General and bond counsel, that it is advisable to clarify the policies and procedures applicable to the Tax-advantaged Bonds issued pursuant to the State-Backed Programs in a separate written document; and

WHEREAS, The Members have determined to approve and adopt written post-issuance compliance policies and procedures for Tax-advantaged Bonds issued pursuant to the State Backed-Programs and Authority staff has advised the Members that it is advisable to approve and implement such policies and procedures;

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

Section 1. The Authority hereby approves and adopts the "New Jersey Educational Facility Post-Issuance Compliance Policies and Procedures for Bonds Issued Pursuant to the Within Defined State-Backed Programs" (the "Procedures") in the form attached hereto as Exhibit A.

Section 2. The Authority hereby authorizes and directs the Executive Director, in consultation with the Treasurer, the Attorney General and bond counsel, to amend the Procedures in order to comply with changes in federal tax law and in post-issuance compliance policies and procedures announced by the IRS. The Executive Director is also authorized, in consultation with the Treasurer, the Attorney General and bond counsel, to amend the Procedures as the Executive Director determines will make implementation of the Procedures more efficient from an administrative standpoint.

Section 3. The Authority hereby authorizes and directs the Executive Director to take all necessary and appropriate action to implement the Procedures.

Section 4. All prior actions taken in developing the Authority's Procedures and in consolidating them in the Procedures are hereby ratified and confirmed.

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

____ Ms. Ungar___ 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
Louis Rodriguez
Katherine Ungar
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
Post-Issuance Compliance Policies and Procedures For Bonds Issued Pursuant to the Within Defined State-Backed Programs

Policy Sections *Page*

Purpose

These Post-Issuance Compliance Policies and Procedures (the "Procedures") apply to tax-advantaged bonds (the "Bonds") issued by the New Jersey Educational Facilities Authority (the "Authority") pursuant to the Higher Education Fund Capital Improvement Fund Act, N.J.S.A. 18A:72A-72 *et seq.* ("CIF"); the Higher Education Equipment Leasing Fund Act, N.J.S.A.18A: 72A-40 *et seq.* ("ELF"); the Higher Education Technology Infrastructure Fund Act, N.J.S.A.18A:72A-59 *et seq.* ("HETI"); and the Higher Education Facilities Trust Fund Act, N.J.S.A. 18A: 72A- 49 et seq. ("HEFT" and together with CIF, ELF and HETI, the "State-Backed Programs"). Bonds are issued by the Authority pursuant to the State-Backed Programs to provide grants to New Jersey's public and private institutions of higher education (the "Institutions") to fund educational projects or to finance the acquisition by the Institutions by lease of educational equipment (collectively, the "Grants"). The Policy is designed to monitor compliance of the Bonds with applicable provisions of the Internal Revenue Code of 1986 as amended (the "Code") and regulations promulgated thereunder ("Treasury Regulations").

The Authority recognizes that compliance with applicable provisions of law is an ongoing process, necessary during the entire term of the Bonds. Accordingly, analysis of information and implementation of these Procedures will require continual monitoring and likely, ongoing consultation with bond counsel. Further policies and procedures may be identified from time to time by Authority staff in consultation with bond counsel, the State Treasurer and the State Attorney General.

Financing Program

Pursuant to the State-Backed Programs, Grants are provided to the Institutions for projects approved by the New Jersey Secretary of Higher Education (the "Secretary") and reviewed by the New Jersey State Legislature (the "State Legislature"). The Bonds issued by the Authority are the source of funding for the Grants approved by the Secretary pursuant to the State-Backed Programs. Bonds issued pursuant to each State-Backed Program (other than HEFT) are secured by a contract with the State Treasurer to pay principal of and interest on such bonds subject to appropriations being made, from time to time, by the New Jersey State Legislature and in the case of HEFT, by a pledge and lien on the Higher Educational Facilities Trust Fund, subject to appropriations being made to the Higher Education Facilities Trust Fund, from time to time, by the State Legislature.

Policy Statement

After the Bonds are issued, the compliance process focuses on use and investment of proceeds of the Bonds and includes:

- Tracking Bond proceeds spending for qualified and nonqualified purposes;
- Maintaining detailed records of expenditures and investments;
- Ensuring that the facilities financed are used in a manner consistent with the Bond documents and federal tax law requirements and, if not, proper remedial actions are utilized to maintain federal tax law compliance;
- Maintaining adequate records.

Policy Sections

I. Organizational Responsibility

The Executive Director of the Authority has overall responsibility for post-issuance compliance for the Bonds and may delegate such responsibilities to a "Compliance Officer" who will have primary responsibility for post-issuance compliance to ensure and monitor post-issuance matters with respect to Bonds. The Compliance Officer is initially the Director of Risk Management and the Executive Director is responsible for assuring an adequate succession plan for transferring post-issuance compliance responsibility when changes in Authority staff occur.

The Authority's Accounting Department shall review requisitions received from Institutions: (a) to assure that proceeds of the Bonds are expended on projects authorized by the Secretary as reflected in the Secretary's certification and in the applicable Bond documents; (b) to assure that reimbursement of pre-issuance costs are permissible, and (c) to determine when projects are completed and/or placed in service. Where required by Bond documents, the Accounting Department shall also direct investment of proceeds, review monthly bank statements from trustees or custodians and engage a Rebate Service Provider for each issue of Bonds and provide copies of written reports to the Compliance Officer, the Institutions to the extent the Institutions need such information for reporting or compliance at the institutional level, the State Treasurer or his/her designee and the Secretary or his/her designee. The Accounting Department will consult with the Compliance Officer if questions arise relating to the foregoing matters.

The Compliance Officer shall work with the Institutions to provide information and training on developing and implementing post-issuance compliance policies and procedures, tracking expenditures, allocating sources of funding between Bond proceeds and other funds, identifying and monitoring private use and reviewing rebate reports.

II. Tracking Expenditures and Use of Bond-Financed Facilities

The Authority's Bond documents shall require the Institutions to maintain records regarding the use and allocation of bond proceeds and other sources of funding for financed facilities. In cases where the Institution submits requisitions to the Authority, the Authority's Accounting Department shall maintain copies of approved requisitions and copies of invoices. Requisitions must be accompanied by copies of invoices for Contractor/Architect/Engineering bills and any other items over $10,000 before being approved; provided however, that the Authority reserves the right to request invoices for items less than $10,000 as necessary.

For bonds issued after the date of these Procedures, the Authority's Bond documents require the Institutions to monitor the application and use of Bond proceeds and Bond financed facilities on an ongoing basis and at least annually to inform the Authority of events relating to use of bond proceeds and financed facilities which may result in private use or other issues which must be analyzed for compliance with federal tax laws. The Bond documents also require the Institutions to cooperate with the Authority in seeking advice from bond counsel and tax remediation, if necessary. The Authority will require the Institutions to review use and expenditure of Bond proceeds with the Authority at least once during a selected 12-month period (the "Annual Compliance Period"). The Compliance Officer will work with the Institutions and bond counsel, if necessary, to assist in making a final allocation of expenditures for a Bond-financed project when required under the Code and applicable regulations. The Authority will send an annual certification to the Institutions during each Annual Compliance Period, asking for updated information about use of Bond-financed facilities and other appropriate matters.

III. Private Business Use and Payments

Private business use ("PBU") refers to the use of bond-financed property (a) in a trade or business by any person other than a state or local governmental entity in the case where the Institution receiving financing through a State-Backed Program is a public college and (b) in a trade or business by any person other than a state or local governmental entity or a 501(c) (3) entity or in an unrelated business of an 501(c)(3) entity in a case where the Institution receiving financing through a State-Backed Program is a 501(c)(3) entity.[1] The Bonds will be issued either as governmental bonds or as qualified 501(c)(3) bonds[2]. The Bonds may lose their tax advantaged status if more than a specified percentage[3] of the proceeds (in the case of governmental bonds) or net proceeds[4] (in the case of qualified 501(c)(3) bonds) of the bond issuance are used for any private business use and are repayable or secured by "private business payments". Because the IRS considers the use of bond proceeds to finance bond issuance costs of 501(c)(3) entities as PBU, the allowable PBU percentage is reduced by the cost of issuance percentage[5].

Special legal entitlements to property financed with Bonds can give rise to PBU. Special legal entitlements include leases of financed property, management contracts, sponsored research agreements, naming rights, licenses of facilities for use by cell phone service providers, energy providers and the like. Typical examples of PBU in a college setting often include food service contracts, book store contracts, private research and summer camps if they don't meet certain safe-harbors which are set out in IRS Revenue Procedures 97-13 and 2007-47. In addition, IRS regulations provide exceptions to PBU for certain short term and incidental use arrangements.

The Authority's Bond documents require the Institutions to report and certify to the Authority annually about the use of the Bond-financed facilities, any additions or changes that may have occurred and cooperate with the Authority in determining whether there is PBU that may adversely affect the tax-exempt status of the Bonds and take appropriate remedial action.

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1 Use of a bond financed facility by the federal government will always result in PBU.
2 It is an additional requirement for qualified 501 (c) (3) bonds that the financed facilities be owned by either a governmental entity or a 501 (c)(3) entity over the entire term of the issue.
3 The specified percentage is in the case of governmental bonds, 10%, unless the private business use is unrelated or disproportionate to the governmental use, in which case the limit is reduced to 5%. In the case of qualified 501(c) (3) bonds, the percentage is 5%. These tests will be applied to each issue of Bonds as directed by bond counsel for that issue. Furthermore, the Authority will determine at the time of issuing a series of Bonds if the allowable percentage of private use is available to each participating Institution or if a specific percentage of allowable private use will be permitted only to certain Institutions that request private use of the bond financed project.
4 Under IRC section 150(a)(3), "net proceeds" means the proceeds of the issue (which generally means the sale proceeds plus investment proceeds less proceeds held in a reasonably required reserve fund).
5 IRC Section 147(g) limits the amount of bond proceeds that may be applied to finance the costs associated with the issuance of qualified 501(c)(3) bonds to 2% of the proceeds of the Bond issue.

IV. Record Retention

The Bond documents require the Institutions to maintain all relevant records relating to the Bonds. In addition, the Authority will retain documents it receives directly from the Institutions or third parties. These documents include closing transcripts, investment and other agreements to which the Authority is a party, bank statements, rebate reports and requisitions. Both the Institutions and the Authority shall maintain records for the length of time required to comply with IRS regulations and other pronouncements. Currently, records of issuance and related post issuance compliance documentation must be maintained for the life of the bond issue, plus any refunding, plus three (3) years.

Basic records relating to the Bonds include the transcript and relevant IRS Form 8038, as well as documentation evidencing the:

- Expenditures and investment of bond proceeds;
- Use of debt-financed property; and
- Sources of payment or security for the bonds.

The Authority will rely on the Institutions for specific records relating to application of Bond proceeds and possible private business use.

V. Arbitrage and Rebate

The Bonds will lose their tax-advantaged status if they are classified as "arbitrage bonds." In general, arbitrage is earned when the gross proceeds of a bond issue are used to acquire investments that earn a yield that is "materially higher" than the yield on the bonds issued. The Code contains two separate sets of requirements that must be complied with to ensure that Bonds are not arbitrage bonds. They are:

- Yield Restriction requirements, which generally provide that in the absence of an applicable exception, Bond issue proceeds may not be invested at a yield in excess of the bond yield unless yield reduction payments can be made or, if yield reduction is unavailable, the temporary period/yield restriction rules shall apply; and
- Rebate requirements, which generally provide that when arbitrage is earned on an issue in excess of permitted amounts, unless an exception is met, the excess earnings must be paid periodically to the U.S. Department of Treasury, even if an exception to the yield restriction requirements applies.

The Authority will invest Bond proceeds in investments permitted under the Bond documents. The Authority will engage the services of an Arbitrage Compliance Servicer, as necessary, to provide written reports to assist the Authority, the State Treasurer, the Secretary and the Institutions to the extent necessary for the Institutions to satisfy reporting or compliance requirements at the institutional level. The Compliance Officer will work with the Accounting Department, the Arbitrage Compliance Servicer and to the extent necessary, each Institution, in order for the Arbitrage Compliance Servicer to perform calculations and prepare its report accurately.

VI. Continuity and Training

The Compliance Officer will receive periodic training regarding the tax and other requirements applicable to Bonds and provide periodic training to Authority staff with responsibilities relating to the procedures set forth above. Such training will cover the purposes and importance of these procedures. The Compliance Officer will also interact with and train or provide information about training to applicable representatives of the Institutions.

To provide for continuity of compliance with post-issuance tax compliance requirements, the Authority will periodically review these Procedures to assure that it comports with current federal tax law.

VII. Remedial Action

Authority Bond documents require that the Institutions notify the Authority of events which may affect the permissible use and expenditure of bond proceeds or financed projects and to cooperate with the Authority in seeking remedial action with respect to such events. The Compliance Officer, either directly or through workshops and conferences, will interact with the Institutions to inform them about private use, changes in use and other events under the Code relating to tax compliance and which could necessitate remedial action pursuant to Treasury Regulations 1.141-12 or 1.145-2 or seeking a Voluntary Closing Agreement (VCAP) with the IRS.

VIII. Post-Issuance Obligations of the Institutions.

The Authority, in the Bond documents, requires each Institution to implement written post-issuance policies and procedures (each an "Institution's Policy"). Each Institution's Policy must:

- Identify the compliance activities to be undertaken including

- Tracking and allocation of Grant[6] proceeds
- Investment of Grant proceeds and computation of yield and rebate (to the extent required of the Institution in Bond documents)
- Monitoring use of the Bond financed facilities
  - Identifying any use by "non-governmental parties"
  - Identifying any new contracts or arrangements or changes in existing arrangements

- Designate a central compliance officer responsible for coordinating all compliance activities within the Institution and between the Institution and the Authority, the Secretary and the State Treasurer.
- Assign specific compliance tasks to individual officers and/or employees
- Require and describe training to be provided to the assigned individuals including, without limitation training in identifying potential violations of federal tax rules applicable to the Bonds and possible avenues of remediation
- Require completion of the compliance tasks at least once a year including allocation of bond proceeds and use of bond financed facilities (the "Compliance Review")
- Require that the central compliance officer report the results of the annual Compliance Review to the Authority and require that all individuals with compliance responsibilities cooperate with the Authority, the Secretary and the State Treasurer in analyzing any PBU or other tax issues and in deciding upon and effecting remediation
- Require (a) identification of all records relating to the Bonds necessary to substantiate compliance with all applicable federal tax rules and (b) retention of all such records by the Institution for the period or periods required to be maintained - generally at least three (3) years after full payment of the Bonds or refunding Bonds

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[6] Use of the term "Grants" also refers to "Leases" in the case of funding provided under ELF.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING AND CONSENTING TO THE FIRST AMENDMENT TO THE POWER PURCHASE AGREEMENT WHICH EXTENDS THE SOLAR ENERGY PROJECT AT RAMAPO COLLEGE OF NEW JERSEY TO INCLUDE CERTAIN ADDITIONAL AUTHORITY OWNED AND FINANCED PROJECTS

January 28, 2014

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 pursuant to the Act, the Authority assisted Ramapo College of New Jersey (the "College") in the financing and refinancing, respectively, of the construction of the Pamela M. Bischoff Hall, the Nancy Mackin Residence Hall and the Bill Bradley Sports and Recreation Center (the "Subject Projects") through the issuance of various bonds including the Authority's outstanding Revenue Refunding Bonds, Ramapo College of New Jersey Issue, Series 2003 H; the Revenue Refunding Bonds, Ramapo College of New Jersey Issue, Series 2006 I; and the Revenue Bonds, Ramapo College of New Jersey Issue, Series 2012 B (collectively, the "Authority Bonds"); and

WHEREAS, as security for repayment by the College of the Authority Bonds, the Authority has title to the parcels of land for the Subject Projects and leases the Subject Projects to the College pursuant to Lease and Agreements by and between the Authority and the College dated as of October 1, 1999, as amended as of January 15, 2004; November 6, 2006 and June 1, 2012 (collectively, the "Leases"); and

WHEREAS, the College, in accordance with a resolution adopted by the Authority on September 27, 2011 (the "Resolution"), entered into a Power Purchase Agreement dated as of May 15, 2013 (the "Agreement") with Ramapo Solar, LLC (the "Provider") for the design, construction, installation, operation and maintenance of a photovoltaic electrical generation system (the "System") on the campus of the College to supply electricity to the College at favorable pricing rates (the "Output"); and

WHEREAS, in order to increase the Output of the System to be used by the College, the Provider has proposed extending the System to portions of the roofs of the Bill Bradley Sports and Recreation Center, Nancy Mackin Hall and Pamela M. Bischoff Hall (the "Additional Sites") which are presently owned by the Authority and financed and/or refinanced by the Authority Bonds and leased back to the College pursuant to the terms of the Leases, respectively; and

WHEREAS, the College Board of Trustees has approved an amendment of the existing Agreement ("First Amendment") to extend the System to the Additional Sites and has requested that the Authority, as owner and lessor of the Subject Projects which are the Additional Sites, consent to the College's entering into the First Amendment; and

WHEREAS, the College has advised the Authority that the System will provide solar power that is considered a renewable source and the increase of the Output from the System is in keeping with the College's commitment to reduce its carbon footprint and the College's strategic goal to reduce its energy costs; and

WHEREAS, the Authority has determined that it is advisable to consent to the College's entering into the First Amendment as requested by the College and authorizes the execution and delivery by the Authority of any additional agreements, assignments, easements, rights of access, encumbrances, subleases, permits and licenses that are deemed necessary in order for the Provider to construct, install, operate and maintain the extension to the System on the Additional Sites (the "Necessary Agreements").

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

Section 1. Approval of First Amendment to the Existing Power Purchase Agreement.

The Authority hereby approves and consents to the College's execution of the First Amendment substantially in the form attached hereto as Exhibit A and hereby authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Director of Risk Management, Secretary or any Assistant Secretary of the Authority (each an "Authorized Officer") to acknowledge and consent to First Amendment with such changes as shall be approved by an Authorized Officer with the advice and opinion of bond counsel, if necessary, and the Attorney General of the State, such execution and delivery to be deemed conclusive evidence of the approval thereof.

Section 2. Authorization of Approvals, Easements, Access and Consents.

The Authority, in accordance with the terms and provisions of the Leases for the Authority Bonds and the Agreement, including advice from bond counsel if deemed necessary prior to the consent of the First Amendment, hereby approves and consents to the Authorized Officers execution and delivery of any Necessary Agreements related to the implementation of the extension of the System.

Section 3. Authorization of Action by Authorized Officers.

The Authority hereby authorizes and directs the Authorized Officers to take any and all such other actions as may be necessary or appropriate to implement the extension of the System and the Necessary Agreements. Any Authorized Officer, Secretary and an Assistant Secretary of the Authority are authorized to execute, attest and affix the official common seal of the Authority, as applicable, to the First Amendment and any and all Necessary Agreements.

Section 4. <u>Prior Actions Ratified; All Other Necessary Action Authorized.</u>

Any and all prior actions taken by the Authority in connection with the entry into the First Amendment are hereby ratified and confirmed. The Authorized Officers are each hereby authorized and directed to undertake any and all actions necessary to execute and deliver any other consents, agreements, documents, certificates, directions, amendments and notices as may be necessary, advisable, or appropriate to effect action and the taking of any such action, and the execution and delivery of each such consent, agreement, documents, certificates, directions and notices shall be conclusive evidence of the approval thereof by the Authorized Officer taking such action and of its necessity, advisability or appropriateness.

Section 5. Effective Date.

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

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

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Joshua Hodes
Louis Rodriguez
Katherine Ungar
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.

FIRST AMENDMENT TO SOLAR POWER PURCHASE AGREEMENT

This First Amendment to Solar Power Purchase Agreement ("1st Amendment"), is dated as of ______ __, 2014, by and between Ramapo Solar, LLC, a New Jersey limited liability company with an address of 3000 Atrium Way, Suite 261, Mt. Laurel, New Jersey 08054 ("Power Provider"), and Ramapo College of New Jersey, a State college established by the State of New Jersey with an address of 505 Ramapo Valley Road, Mahwah, New Jersey 07430 ("Host Customer"). Power Provider and Host Customer may be referred to herein, individually, as a "Party" and, together, as the "Parties."

Recitals

A. The Host Customer is a State college established by the State of New Jersey pursuant to *N.J.S.A.* 18A:64-1 *et seq.*, and as defined by *N.J.S.A.* 18A:3B-3.

B. Power Provider and Host Customer are parties to a certain P3 Project Agreement, dated as of May 15, 2012, which was subsequently amended by Amendment #1, dated as of July 15, 2012; by Amendment #2, dated as of February 1, 2013; by Amendment #3, dated as of May 31, 2013; and by Amendment #4 , dated as of August 31, 2013 (the "P3 Agreement").

C. Power Provider and Host Customer entered into a certain Solar Power Purchase Agreement as of May 15, 2012 (the "Power Purchase Agreement") which was incorporated into the P3Agreement as Attachment A.

D. Pursuant to the terms and conditions set forth in the P3 Agreement and the Power Purchase Agreement, Power Provider has arranged, at its cost and expense, for the design, construction, installation, operation and maintenance of a photovoltaic electricity generation (PV) system (the "System") to be located on the Campus of the Host Customer.

E. Power Provider will deliver Output from the System to Host Customer at the Campus, and Host Customer will purchase from Power Provider the Output, during the Term pursuant to the terms and conditions set forth in the Power Purchase Agreement.

F. To increase the Output of the System, Power Provider and Host Customer hereby agree to include additional solar arrays to be installed on the roofs of three buildings on the Campus which the Host Customer leases from the owner of the real property, the New Jersey Educational Facilities Authority ("NJEFA"), specifically: (i) Nancy Mackin Hall; (ii) Pamela M. Bischoff Hall; and (iii) the Bill Bradley Sports & Recreation Center; (collectively, the "NJEFA Buildings").

G. Construction and installation of any portion of the System on the roofs of the NJEFA Buildings requires NJEFA consent through action by the NJEFA at a public meeting and expiration of the Governor's veto period applicable thereto, pursuant to *N.J.S.A.* 18A:72A-4(i). The Effective Date of this Amendment #1 shall be established by attaching a certified copy of the applicable NJEFA resolution hereto as Exhibit Z.

Terms

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged by the Parties, intending to be legally bound hereby, the Parties hereby agree to amend the terms of the Power Purchase Agreement as follows:

Definitions

All terms capitalized herein and not defined herein shall have the meanings set forth in the P3 Agreement and the Power Purchase Agreement.

Agreement

1. This 1st Amendment to the Power Purchase Agreement shall be effective and binding upon the Parties upon: i) approval through action by the NJEFA at a public meeting, ii) NJEFA's written consent in accordance with the terms of the approved resolution, and either iii) receipt of the Governor's approval of that action, or iv) expiration of the Governor's veto period applicable thereto without disapproval, as set forth in *N.J.S.A.* 18A:72A-4(i). The Parties agree that the Effective Date of this Amendment #1 shall be established by attaching Exhibit Z - a certified copy of the NJEFA approval action hereto and incorporating it herein by reference.

2. The System shall include rooftop solar arrays to be installed on the roofs of the NJEFA Buildings. The Premises Description (Exhibit A) is hereby amended to include these additional locations; and the Parties agree that Exhibit A - #1 (attached hereto) shall be substituted for Exhibit A and incorporated by reference into the Power Purchase Agreement and the P3 Agreement.

3. The Power Purchase Agreement, Paragraph A-15 (Roof Maintenance and Replacement) subparagraph (d), first sentence, is hereby amended and modified as follows:

   "d) If any scheduled Repair Events or emergency roof repairs by the Host Customer require the Power Provider to disconnect or suspend operation of a portion of the roof-mounted System previously installed on one or more of the roofs of the buildings identified in the Premises Description (Exhibit A - #1 attached hereto) for more than a cumulative period of forty-five (45) days in any calendar year during the Term of this Agreement (the "Repair Threshold"), …"

4. Paragraph B-3 (Installation and Operation of System) of the Power Purchase Agreement is hereby amended and supplemented to include subparagraph (k) as follows:

k) The Power Provider acknowledges its obligation to modify its System design, size and/or location on the roofs of the NJEFA Buildings to the extent necessary to deliver a System which fully complies with the requirements of the Host Customer's property insurer and the laws and regulations of the New Jersey Department of Community Affairs. Before installing any portion of the System upon the roofs of the NJEFA Buildings, Power Provider shall have obtained from Host Customer's roofing manufacturer ("Roof Manufacturer – NJEFA Buildings") a written acknowledgment in a form and substance satisfactory to Host Customer and Power Provider, stating that the installation of the System on the roofs will not void any warranties given by the Roofing Manufacturer- NJEFA Buildings; provided, however, that if said written acknowledgement cannot be obtained, Power Provider shall modify the final System design by eliminating roof-mounted solar arrays on the NJEFA Buildings, to the extent necessary to preserve the roofing warranties.

5. Except as amended by the terms of this Amendment, the Power Purchase Agreement shall remain in full force, unaltered in any manner.

6. The Parties acknowledge that they have jointly prepared and agreed to this 1st Amendment. No rule of construction or interpretation that would operate to construe or interpret any term of this 1st Amendment against the Party providing such term shall apply.

7. This 1st Amendment may be executed in counterparts with the same effect as if the signatures to this 1st Amendment were upon the same instrument. Each counterpart will be deemed an original which, taken together with all other counterparts, shall constitute a single instrument. This 1st Amendment may be executed and delivered by electronic means, including facsimile transmission and electronic mail.

8. This 1st Amendment may not be amended or otherwise modified or altered except by the addition of Exhibit Z as provided in Paragraph 1 above, or in a writing signed by both Parties.

9. The terms and provisions of this 1st Amendment and the respective rights and obligations thereunder of each Party, shall be binding and inure to the benefit of the Parties and their respective successors and permitted assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each Party has duly executed and delivered this First Amendment to the Power Purchase Agreement.

HOST CUSTOMER:

Ramapo College of New Jersey

By:______________________
Name: ____________
Title: ____________
Date: ________________

Witness:

____
Name:
Date:

POWER PROVIDER:

Ramapo Solar, LLC

By:______________________
Name:________________
Title: _______________
Date: ________________

Witness:

____
Name:
Date:

This First Amendment has been reviewed and approved as to form by John J. Hoffman Acting Attorney General of the State of New Jersey

By: _____________________
Sarah T. Darrow
Deputy Attorney General

Consented to:

New Jersey Educational Facilities Authority

By:______________________
Derek S. Hansel
Executive Director

<u>Attachments</u>

Exhibit A - #1 – Amended Premises Description

Exhibit Z – NJEFA Resolution (to be attached following NJEFA action and expiration of the Governor's veto period)

EXHIBIT A - # 1

AMENDED PREMISES DESCRIPTION

"Premises" means that part of the main campus of Ramapo College of New Jersey (the "Campus") located at 505 Ramapo Valley Road, Mahwah, Bergen County, New Jersey 07430, being limited to those portions of Block 18, Parts of Lot 3, on the tax map of Mahwah Township, Bergen County, New Jersey, as follows:

a. South Parking Lots: A1, A2, A3, B1, B2, B3, C1, C2, C3, D1 and D2; all located on real property owned by the College and/or the State of New Jersey;

b. Berm (vacant land) bordering Route 202 at the South Entrance and adjacent to the Student Health Services building; located on real property owned by the State of New Jersey[1] for higher education purposes;

c. Roof areas (extent to be determined) of the buildings in the Academic Complex - Wings A-E, and the Library, and those means of ingress and egress to and within these buildings necessary and appropriate to provide access to those portions of the roofs upon which the System is to be constructed, maintained, controlled and operated by the Power Provider; these specific buildings are located on real property owned by the College;

d. <u>Roof areas (extent to be determined) of three buildings on the Campus leased by the Host Customer from the owner of the real property, the New Jersey Educational Facilities Authority ("NJEFA"), specifically: (i) Nancy Mackin Hall; (ii) Pamela M. Bischoff Hall; and (iii) the Bill Bradley Sports & Recreation Center; (collectively, the "NJEFA Buildings") and those means of ingress and egress to and within the NJEFA Buildings necessary and appropriate to provide access to those portions of the roofs upon which the System is to be constructed, connected, maintained, controlled and operated by the Power Provider, subject to the approval of the Host Customer and consent of the NJEFA</u>.

e. Trench runs from portions of the System to Point of Interconnection (main switchgear) and Electrical Interconnection Facilities connecting the System with both the Host Utility and the Host System; to be located on land owned by the State of New Jersey pursuant to an Easement Agreement between the Power Provider and the State of New Jersey; a Deed of Easement to be recorded upon construction completion; and

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[1] Although Route 202 is a state highway, these Agreements do not grant to the Power Provider any rights to use or control land within the right –of- way of this state highway, or adjacent thereto, which real property is owned by the N.J. Department of Transportation, or held by the State of New Jersey <u>for transportation purposes.</u>

f. Trench runs across property owned by the New Jersey Educational Facilities Authority (and leased to the College for the NJEFA Buildings) required for connection of portions of the System with the Host Utility and the Host System (which Point of Interconnection is located on real property owned by the State of New Jersey) pursuant to an Easement Agreement between the Power Provider and the New Jersey Educational Facilities Authority; a Deed of Easement to be recorded upon construction completion; and

g. Those specified areas of the Campus where temporary or intermittent access by the Power Provider shall be permitted, with prior written approval by the College, for good cause, such as for storage, parking, or for staging, construction, reconstruction, repair or demolition of the System.

All access to and use of the Premises by the Power Provider shall be governed by the Premises Access Rules (See Power Purchase Agreement, Exhibit H) and shall be conducted so as to minimize interference with the operations of the Host Customer, its invitees, agents and contractors. With the written consent of the Contracting Officer, portions of the Premises may be fenced (temporarily or permanently) at the expense of the Power Provider, and access thereto restricted to authorized persons, when and where necessary to protect public health and safety.

EXHIBIT IV

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 • FAX 609-987-0850 • dhansel@njefa.com

DEREK S. HANSEL
Executive Director

BOND SALE SUMMARY

Borrower: The College of New Jersey, Ewing, New Jersey

Issue: Series 2013 A

Amount: $24,950,000

Purpose: To provide funds to finance: (i) demolition of an existing academic building (Holman Hall), including all site clearance, site work and utility upgrades; (ii) the construction, equipping and furnishing of a new STEM academic facility, including all related utility and site work; (iii) renovation, equipping and furnishing of the existing STEM facilities; (iv) funding capitalized interest on the Bonds (defined below) for approximately twenty-four (24) months; and (v) paying certain costs incidental to the issuance and sale of the Bonds.

Structure: Negotiated; Fixed Rate

Final Maturity: July 1, 2043

Interest Rate: 4.62%

Closing: December 18, 2013

Professionals on the Transaction:

Bond Counsel:	McCarter & English, LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Underwriter:	Citigroup Global Markets, Inc.
Underwriter's Counsel:	Parker McCay, P.A.
Trustee:	U.S. Bank, National Association
Trustee Counsel:	Hartman & Winnicki, P.C

EXHIBIT V

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 • FAX 609-987-0850 • dhansel@njefa.com

DEREK S. HANSEL
Executive Director

BOND SALE SUMMARY

Borrower: Princeton University, Princeton, New Jersey

Issue: 2014 Series A

Amount: $200,000,000

Purpose: To provide funds to finance: (i) in whole or in part, the costs of the acquisition, construction, renovation and installation of certain capital assets to be located at or near the University's main campus in Princeton, New Jersey, at its Forrestal Campus in Plainsboro, New Jersey, or at its administrative building at 701 Carnegie Center in West Windsor, New Jersey consisting of (a) the renovation and repair of various University buildings and other facilities, including utility systems, roads, grounds and parking, (b) the purchase of capital equipment for academic departments and administrative and supporting units, (c) the construction of academic, administrative and/or student related capital facilities, and (d) the acquisition of land; (ii) the refunding of a portion of the Authority's Princeton University Commercial Paper Notes, Series 2012A (Tax-exempt); (iii) the refunding of a portion of The Trustees of Princeton University Taxable Commercial Paper Notes; and (iv) the payment of certain costs incidental to the sale and issuance of the 2014 Series A Bonds, including deposits to certain funds created under the Resolution.

Structure: Competitive, Fixed Rate

Final Maturity: July 1, 2044

Interest Rate: 3.77%

Closing: January 16, 2014

Professionals on the Transaction:

Bond Counsel:	McCarter & English, LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Borrower's Counsel:	Ballard Spahr LLP
Borrower's Financial Advisor:	The Yuba Group
Winning Bidder:	Bank of America Merrill Lynch
Trustee:	The Bank of New York Mellon
Trustee Counsel:	McManimon, Scotland & Baumann, LLC

EXHIBIT VI

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

103 College Road East • Princeton, New Jersey 08540
phone 609-987-0880 • fax 609-987-0850 • dhansel@njefa.com

Derek S. Hansel
Executive Director

BOND SALE SUMMARY

Borrower:	Fairleigh Dickinson University, Teaneck, New Jersey
Issue:	2014 Series B
Amount:	$51,925,000
Purpose:	To provide funds to finance: (a) the current refunding of all or a portion of the Authority's $63,650,000 original principal amount of Revenue Bonds, Fairleigh Dickinson University Issue, 2002 Series D (the "2002 Bonds") b) finance a debt service reserve fund (the "Debt Service Reserve Fund") and (c) finance the payment of certain costs of issuance incurred in connection with the issuance of the Bond (the "Costs of Issuance").
Structure:	Direct Placement, 15 year Fixed Rate; Variable rate thereafter
Final Maturity:	July 1, 2032
Interest Rate:	3.65%
Net Present Value Savings:	$ 6,497,005.77
Closing:	January 16, 2014

Professionals on the Transaction:

Bond Counsel:	McManimon, Scotland & Baumann, LLC
Authority's Counsel:	Attorney General of the State of New Jersey
Borrower's Counsel:	Boyar, Suozzo & Motyczka, P.A.
Borrower's Financial Advisor:	Prager & Co., LLC
Purchaser:	TD Bank, N.A.
Purchaser's Counsel:	Windels, Marx, Lane & Mittendorf, LLP

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY 2013 BUDGET VARIANCE ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013

Executive Summary

The NJEFA concluded 2013 with unaudited net operating income in the amount of $945,843, based on revenues of $3,191,401 and expenses of $2,245,558. As a result, unaudited net operating income is higher than budgeted by $684,252. This difference is a result of less than budgeted expenses in the amount of $798,269, partially offset by lower than expected revenues in the amount of $114,017.

Revenues

Revenues were below the budgeted amount for the year due to less than expected bond issuance activity.

Expenses

Operating expenditures for 2013 were favorable as compared to budget by $798,269. Most of the line items display positive deviations and are primarily the result of staff vacancies and below budgeted Professional Services.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
DECEMBER 2013
UNAUDITED

	Twelve Months Ended December 31, 2013		
	Actual	**Budget**	**Variance**
Operating Revenues			
Annual Administrative Fees	$ 2,950,635	$ 2,992,718	$ (42,083)
Initial Fees	236,778	310,000	(73,222)
Investment Income	3,988	2,700	1,288
	$ 3,191,401	$ 3,305,418	$ (114,017)
Operating Expenses			
Salaries	$ 1,074,192	$ 1,328,250	$ 254,058
Employee Benefits	396,426	499,377	102,951
Provision for Post Ret. Health Benefits	181,704	181,700	(4)
Office of The Governor	21,779	26,000	4,221
Office of The Attorney General	124	56,000	55,876
Sponsored Programs	1,108	6,000	4,892
Telephone	16,843	20,000	3,157
Gasoline & Auto Maintenance	4,073	5,000	927
Rent	229,555	246,000	16,445
Utilities	20,240	21,500	1,260
Postage	1,714	4,500	2,786
Office Supplies & Expenses	25,455	39,000	13,545
Travel & Official Receptions	4,684	20,000	15,316
Staff Training & Tuition Reimbursement	2,002	21,000	18,998
Insurance	26,064	27,000	936
Annual Report & Newsletters	21,282	28,000	6,718
Public Relations	189	7,500	7,311
Professional Services	57,974	270,000	212,026
Dues & Subscriptions	64,188	70,000	5,812
Data Processing	42,000	45,000	3,000
Maintenance of Equipment	26,871	41,000	14,129
Depreciation	27,091	31,000	3,909
Contingency	-	50,000	50,000
	2,245,558	3,043,827	798,269
Net Operating Income	$ 945,843	$ 261,591	$ 684,252

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of December 31, 2013

Institution	Issue	Description	Bond Proceeds	Net Disbursed	Balance	% Complete
Private						
Rider University	2012 Series A	Capital Improv. for energy efficiency	$ 10,411,400.27	$ (8,167,780.10)	$ 2,243,620.17	78%
Caldwell College	2013 Series E	Residence Hall Renov & Student Ctr Improv	1,435,381.63	(722,034.81)	713,346.82	50%
Seton Hall University	2013 Series D	Aquinas, Stafford Halls, Garage, Improv.	36,990,339.71	(11,630,889.94)	25,359,449.77	31%
Sub Total			$ 48,837,121.61	$ (20,520,704.85)	$ 28,316,416.76	
Public						
Kean University	Series 2007 D	2 Residence Halls, Dining, Parking	$ 124,287,050.02	$ (114,813,648.85)	$ 9,473,401.17	92%
The College of New Jersey	Series 2010 A&B	Construct School of Education	44,293,116.12	(37,504,418.78)	6,788,697.34	85%
New Jersey City University	Series 2010 F	Various Capital Improvements	14,717,070.83	(11,612,374.52)	3,104,696.31	79%
New Jersey City University	Series 2010 G	Various Capital Improvements	18,201,075.23	(16,097,063.17)	2,104,012.06	88%
Ramapo College of New Jersey	Series 2011 A	Renovation of Student Center	8,165,446.46	(7,708,658.33)	456,788.13	94%
Thomas Edison State College	Series 2011 D	Renovation of Kuser Mansion	8,000,000.00	(7,021,502.99)	978,497.01	88%
Ramapo College of New Jersey	Series 2012 B	Refunds & Renov to Coll. Park Apts	48,212,359.94	(13,229,951.86)	34,982,408.08	27%
William Paterson University of New Jersey	Series 2012 C	Var. Cap. Improv & Ref. 2002 E & 2004 A	22,296,561.18	(16,437,467.06)	5,859,094.12	74%
The College of New Jersey	Series 2013 A	Demo of Holman Hall, Construct and Renov of STEM	25,608,240.10	(169,643.28)	25,438,596.82	1%
Sub Total			$ 313,780,919.88	$ (224,594,728.84)	$ 89,186,191.04	
Grand Total			$ 362,618,041.49	$ (245,115,433.69)	$ 117,502,607.80	

2:52 PM
Accrual Basis

NJEFA
Operating Account - Vendor Payments
November 2013

Type	Date	Num	Name	Memo	Account	Amount
Check	11/01/2013	10003	100 & RW CRA, LLC	Inv 083983 & 083985	Rent, Utilities	21,759.67
Check	11/06/2013	EFT	NJSHBP	ID 150400 11/13	Employee Benefits	16,120.01
Check	11/06/2013	EFT	NJSHBP	ID 150400 11/13	Post Retirement Benefits	5,018.59
Check	11/13/2013	10004	Staples Business Advantage	Inv 3213142008, 3212881780 & 3213489996	Office Supplies and Expenses	656.10
Check	11/13/2013	10005	Treasurer, State of New Jersey - Auto	Acct 100-997-0029-001 Sept.	Gasoline & Auto Maintenance	360.00
Check	11/13/2013	10006	Thomson Reuters (Markets) LLC	Inv 91665080	Dues & Subscriptions	631.00
Check	11/13/2013	10007	SS&C Technologies, Inc	Inv373805	Data Processing	3,500.00
Check	11/13/2013	10008	Neopost	Inv 51056602 (Meter Rental)	Office Supplies and Expenses	464.53
Check	11/13/2013	10009	AT Conference	Inv 615244-1013	Telephone	668.52
Check	11/13/2013	10010	The Star-Ledger	Inv I03654088-10312013	Office Supplies and Expenses	51.04
Check	11/13/2013	10011	Government News Network	Inv 66021-G	Dues & Subscriptions	295.00
Check	11/13/2013	10012	National Association Of Bond Lawyers	Inv 2014-02540 2014 Membership	Dues & Subscriptions	395.00
Check	11/13/2013	10013	DocuSafe	Inv 60303	Office Supplies and Expenses	101.08
Check	11/13/2013	10014	UPS	Inv 2Y687X443, 2Y687X433	Postage	67.84
Check	11/13/2013	10015	Karsay Coffee Dist.	Inv IN177894	Office Supplies and Expenses	192.37
Check	11/13/2013	10016	Thomson Reuters - West	Inv 828178577 NJ Statutes	Dues & Subscriptions	1,122.50
Check	11/13/2013	10017	DCRP	Plan 316149 10/25/13 PD	Employee Benefits	22.40
Check	11/13/2013	10019	LaMarsh, Jennifer	Employee Benefits	Employee Benefits, Travel & Official Receptions	39.04
Check	11/14/2013	10020	Drew University	NJEFA Workshop - 12/10/13	Sponsored Programs	1,108.00
Check	11/14/2013	10021	Line Systems, Inc.	Inv 66054131115	Telephone	1,039.16
Check	11/14/2013	10022	Hansel, Derek S.	Travel Reimbursement 10/7/13-11/6/13	Travel & Official Receptions	80.15
Check	11/14/2013	10023	Verizon Wireless	Inv 9714310281	Telephone	123.86
Check	11/14/2013	10024	Lexis Nexis	Inv 1310228310	Dues & Subscriptions	292.00
Check	11/14/2013	10025	Soyka, Jennifer M.	July-Dec	Telephone, Travel & Official Receptions	197.69
Check	11/25/2013	10026	Neopost	Inv 433766	Office Supplies and Expenses	50.00
Check	11/25/2013	10027	Governor's Authorities Unit	Annual Assessment FY 2014	Office of The Governor	21,779.31
Check	11/25/2013	10029	UPS	Inv 2Y687X463	Postage	12.24
Check	11/25/2013	10030	Treasurer, State of New Jersey - Auto	Acct 100-997-0029-001 Oct.	Gasoline & Auto Maintenance	360.00
Check	11/25/2013	10031	20/20 Business Solutions, Inc.	Inv 487785	Equipment Maintenance	603.51
Check	11/25/2013	10032	NJ Economic Development Authority	November Coverage	Employee Benefits	1,220.10
Check	11/25/2013	10033	Government Finance Officers Association	Notice # 0138509 - 2014 Membershsip: DK, KN, MM	Dues & Subscriptions	460.00
Check	11/25/2013	10034	Bank of America - Acct Analysis	Inv 13100006179	Office Supplies and Expenses	157.29
Check	11/25/2013	10035	The Times	Inv I03653634-11012013	Office Supplies and Expenses	15.08
Check	11/25/2013	10036	Lexis Nexis	Inv 52207668	Dues & Subscriptions	223.10
Check	11/25/2013	10037	Staples Business Advantage	Inv 3214185726	Office Supplies and Expenses	107.86
Check	11/25/2013	10039	Higher Education Publications, Inc.	Inv 51116 2014 Directory	Dues & Subscriptions	75.00
						79,369.04

3:58 PM
Accrual Basis

NJEFA
Operating Account - Vendor Payments
December 2013

Type	Date	Num	Name	Memo	Account	Amount
Check	12/01/2013	10038	100 & RW CRA, LLC	Inv 084344 & 084346	Rent, Utilities	21,759.67
Check	12/02/2013	10040	PA CLE Board	PA Accreditation - NJEFA Workshop	Office Supplies and Expenses	25.00
Check	12/09/2013	EFT	NJSHBP	ID 150400 12/13	Employee Benefits	16,120.01
Check	12/09/2013	EFT	NJSHBP	ID 150400 12/13	Post Retirement Benefits	5,018.59
Check	12/11/2013	10041	Thomson Reuters (Markets) LLC	Inv 91710592	Dues & Subscriptions	631.00
Check	12/11/2013	10042	Bambach, Edward	2013 Medicare Part B Reimbursement	Post Retirement Benefits	2,517.60
Check	12/11/2013	10043	Panacek, Joan	2013 Medicare Part B Reimbursement	Post Retirement Benefits	1,762.80
Check	12/11/2013	10044	Cannon, Barbara	2013 Medicare Part B Reimbursement	Post Retirement Benefits	2,517.60
Check	12/11/2013	10045	Government News Network	Inv 66270-G	Dues & Subscriptions	295.00
Check	12/11/2013	10046	Middleton, Kristen E.	Employee Reimbursement - Travel 1/11/13 - 11/1/13	Travel & Official Receptions	29.76
Check	12/11/2013	10047	Bond Logistix, LLC.	Inv 41987-1409/092413 Swap Monitoring Services	Professional Services	9,919.00
Check	12/11/2013	10048	Mueller, Marie P	Employee Reimbursement - Travel 5/23/13 - 10/15/13	Travel & Official Receptions	21.08
Check	12/11/2013	10049	DocuSafe	Inv 61103	Office Supplies and Expenses	101.08
Check	12/11/2013	10050	Toles, Sheila R.	Employee Reimbursement - Travel 5/23/13 - 10/15/13	Travel & Official Receptions	24.30
Check	12/11/2013	10051	Drew and Rogers, Inc.	Inv 350146	Annual Report & Newsletters	4,325.00
Check	12/11/2013	10052	SS&C Technologies, Inc	INV377239	Data Processing	3,500.00
Check	12/11/2013	10053	The Times	Inv I03661567-11162013	Office Supplies and Expenses	11.02
Check	12/11/2013	10054	The Star-Ledger	Inv I03661722-11182013, I03661469-11202013	Office Supplies and Expenses	74.24
Check	12/11/2013	10055	Paterson, Debra L.	Employee Benefits	Employee Benefits	22.50
Check	12/11/2013	10056	CCH Incorporated	Inv 4800629183 GAAP Guide with CPE	Dues & Subscriptions	332.50
Check	12/11/2013	10057	Accuity	Inv 2694927	Dues & Subscriptions	723.00
Check	12/11/2013	10058	Staples Business Advantage	Inv 3216677055	Office Supplies and Expenses	1,259.16
Check	12/11/2013	10059	AT Conference	Inv 625067-1113	Telephone	351.08
Check	12/11/2013	10060	Creative Source, Inc	Inv 9369	Annual Report & Newsletters	1,850.00
Check	12/11/2013	10061	NJ Alliance For Action, Inc.	2014 Membership Dues	Dues & Subscriptions	600.00
Check	12/11/2013	EFT	Bank of America	Annnual Safe Box Fee	Office Supplies and Expenses	69.55
Check	12/12/2013	10062	Panera Bread	12/12/2013 Board Meeting	Travel & Official Receptions	95.11
Check	12/20/2013	10063	LaMarsh, Jennifer	Travel Reimbursement 12/11/13 - 12/17/13	Travel & Official Receptions, Empl. Benefits	145.14
Check	12/20/2013	10064	Stitt, Sheryl A.	Employee Benefits	Employee Benefits	300.00
Check	12/20/2013	10065	Bloomberg Finance LP	Inv 5602235061	Dues & Subscriptions	6,000.00
Check	12/20/2013	10066	Ricoh USA, Inc.	Inv 5028661758 9/10/13-12/9/13 AF1060	Equipment Maintenance	64.68
Check	12/20/2013	10067	Drew and Rogers, Inc.	Inv 354774	Annual Report & Newsletters	370.00
Check	12/20/2013	10068	20/20 Business Solutions, Inc.	Inv 487854	Equipment Maintenance	603.51
Check	12/20/2013	10069	Bank of America	Annual Custody Fee	Office Supplies and Expenses	2,500.00
Check	12/20/2013	10070	R.S. Ruggles & Co. Inc.	Inv 234090	Office Supplies and Expenses	199.53
Check	12/20/2013	10071	Northside News Service	Nov. - Dec./13	Dues & Subscriptions	55.00
Check	12/20/2013	10072	Princeton Healthcare System	Inv 3607	Employee Benefits	84.00
Check	12/20/2013	10073	Line Systems, Inc.	Inv 66054131215	Telephone	1,043.24
Check	12/20/2013	10074	Verizon Wireless	Inv 9716014817	Telephone	123.83
Check	12/20/2013	10075	NJ Economic Development Authority	December Coverage	Employee Benefits	1,270.29
Check	12/20/2013	10076	Bank of America - Acct Analysis	Inv 13110006077	Office Supplies and Expenses	155.93
Check	12/20/2013	10077	Lexis Nexis	Inv 1311228025	Dues & Subscriptions	292.00
Check	12/20/2013	10078	UPS	Inv 2Y687X503, 2Y687X493	Postage	74.11
Check	12/20/2013	10079	DCRP	Plan 316149 11/08/13, 11/22/13, 12/6/13 Pay Dates	Employee Benefits	196.08
Check	12/20/2013	10080	Treasurer, State of New Jersey - Auto	Acct 100-997-0029-001 Nov.	Gasoline & Auto Maintenance	360.00
Check	12/20/2013	10081	The College of New Jersey (Bills)	10/28/13 Moody's, 11/6/13 S&P Presentation Lunches	Travel & Official Receptions	57.80
Check	12/20/2013	10083	Toles, Sheila R.	Expense Reimbursement	Employee Benefits	80.00
Check	12/20/2013	10084	Stitt, Sheryl A.	Expense Reimbursement	Telephone	445.76
						88,376.55

2014 Outlook: U.S. Colleges and Universities

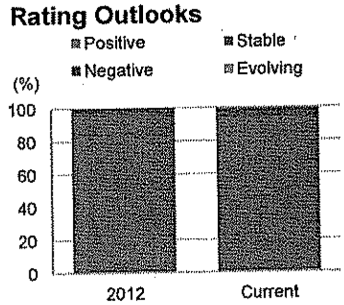
Outlook Report

Rating Outlook

STABLE

(2013: STABLE)

Rating Outlooks



Sector Outlook

STABLE

(2013: STABLE)

- Student Affordability Concerns
- Federal Funding Uncertainties
- Shifting Enrollment Patterns

Related Research

Other Outlooks

www.fitchratings.com/outlooks

Other Research

2012 Median Ratios for U.S. Private Colleges and Universities (September 2013)

2012 Median Ratios for U.S. Public Colleges and Universities (September 2013)

Fitch Fundamentals Index - U.S. Index Trend Analysis – 3Q13 (October 2013)

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Rating Outlook is Stable: The primary credit drivers for nonprofit U.S. colleges and universities — student demand and enrollment, balance sheet resources and liquidity, and operating performance — support the stable 2014 outlook. Fitch Ratings believes that these factors will be manageable for most institutions, but lower-rated, tuition-dependent institutions will face more pressure. Affirmations are expected to dominate rating actions within Fitch's Higher Education portfolio over the next 12 months.

Sector Outlook is Stable: Although higher education faces challenges on cost control, demand shifts and product design and delivery, Fitch believes institutions in this sector have broad capacity to adapt to a changing environment. While the value of higher education is being questioned, there is no doubt post-secondary education is required for success in the labor market.

Student Demand Shifting: Changing demographics, in conjunction with a greater emphasis on performance metrics, will likely alter the landscape going forward. However, demand shifts are incremental at this time. As a result, institutions have time to assess their respective positions, and many are shaping strategies to address the challenges.

Affordability Concerns Persist: Public and private institutions continue to manage tuition and fee increases in recognition of students' ability to pay and family cost sensitivity. Tuition discounting and student loan accessibility remain a focus.

Transitioning Federal Funding Environment: Policy shifts, political gridlock, and uncertainty regarding federal funding are expected to continue to pressure the sector.

Financial Flexibility Remains A Focus: Liquidity levels, generally improved for Fitch-rated colleges and universities through 2013, remain a partial offset for potential demand and operating challenges. Pressured by state and federal cost-cutting initiatives and diminished funding levels in recent years, institutions are likely to remain fiscally conservative, evidenced by expense containment, measured debt issuance, and focus on capital preservation.

Outlook Sensitivities

Tuition Dependence: Highly tuition-dependent institutions could be negatively impacted if tuition discounts are not prudently managed.

Higher Education Initiatives: Although broad industry changes in response to federal initiatives are possible, Fitch believes that related affects will not be felt during the outlook period. However, if the impact of these initiatives causes operational disruptions in the near term, ratings may be negatively impacted.

Financial Market Turmoil: Institutions that are heavily dependent upon earnings to support operations will likely see negative rating actions if financial markets deteriorate and investment performance declines precipitously. However, spending policies may mitigate one-year declines.

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Key Issues

Student Demand and Enrollment

Economic, Demographic, and Technological Trends Converging

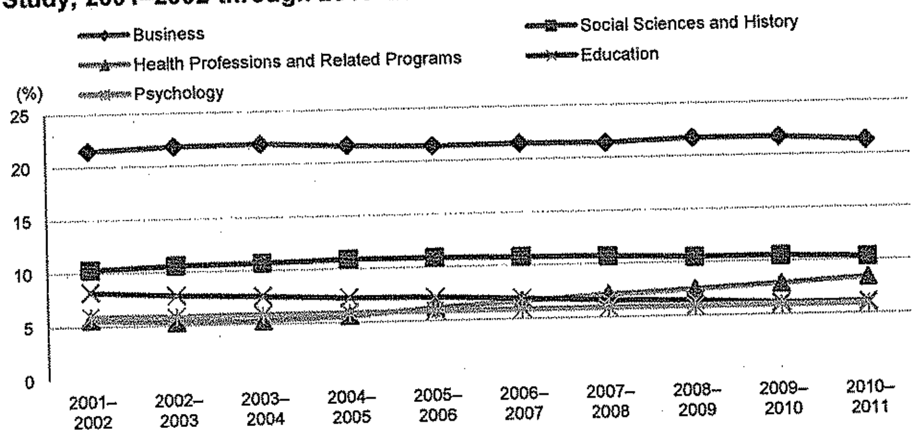
College affordability and job attainment remain a focus for students and families, while institutions grapple with the uncertain economy, demographic shifts and technological advancements. Sector-wide, institutions are placing greater emphasis on performance metrics, including retention and graduation rates, which could influence which students are recruited, and how future academic programs are offered or configured. On the federal level, President Obama has proposed a college rating system that will rank schools by graduation outcomes and job placement, among other factors. Additionally, the release of the interactive College Scorecard is an effort to hold colleges accountable for cost, value and quality. On the state level, appropriations are increasingly including performance metrics.

Fitch believes a focused management team with a clear strategic plan and sensitivity around cost per student could propel students to degree completion sooner than is presently occurring, although the resulting budgetary impact remains uncertain.

Product Offerings Shifting

An increasing number of institutions are responding to student needs and redeploying resources from lower-demand programs to those with growth potential. Demand is strong for health professions, including nursing and pharmacy, evidenced by growth in the number of new programs and increasing application volumes, selective enrollments and strong matriculation rates. Generally speaking, the decline in graduate enrollment (which tends to be cyclical) appears to be a national trend, especially for law schools and education programs. As a result, more academic leaders are evaluating needs of students and responding to demand for programs that present job opportunities upon graduation.

Share of Bachelor's Degrees Awarded in Top Five Fields of Study, 2001–2002 through 2010–2011



Note 1: Health Professions and Related Programs exited the top five fields of study in 2002–2003 and returned in 2005–2006.
Note 2: The proportion of degrees conferred in "Liberals Arts and Sciences, General Studies, and Humanities" has remained relatively steady (3% in 2001–2002 versus 2.7% in 2010–2011).
Note 3: The total number of Bachelor's Degrees awarded increased at an average annual growth rate of 3.2% between 2001–2002 and 2010–2011, from around 1.3 million to approximately 1.7 million.
Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Fall 2001 through Fall 2011, Completions Component (2012 Digest Tables).

Related Criteria

U.S. College and University Rating Criteria (May 2013)

Enrollment Drives Operating Margins

Over the next few years, Fitch believes enrollment pressures will be most felt at regional institutions (particularly in those regions seeing declining numbers of high school graduates) and liberal arts institutions with significant competition. A recent report published by the Western Interstate Commission for Higher Education projects that the number of high school graduates will, in general, contract in the Northeast and Midwest, remain steady in the West, and grow in the South.

Fitch expects constrained family finances, a decrease in the number of high school graduates in certain regions of the country, and changing demographics to be the key factors influencing the competitive market environment for colleges and universities in 2014. The nation's changing demographics could also mean more first-generation students and students from lower socioeconomic backgrounds attending college. These students may require more institutional support as well as financial aid, which could pressure a college's financial position. Fitch expects to see more institutions adapt to these changing dynamics by looking outside the traditional student cohort, by both enrolling more non-degree or adult learners, increasing classroom accessibility online, and marketing academic specialties and program niches. Creating more web-based and blended/hybrid online programming could allow an institution to bolster course offerings and student enrollment.

Shifting Enrollment Patterns

Globalization is also fast becoming an integrated part of strategic planning. Institutions trying to attract the best students may need to reach far beyond their borders, particularly when those students need no or limited scholarship assistance. Fitch expects to see more institutions focusing on foreign students to maintain existing enrollment or to meet planned growth. Increased resources and technological advancements will be key to enhancing enrollment targeting capabilities, with online networks and social media fast becoming a significant part of the recruiting strategy for many institutions.

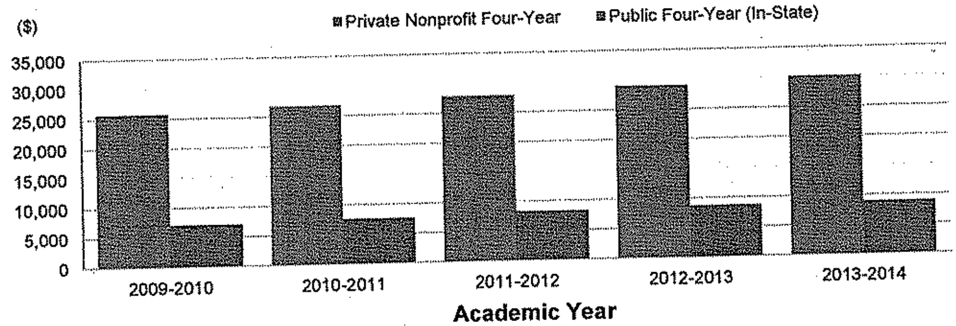
Affordability Concerns Persist

Slowing Tuition Increases

Concern over the affordability of higher education in the U.S. persists. Colleges and universities continue to try and manage the delicate balance between student demand, cost and financial aid needs. However, while tuition and fees continue to increase, colleges and universities have started to moderate the pace of those increases.

According to the College Board's 2013 Trends in College Pricing, four-year private nonprofit colleges and universities raised tuition an average of 3.8% for the 2013–2014 academic year, compared to 4.2% for the 2012–2013 academic year and 4.5% the year before that. Four-year public colleges and universities raised in-state tuition an average of 2.9% (or 3.1% for out-of-state), compared to 4.5% and 8.5% for academic years 2012–2013 and 2011–2012, respectively.

Average Tuition and Fees 2009–2010 to 2013–2014
Enrollment Weighted



Note: Weighted by full-time undergraduate enrollment.
Source: Trends in College Pricing 2013, The College Board

Strategies Reflect Demand Pressure

Institutional financial aid policies, particularly tuition discounting, directly impact student affordability but can also indicate demand and pricing pressure for an institution. Discounting is more prevalent for private colleges and universities. For the most part, tuition discount rates (and growth in net tuition income) have remained relatively stable among Fitch-rated institutions, although in some cases, the discount rate has gradually climbed, and net tuition income has been pressured. Many institutions have increased fundraising efforts to bolster endowment growth and student aid.

Public colleges and universities retain their price advantage relative to their private counterparts. However, following several years of state funding cuts, these institutions have increased tuition and fees at a much higher percentage than in prior years. As state funding for higher education has begun to stabilize or improve in the past year or two, we see public college tuition rates moderating or even freezing.

In addition, the federal government recently revised the formula for federal student loans. These loans, which typically represent the primary source of undergraduate student aid, have rates that are pegged to financial markets (reset annually with caps). Previously, the loans were fixed at rates based on loan type. Student access to affordable government loans supports enrollment in the entire U.S. higher education sector. Fitch notes that the new annual reset could lead to significant movements in loan interest rates and thus contribute to shifting enrollment trends. For more information, see the Fitch Wire, "New U.S. Student Loan Rate Helps College Affordability," dated August 2013.

Overall, Fitch expects moderate tuition and fee increases over the near term, which will help to maintain relatively stable enrollment at most colleges and universities but still create budget pressures from constrained net tuition revenue growth. Fitch expects larger and more prestigious institutions, or those with strong brand recognition, both nationally and internationally, will experience stable to slightly growing enrollment, regardless of the cost. These institutions typically have stronger balance sheet resources to support institutional aid pressures. Institutions with a solid demand niche will also likely see stable enrollment trends over the near term. However, smaller and regional liberal arts colleges and universities with significant regional competition will likely continue to feel enrollment and pricing pressure, which could translate into negative credit pressures.

Uncertain Federal Funding Environment

Policy shifts, political gridlock, and uncertainty regarding federal funding are expected to further pressure the entire sector over the outlook period. At present, the majority of colleges and universities appear to be adequately positioned to handle recent challenges to federal student financial aid. At the same time, most research-intensive public flagships and comprehensive private universities are expected to be able to withstand some decline in federal research funding due to their significant balance sheet strength and fundraising acumen. However, Fitch cautions that significant cuts in research funding could pressure operations at such institutions and result in difficult academic and strategic decisions.

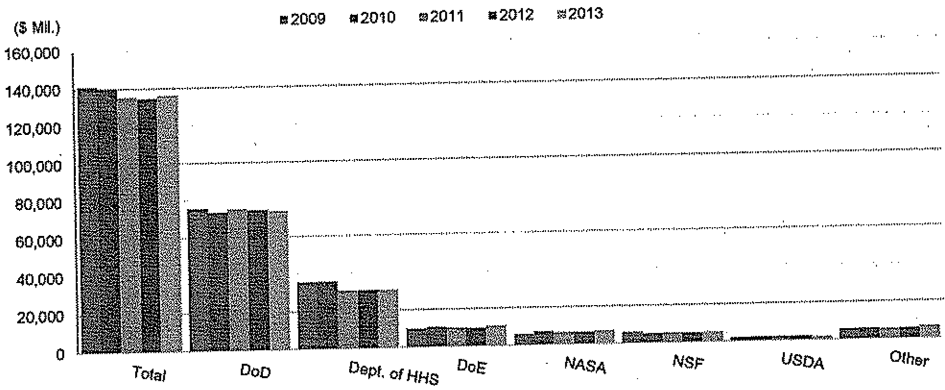
Federal funding cuts for certain federal financial aid programs (e.g. federal work-study) as a result of sequestration have, in some cases, exacerbated existing affordability-related pressures on student aid budgets. However, Fitch believes that the sector-wide impact does not appear to be material. The one-year exemption of the Pell Grant program from sequestration in academic year (AY) 2013–2014 is a credit positive, as this funding source typically accounts for a meaningful portion of undergraduate student aid. However, the AY 2014–2015 Pell award remains unknown.

As some institutions are still grappling with some adjustments to the Pell program in recent years, further changes could yield negative credit implications, particularly for public two-year and regional four-year institutions whose students tend to exhibit a historically greater reliance on these funding sources.

Fitch continues to monitor the Obama Administration's proposed linkage of federal funding to a new rating system, although it is important to note that any resolution on the matter is not expected to occur during the outlook period. The extent to which the reauthorization of the Higher Education Act, which governs federal student aid, has a material consequence on the sector remains to be determined.

Research institutions have experienced two hits on research funding in recent years. One followed the initial cut in federal appropriations for research in fiscal 2013 due to the sequestration. The other was related to the expiration of special research funding under the American Recovery and Reinvestment Act (ARRA) of 2009. As a result, research universities are facing continued funding uncertainty. Both the National Institute of Health and the National Science Foundation, two major U.S. federal research agencies, expect to award fewer new grants as a result of sequestration. Furthermore, a September 2013 report from the Congressional Research Service indicated that the president's fiscal 2014 research and development request, adjusted for inflation, represented a decrease of 2.6% from fiscal 2012.

Current Dollar Federal Obligations for Research and Development[a]



[a] 2012 is preliminary and 2013 is projected.
DoD– Department of Defense. USDA – U.S. Department of Agriculture. HHS – Health and Human Services. DoE – Department of Energy. NSF– National Science Foundation.
Source: National Science Foundation news brief "Federal Funding For Research Drops By 9% in FY 2011" (September 2013).

As federal research funding remains under pressure, Fitch expects an increasingly competitive grant environment both during the outlook period and beyond. We expect more competition to recruit prominent, funded researchers, pressure on graduate enrollment related to research fields, and budget stress related to un-filled research space. Research institutions may continue expense controls and various budgetary adjustments to offset cuts in research funding. Some may also make internal budget reallocations to fund strategic initiatives. Fitch notes that some institutions are working to diversify their research portfolios with state or private funding in response to federal cutbacks, though this is a longer-term strategy, and nonfederal research funding is a proportionally smaller source with lower indirect cost-recovery rates/revenues.

Fitch expects the decline or sequester of research funding to put additional pressure on research universities, but believes most of these institutions have the flexibility to manage through the cuts. In many cases, researchers are tied to specific grants, and without the funding, institutions can mitigate the impact through staff reductions or redeployments.

Financial Flexibility Supported by Balance Sheet Resources and Balanced Operations

Balance sheet support, defined by Fitch primarily by available funds (as noted in the sector criteria report), has grown for most institutions as a result of favorable investment markets in recent years. Preliminary data for fiscal 2013 returns were stronger than those for fiscal 2012, according to The 2013 NACUBO — Commonfund Study of Endowments. Many Fitch-rated institutions expect to retain their asset allocations going into 2014 with a focus on maintaining liquidity, while also preserving the endowment corpus and maintaining capital reserves. Alternative investments, while potentially delivering higher returns but with greater investment risk, remain better suited for institutions with deep pockets, solid cash flows or sufficient reserves to contend with market fluctuations.

Fitch-rated colleges and universities navigated a number of operational stresses throughout fiscal 2013, and into fiscal 2014. Diminished state operating and capital support, increasing discount and scholarship costs, expanding alternatives to traditional instruction delivery, and growing enrollment pressures due to competition and demographics continued to affect public and private educational institutions alike.

Fitch sees the higher education sector continuing to reconfigure its debt mix more conservatively by refunding variable-rate debt to fixed-rate debt at generally favorable long-term rates. This trend is viewed positively. While colleges and universities have added debt to their portfolios regularly over time, the manner in which they have accessed the market is changing from more traditional methods. Direct bank placements and bank loans of varying terms are being utilized more heavily and could continue as institutions face limited financial guarantee options and aim to reduce market access or renewal risks. Direct bank placements and short-term debt vehicles may be a concern if disclosure information is limited and additional debt and structures dilute bondholder security.

2013 Review

Of the 118 higher education rating actions taken by Fitch through Nov. 15, 2013, there were no upgrades and four downgrades, while the majority of credits were affirmed at the existing ratings. In addition, there were seven Rating Outlook changes, one to Positive, four to Negative, one to Stable and one to Evolving. The preponderance of rating affirmations reflects the stable outlook Fitch assigned to the U.S. college and university sector for 2013, a trend it expects to continue through 2014.

Obligor Rating Changes

Obligor	Rating/Outlook/RW (Current)	Rating/Outlook/RW (End-2012)
Claremont Graduate Univ.	BBB+/Stable	A–/Negative Outlook
New Mexico State Univ.	AA–/Stable	AA/Stable
Roosevelt University	BBB/Negative	BBB+/Negative
Sarah Lawrence College	BBB–/Negative	BBB+/Stable