

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

December 15, 2011

VIA HAND DELIVERY

Honorable Chris Christie
Governor
State House
125 West State Street
P.O. Box 001
Trenton, New Jersey 08625

ATTN: David Reiner, Assistant Counsel
Governor's Authorities Unit

Dear Governor Christie:

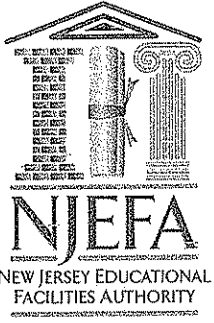
Enclosed please find an original and one copy of the minutes of the meeting of the New Jersey Educational Facilities Authority held on Wednesday, December 14, 2011.

I hereby certify that it is a true and correct copy of the proceedings.

Sincerely,


Sheryl A. Stitt
Assistant Secretary

Enclosures



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**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON WEDNESDAY, DECEMBER 14, 2011**

The meeting was called to order at 9:14 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 November 28, 2011 to The Star Ledger, The Times and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

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

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT:

Sheryl Stitt, Acting Executive Director
Katherine Newell, Esq., Director of Risk Management
Marie Mueller, Controller
Kristen Middleton, Assistant Controller
Nichole Doxey, Communications Specialist
Jennifer LaMarsh, Junior Project Manager
Debra Paterson, Senior Risk Manager
Gary Vencius, Senior Accountant
Jamie O'Donnell, Accountant
Denise Carroll, Accountant I
Sheila Toles, Exec. Assistant/Human Resources Specialist

Mr. Jacobs welcomed everyone and opened the meeting by saying that he had a very productive meeting at Seton Hall University and had received a tremendous amount of compliments regarding EFA staff and thanked them.

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of September 27, 2011

The minutes of the meeting of September 27, 2011 were delivered via United Parcel Service to Governor Chris Christie under the date of September 28, 2011. Dr. Lang moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Hodes. Mr. Hutchinson abstained from the vote.

2. Executive Director's Report

Ms. Stitt, Acting Executive Director, reported on internal changes at the Authority since the September meeting. She reported that there had been two staff promotions and that Ms. Newell and Ms. Mueller had taken on additional responsibility in Project Management and Human Resources, respectively.

Ms. Stitt reported that the Authority's Accounting staff had begun their year-end activity and that the Authority's Internal Auditors would begin their work on site in February.

Ms. Stitt reported that staff was working on re-establishing the Authority's professional pools that have expired and that they are currently updating the Requests for Proposal's (RFP's) for professional services. Year-end is targeted for the distribution of Financial Advisor, Underwriter and Co-Manager RFP's.

Ms. Stitt reported that she, Chairman Jacobs and staff had met collectively and individually with a number of college Presidents, their Finance Staff and/or Trustees to discuss their institutions' capital needs and to learn how the Authority can be of greater service. She reported that staff had met several times with Acting Secretary of Higher Education Rochelle Hendricks and continues to meet with Administration representatives to explore new and existing ways the Authority might further support the capital needs of the colleges and universities. Ms. Stitt noted that a meeting has been held with the Association of County Colleges to explore ways the Authority might be able to develop and/or support improvements to the County College Chapter 12 program to produce greater time and cost efficiencies.

Ms. Stitt reported that Project Management staff had met with the Chief Financial Officers of the Association of Independent Colleges in September and that an initiative had been discussed to host a lecture series at the Authority on topics affecting college financings. She reported that staff was currently working on agendas for the first series which would focus on what colleges and universities should know about private use; how to complete IRS 990 Schedule Ks; and developing post-issuance compliance policies.

Ms. Stitt reported that in October of this year staff had attended the Institutional Investors Conference and that Ms. Newell had presented higher education financing projections at the Alliance for Action's Annual Construction Forecast Seminar last month.

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

Ms. Newell, Director of Risk Management, reported that Rider University wishes to refund all of its outstanding NJEFA bonds (Series 2002 A, Series 2004 A and Series 2007 C) and to borrow approximately \$10 million to finance energy saving improvements. The maximum principal is expected to be \$65 million and the Attorney General's Office has designated Windels, Marx Lane & Mittendorf, LLP as bond counsel. The Authority is in the process of selecting an underwriter for the transaction. She advised that work on the transaction is scheduled to begin when an underwriter has been selected and that the issue is expected to price and close in April 2012.

Ms. Newell reported that Montclair State University has asked the Authority to finance the construction of 2 new academic buildings, one for the School of Business and the other for environmental and life science instruction and laboratories. The bonds will also be used for the renovation of the facility now used for the School of Business for use in other areas. The cost of the project is estimated to be approximately \$119 million. Ms. Newell reminded the Members that they had previously adopted an amended and restated resolution authorizing the transaction at the September 27, 2011 meeting. She reported that Gluck Walrath, LLP will serve as bond counsel and Barclays Capital, Inc. as Senior Manager. Ms. Newell advised that the University wishes to commence work on the transaction when construction of its P3 co-generation project begins.

Ms. Newell reported that The College of New Jersey has asked the Authority to refund its outstanding NJEFA 2002 C bonds on a current basis to achieve debt service savings. She reported that the maximum par is not expected to exceed \$35 million and that the Authority is in the process of distributing RFP's for bond counsel and Senior Manager. The issue is expected to price and close in April 2012.

Ms. Newell reported that, in connection with post issuance matters, Montclair State University has requested that the Authority provide an easement in connection with the co-generation project the University is planning to accomplish as a P3 Project under the New Jersey Stimulus Act of 2009. The resolution approving the easement and other necessary action is on the Authority's agenda for consideration and that staff had been informed by the New Jersey Economic Development Authority (NJEDA) that its Board has also approved the project at its December 13, 2011 meeting.

Ms. Newell reported that Ramapo College of New Jersey has also asked the Authority to convey certain property currently owned by the Authority in connection with a solar power project that the College wishes to undertake as a P3 Project under the New Jersey Stimulus Act of 2009. She advised that the NJEDA is waiting to receive additional information from the College and the developer and expects to consider the project at NJEDA's January 2012 meeting. Ms. Newell advised that if NJEDA approves, the item would be presented to the Members at the January 2012 Authority meeting.

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

4. **Report on the Sale of NJEFA Revenue Bonds, Thomas Edison State College Issue, Series 2011 D, In the Amount of \$8,000,000**

Ms. Newell reported that on October 26, 2011, the Authority entered into a direct purchase by TD Bank of an \$8 million loan to be used to finance renovations to the Kuser Mansion in Trenton. Ms. Newell announced that the Bank was selected through an RFP process and this is the Authority's first direct purchase for a public college, and the loan has a 20 year

term with a 10 year put at a 3.5% interest rate. McManimon and Scotland, LLC served as bond counsel and Windels, Marx Lane & Mittendorf, LLP acted as purchaser's counsel. Ms. Newell noted that the College informed staff that they were pleased with the process and the interest rate in current market conditions.

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

5. **Adoption of Resolution Authorizing an Easement for Montclair State University to Implement a Co-Generation Project**

Ms. Newell reported that Montclair State University has requested the Authority's consent to implement its P3 Co-Generation Project. She then asked James Fearon, Esq. of Gluck Walrath, Bond Counsel, to describe the resolution, which he did in detail.

Donald Cipullo, Vice President for Finance and Treasurer for Montclair State University commented on the project and thanked the Authority for its assistance.

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

RESOLUTION AUTHORIZING AN EASEMENT AND OTHER NECESSARY APPROVALS, CONSENTS AND DOCUMENTS FOR MONTCLAIR STATE UNIVERSITY TO IMPLEMENT A CO-GENERATION PROJECT

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

The adopted resolution is appended as Exhibit III.

6. **Adoption of Resolution Regarding Authorized Signatories on Requisitions Relating to Bond Financings**

Ms. Stitt reported that the Authority periodically sends a list of authorized officers and staff who are designated to sign requisitions to its Trustees. She advised that because the approved officers and staff have evolved and because designees also vary by transaction, as well as by board resolution, staff recently reviewed all outstanding bond issues and recommends updating the resolution identifying those authorized to sign requisitions for both outstanding transactions and new transactions undertaken by the Authority. She explained that consistent with the Authority's bond documents, the current resolution authorized signatories to include the Chair, Vice Chair, Treasurer and Executive Director and if not already designated, the resolution also authorizes signatories to include the Authority's Controller, Assistant Controller and Director of Project Management.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING SIGNING OF REQUISITIONS

The motion was seconded by Dr. Lang and passed unanimously.

The adopted resolution is appended as Exhibit IV.

7. **Report on Operating and Construction Fund Statements**

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

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

The reports are appended as Exhibit V.

8. **Approval of Resolution Adopting the Authority's Operating and Capital Budgets for Calendar Year 2012**

Ms. Stitt reported that a Finance Committee consisting of Mr. Jacobs, Mr. Hodes, and herself met on November 30, 2011 to discuss the proposed 2012 Operating and Capital Budgets. She reported that the overall proposed 2012 budget was flat year over year and that there were no major issues presented. She reported that the 2012 Operating Budget was projecting \$2.5 million in total revenues and \$3.3 million in total expenditures and that the budget reflected the Authority's efforts to hold the line on expenses in all possible categories. Ms. Stitt reported that the salary line item was flat for 2011 for the fourth consecutive year with no increases in staff salaries but that employee benefits overall would increase 3.6% year over year. She advised that part of the line item was the Authority's pension expense which would increase 7.4% and healthcare premiums that will increase 12.6%. Ms. Stitt asked Mr. Hodes and Mr. Jacobs for comments. Mr. Hodes stated that he thought the Finance Committee meeting went very well. Mr. Jacobs inquired about the pension and healthcare expenses and Ms. Mueller responded.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ADOPTING THE OPERATING AND CAPITAL BUDGETS FOR CALENDAR YEAR
2012

The motion was seconded by Dr. Lang and passed unanimously.

The adopted resolution and 2012 NJEFA budgets are appended as Exhibit VI.

9. **Moody's Investor's Service Presentation on the General Economic Environment for Higher Education**

John Nelson, Managing Director of Public Finance for Moody's Investor's Service, provided the Authority with an informative presentation on Moody's 2012 outlook for the Higher Education Industry nationally and in New Jersey.

10. **Chairman's Comments**

In his year-end comments, Mr. Jacobs thanked EFA staff for their dedication, hard work, and professionalism. He stated that the Authority has an excellent staff that had not missed a beat even during turbulent times and that the Authority has had continuity without interruption and is in a very strong place moving forward.

Mr. Jacobs stated that the Authority's current Acting Executive Director Sheryl Stitt was the consummate professional and that he continues to be impressed with her knowledge, experience and ability to demonstrate quality of service and value to the Authority's potential audience.

Mr. Jacobs stated that the Authority's financial team had brought the budget in without any diminution to the Authority's service and that he expected 2012 to be an outstanding year for the Authority with robust servicing, refinancing, and perhaps new instruments that he and Ms. Stitt were currently working on.

Mr. Jacobs announced that the Authority was proud to serve the New Jersey higher education community and was looking forward to continuing and to expanding the service. He mentioned that he had made several campus visits during 2011 and was honored to have attended the inauguration of President Esteban at Seton Hall University.

Mr. Jacobs concluded by thanking the Board Members. He also thanked Rochelle Hendricks, Secretary of Education for her thoughtfulness and the confidence she had expressed in the Authority and wished everyone a happy and healthy New Year, filled with peace and prosperity particularly in the Garden State.

11. Next Meeting Date

Mr. Jacobs announced that the next meeting would be on Tuesday, January 24, 2012 at 9:00 a.m. at the Authority's office.

Mr. Jacobs requested a motion to adjourn. Mr. Hutchinson moved that the meeting be adjourned at 10:37 a.m.; the motion was seconded by Mr. Hodes and passed unanimously.

Respectfully submitted,



Sheryl A. Stitt
Assistant Secretary

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REPORT ON PENDING PROJECTS
 December 14, 2011

<u>Institution</u>	<u>Project</u>	<u>Estimated Size of Issue</u>	<u>Estimated Pricing Date</u>
<u>Private Institutions</u>			
Rider University	Refunding of Certain Outstanding Indebtedness and the Acquisition and Installation of Energy Efficiency Improvements	\$65 Million	April 2012
<u>Public Institutions</u>			
Montclair State University	Construction of Two New Academic Buildings and Related Capital Improvements	\$125 Million	1st Q 2012
The College of New Jersey	Refunding of Certain Outstanding Indebtedness	\$35 Million	April 2012



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TRANSACTION SUMMARY

Borrower: Thomas Edison State College, Trenton, New Jersey

Issue: Series 2011 D

Amount: \$8,000,000

Purpose: To finance: (i) the renovations of Kuser Mansion; and (ii) the payment of certain costs of issuance.

Structure: Fixed Rate, Direct Purchase with 10-Year Call Option

Interest Rate: 3.50%

Final Maturity: 10/1/2031

Closing: 10/26/2011

Professionals on the Transaction:

Bond Counsel:	McManimon & Scotland, LLC
Authority's Counsel:	Attorney General of New Jersey
Purchaser / Escrow Agent:	TD Bank, National Association
Purchaser's Counsel:	Windels Marx Lane & Mittendorf, LLP

**RESOLUTION AUTHORIZING AN EASEMENT AND OTHER NECESSARY
APPROVALS, CONSENTS AND DOCUMENTS FOR MONTCLAIR STATE
UNIVERSITY TO IMPLEMENT A CO-GENERATION PROJECT**

Adopted: December 14, 2011

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

WHEREAS, as authorized by the Act, the Authority has assisted Montclair State University (the "University") in the financing and refinancing of various projects located on the campus of the University (the "Financed Projects") through the issuance of various bonds, including, but not limited to the outstanding Revenue Bonds, Series 2002 F, Series 2003 E, Series 2003 L, Series 2006 A, Series 2006 B, Series 2006 J, Series 2007 A and Series 2008 J (the "Authority Bonds"); and

WHEREAS, in connection with the issuance of the Authority Bonds the Authority has become the owner of record of certain parcels of real property on which the Financed Projects are located or to be located (the "Project Sites") and as security for repayment by the University of the Authority Bonds, the Authority leases the Project Sites to the University pursuant to leases and agreements (the "Authority Leases") pursuant to which the University is obligated, *inter alia*, to make rental payments sufficient to pay debt service on the Authority Bonds; and

WHEREAS, the Authority, by Resolution adopted on June 28, 2011 (the "June 28 Resolution"), authorized the release of certain parcels of real property to the appropriate State entity (i.e. either the University or the State) (the "Released Project Site") on the condition that the Authority receive an opinion of Bond Counsel, Gluck Walrath, LLP, that the release is permitted under the applicable bond documents and does not adversely affect the tax-exempt status of the applicable series of Authority Bonds; and

WHEREAS, one of the parcels of the Released Project Site (the "Co-Gen Parcel") in Block 250, part of Lot 1 will be conveyed to the University on which will be constructed a co-generation plant pursuant to the provisions of the New Jersey Economic Stimulus Act of 2009 (the "Co-Gen Project") which will create, generate and provide electricity, thermal energy and related services to various buildings and other improvements located on the campus of the University; and

WHEREAS, in order for the Co-Gen Project to be implemented and to enable the delivery and redistribution of electricity, thermal energy and related services to certain buildings and improvements on the University's campus, the University needs to construct and/or install various distribution systems including (a) underground distribution systems (collectively the

“Underground Distribution System”), which includes equipment for transmitting electric current and equipment for transmitting thermal energy, which equipment includes, but is not limited to, pipes, cables, wire conduits, wires, ducts, pumps, transformers, control devices, communication facilities and other equipment, facilities and appurtenances; and (b) facilities located inside certain buildings and other improvements on the University’s campus (collectively the “Indoor Distribution System”); and

WHEREAS, the Underground Distribution System may include areas located within certain Project Sites owned by the Authority and leased to the University pursuant to the provisions of the Authority Leases (the “Underground Distribution System Easement Areas”); and

WHEREAS, the Indoor Distribution System may include, within certain Financed Projects owned by the Authority and leased to the University pursuant to the provisions of the Authority Leases, both (i) fixtures, additions and improvements to the Financed Projects (the “Improvements”) and (ii) moveable equipment (the “Equipment”); and

WHEREAS, the University has represented to the Authority that, in order to undertake the Co-Gen Project and the related Underground Distribution System and Indoor Distribution System, it proposes to enter into a Lease (the “Lease”) and an Energy Sales Agreement (the “Energy Sales Agreement”) with UMM Energy Partners, LLC (the “Vendor”); and

WHEREAS, under the Lease and the Energy Sales Agreement, the Vendor will construct, own and operate the Co-Gen Project, together with the Underground Distribution System and the portion of the Indoor Distribution Facilities not constituting Improvements (collectively, the “Vendor’s Property”), and may encumber its ownership interest in such Vendor’s Property in order to obtain necessary financing; and

WHEREAS, the University has represented to the Authority that any Improvements undertaken in connection with the Co-Gen Project will not be owned by the Vendor, but rather will be owned by either the University or the Authority; and

WHEREAS, in order to for the University to enter into the Lease and the Energy Sales Agreement, the University must first obtain from the Authority certain rights and interests in and to the Project Sites and the Financed Projects; and

WHEREAS, accordingly, in addition to the conveyance of the Co-Gen Parcel to the University as authorized by the June 28 Resolution, the University has requested that the Authority grant the University an easement as set forth in a proposed Easement, License and Right of Access Agreement in substantially the form attached hereto as Exhibit A (the “Easement Agreement”), for the installation, operation, maintenance, modification, change, addition to, upgrade, repair, replacement and/or removal of the Underground Distribution System in the Underground Distribution System Easement Areas (the “Underground Distribution System Easement”) considered necessary for the implementation of the Co-Gen Project by the University; and

WHEREAS, the University has further requested that the Authority approve and consent to the construction and/or installation of the Indoor Distribution System as necessary in Financed Projects, and to all other easements and licenses, rights of access, permits, agreements, amendments, modifications and/or additions to bond documents, if any, and all other approvals, consents and actions that are deemed necessary and appropriate for the installation, operation, maintenance, modification, change, addition to, upgrade, repair, replacements and/or removal of the Co-Gen Project (including any and all such document changes and actions relating to portions of the Co-Gen Project in the Underground Distribution System Easement Areas) (the "Necessary Approvals and Consents"); and

WHEREAS, the Authority Leases provide that the University shall have the right at any time and from time to time during the term of the Authority Leases, with the approval and/or the written consent of the Authority as applicable, to make changes to the Financed Projects as long as such changes do not reduce or otherwise adversely affect the value of the Financed Projects or the rental-value thereof and are deemed necessary and desirable in connection with the use of the Financed Projects; and

WHEREAS, the Members of the Authority have determined that it is necessary and advisable to agree to the actions requested by the University as they relate to the implementation of the Co-Gen Project.

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

Section 1. Authorization of Easements, Approvals and Consents. The Authority, in order to assist the University in the implementation of its Co-Gen Project, hereby authorizes the execution and delivery of the Easement Agreement in substantially the form attached hereto, with such changes thereto as may be approved by the Authorized Officer executing same with the advice of Bond Counsel and the Attorney General, and hereby further approves and grants the Underground Distribution System Easement, consents to the installation of the Indoor Distribution System as necessary in Financed Projects and authorizes all other Necessary Approvals and Consents in accordance with the terms and provisions of the Authority Leases; provided however, that all such foregoing easements, grants, approvals and consents are in accordance with applicable bond documents; are deemed necessary, advisable, appropriate and in the best interests of the University; and conditioned upon receipt by the Authority of an opinion of Bond Counsel that execution and delivery of the Easement Agreement will not adversely affect the tax-exempt status of the applicable series of Authority Bonds.

Section 2. Authorization of Action by Authorized Officers. The Authority hereby authorizes and directs the Chair, Vice Chair, Executive Director and Secretary of the Authority and any such officers designated as "acting" or "interim" (each an "Authorized Officer") to: (a) execute and deliver the Easement Agreement in substantially the form attached hereto as Exhibit A with such changes and modifications as are approved by the Authorized Officer executing same with the advice of Bond Counsel and the Attorney General, together with all other documents necessary to grant the Underground Distribution System Easement, and any other easements, licenses and rights of access necessary to effect the installation of, the Indoor

Distribution System in such form as shall be approved by the Authorized Officer executing same with the advice of Bond Counsel and the Attorney General; (b) execute and deliver any and all other Necessary Approvals and Consents; and (c) take any and all such other actions as may be necessary or appropriate to implement and operate the Co-Gen Project. The Secretary and any Assistant Secretary are hereby authorized to attest and affix the official common seal of the Authority, as applicable, to all documents, certificates and notices necessary for the installation and implementation of the Co-Gen Project by the University. Each of the other Necessary Approvals and Consents are to be in the form approved by the Authorized Officer executing same with the advice of Bond Counsel and/or the Attorney General. Approval of the form of all documents executed pursuant to this Resolution shall be conclusively evidenced by the execution thereof.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

MSU Easement Co-Gen project - 12/14/11

Prepared by:

Ira Megdal, Esq.
Cozen O'Connor
457 Haddonfield Road
PO Box 5459
Cherry Hill, New Jersey 08002

**EASEMENT, LICENSE AND RIGHT OF ACCESS AGREEMENT
MONTCLAIR STATE UNIVERSITY**

AGREEMENT (this "*Agreement*") made this ___ day of _____, 2011, by and among the **NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**, an independent agency of the State of New Jersey, having an office at 101 College Road East, Princeton, New Jersey 08540 (the "*EFA*"), **THE STATE OF NEW JERSEY**, having an office at 125 West State Street, Trenton, New Jersey 08625 and _____ (collectively "*Grantors*") and the **BOARD OF TRUSTEES OF MONTCLAIR STATE UNIVERSITY**, a public university of the State of New Jersey with offices at 1 Normal Avenue, Montclair, New Jersey 07043 and its successors and assigns ("*Grantee*").

Statement of Facts

Grantee intends to construct, or have constructed, a central energy center (the "*CEC*") that will create, generate and provide electricity, thermal energy and related services to various buildings and other improvements located on the campus of Grantee (the "*Campus*"), portions of which are located in the Town of Montclair in the County of Essex, the Township of Little Falls in the County of Passaic and the City of Clifton in the County of Essex, all in the State of New Jersey.

The CEC will be constructed on a certain parcel of land located on the Campus (the "*CEC Property*"). The CEC Property is known as a portion of Lot 1 of Block 250 of Section 24 of the Township of Little Falls, County of Passaic, State of New Jersey, and is more particularly described on *Exhibit A* attached hereto and by this reference made a part hereof.

In order to enable the CEC to provide electricity to the sub-station currently servicing the Campus for redistribution throughout the Campus, as well as to provide thermal energy and/or related services to certain buildings and other improvements on Campus, Grantee intends to construct and/or install, or to have constructed and/or installed, throughout the Campus:

- (a) underground distribution systems (collectively the "*Underground Distribution System*"), which includes the Electricity Distribution System and the Thermal Distribution System (defined below) between the CEC and each of certain

designated locations on the Campus (collectively, the "*Interconnection Points*"), including, but not limited to, pipes, cables, wire conduits, wires, ducts, pumps, transformers, control devices, communication facilities and other equipment, facilities and appurtenances; and

(b) facilities (collectively the "*Indoor Distribution Facilities*") located inside certain buildings and other improvements on the Campus, including, but not limited to,

The portions of the Underground Distribution System intended for transmitting electric current from the CEC to the electric sub-station servicing the Campus are herein sometimes collectively called the "*Electricity Distribution System*", and the remainder of the Underground Distribution System is herein sometimes called the "*Thermal Distribution System*". The Underground Distribution System and the Indoor Distribution Facilities are herein sometimes collectively called the "*Distribution Systems*".

It is anticipated that the Underground Distribution System will be constructed and/or installed, and that certain operation, inspection, maintenance, modification, repair, replacement and removal activities with regard to the Underground Distribution System will be conducted, approximately in those locations on the Campus (collectively, as one or more of the same may be relocated as more particularly set forth in this Agreement, the "*Easement Areas*") more particularly shown on the drawings attached hereto as *Exhibit B* and by this reference made a part hereof, which Easement Areas are all, at a minimum, fifty (50) feet wide. The Easement Areas are also more particularly described on *Exhibit C* attached hereto and by this reference made a part hereof. The Easement Areas do not include the areas within the buildings in which the Indoor Distribution Facilities will be installed, all of which areas are either owned by Grantee or leased to Grantee by one or more of the Grantors.

Each Grantor owns fee title to one or more portions of the Campus, and collectively Grantors own fee title to all portions of the Easement Areas that are not owned by Grantee. Consequently, Grantee has requested that Grantors grant to Grantee various easements, licenses and rights of access in, to, on, above and under those portions of the Easement Areas owned by Grantors respectively for the purposes set forth in this Agreement, and Grantors are amenable to granting to Grantee such easements, licenses and rights of access, all subject to, and in accordance with, the terms, covenants, conditions and provisions set forth in this Agreement.

NOW, THEREFORE, in consideration of the performance and observance of the mutual terms, covenants, conditions and provisions set forth in this Agreement, as well as in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and

sufficiency of which is hereby acknowledged, with each intending to be legally bound and to bind their respective successors and assigns, Grantors and Grantee hereby agree as follows:

1. **Grants**. Each Grantor hereby grants and conveys to Grantee, with respect to those portions of the Easement Areas that are owned and/or controlled by such Grantor, the following right, titles and interests in and to such portions of the Easement Areas:

(a) easements under, across and within the Easement Areas (collectively, the "***Easement Grants***") for the construction, installation, operation, inspection, maintenance, modification, changing, adding to, increasing, upgrade, repair, replacement and/or removal of the Underground Distribution System and/or any portion or portions thereof that Grantee may, in its reasonable discretion, deem necessary or proper for the purpose of enabling the CEC to provide electricity, thermal energy and/or related services to the Interconnection Points, which Easement Grants shall be located beginning at a depth of ___ () inches below ground level in all portions of the Easement Areas;

(b) irrevocable licenses, for the benefit of Grantee, its successors, assigns and sub-licensees and their employees, agents, consultants, contractors and subcontractors, to enter upon, use and operate on the surface of, as well as in the subsurface under and the area above, the Easement Areas (collectively, the "***License Grants***") for purposes of performing work, conducting operations and/or undertaking other activities in furtherance of, relating to and/or in aid of the construction, installation, operation, inspection, maintenance, modification, changing, adding to, increasing, upgrade, repair, replacement and/or removal of the Distribution Systems and/or any portion or portions thereof that Grantee may, in its reasonable discretion, deem necessary or proper, including, without limitation, (i) the use and operation of light and heavy construction tools and equipment, (ii) the staging of workers, tools, equipment, parts, supplies and/or materials, (iii) the storage of reasonable quantities of tools, equipment and/or materials, (iv) the installation, construction, maintenance and use of construction sheds, trailers, shanties and other similar facilities and/or (v) the supervision and administration of the work; and

(c) the free, full and unimpeded right of access, for the benefit of Grantee, its successors, assigns and sub-licensees and their respective employees, agents, consultants, contractors and subcontractors, over and across all portions of the Campus being suitable and appropriate therefor, from the roads, thoroughfares and other areas bordering the Campus to and from the Easement Areas (collectively, the "***Right of Access Grants***"), which Right of Access Grants shall include and extend to personal vehicles, construction vehicles, trucks, trailers, tools, equipment, parts, supplies, materials, construction sheds, shanties and all other items reasonably necessary for the construction, installation, operation, inspection, maintenance, modification, changing, adding to, increasing, upgrade, repair, replacement and/or removal of the Distribution System and/or any portion or portions thereof.

2. **Reservation of Grantor's Rights.**

(a) Grantors retain, reserve and shall continue to enjoy the use of the surface and areas above the surface of the Easement Areas located on their respective properties for any and all purposes that do not interfere with, hinder, impede, or prevent the use by Grantee of the Easement Areas for the purposes set forth in this Agreement. Notwithstanding the foregoing, however, neither Grantor shall:

(i) fence or otherwise restrict or impede Grantee's access to the Easement Areas;

(ii) build any structures on the Easement Area, or change the grade thereof, without the prior written consent of Grantee; or

(iii) pave over any of the Easement Areas without the prior written consent of Grantee, which consent shall not be unreasonably withheld or delayed.

(b) Each Grantor may install, or grant easements or rights to others to install, in the Easement Areas owned or otherwise controlled by such Grantor, underground facilities such as storm sewer lines, sanitary sewer lines, water lines and similar pipes, wires, cables, or conduits, as are requested by the Board of Trustees of Montclair University ("*MSU*").

(c) Grantee acknowledges that, in addition to the easement, license and right of access rights granted to Grantee under this Agreement (including, without limitation, the Easement Grants, the License Grants and the Right of Access Grants), Grantee is entitled to use and occupy those portions of the Easement Area owned by the EFA pursuant to the provisions of those leases more particularly described on *Exhibit B* attached hereto and by this reference made a part hereof (collectively, the "*EFA Leases*"). Nothing contained in this Agreement is intended, or shall be deemed or construed, to affect in any manner or respect any of the EFA's rights as the landlord under the EFA Leases, provided, however, that, Grantee and MSU (if MSU has assigned its rights as Grantee hereunder) shall cooperate in with each other in order to coordinate the exercise of the EFA's rights as the landlord under the EFA Leases, the rights of Grantee and the express or reserved rights of MSU under this Agreement, so as to prevent or minimize any interference with each other's operations.

3. **Interference.** Grantee shall, at all times, use its commercially reasonable and good faith efforts to exercise the License Grants in such a manner as is designed and intended to avoid, to the extent practicable under the circumstances, unreasonable interference with the use and enjoyment by Grantors and their respective employees, agents, consultants, contractors, subcontractors and invitees of those portions of the Easement Areas that are located on or above the surface of the ground for appropriate purposes (which purposes, use and occupancy shall be subject, in all respects, to the provisions and limitations contained in Paragraph 2 above). Subject to, and in accordance with, the provisions of Paragraph 2 above, Grantee shall further, at all times, exercise the Right of Access Grants in such a manner as shall not unreasonably interfere with use and enjoyment by Grantors and their respective employees, agents, consultants, contractors, subcontractors and invitees of those portions of the Campus that are not included in the Easement Areas. Notwithstanding the foregoing, however, Grantee shall have

the right to cut and fell any brush, trees, or other vegetation or plantings, located within any of the Easement Areas, which interfere with or hinder Grantee's access to its facilities. Grantee shall also have the right to cut into, demolish, trench through and/or otherwise interfere temporarily with the use and enjoyment of any landscaping, walks, drives, other paving, curbing, retaining walls, underground facilities and/or other improvements located in, on, or over any of the Easement Areas, and the provisions of Paragraph 4 below shall apply thereto, provided that Grantee restores such property to its original condition after completion of the temporary tasks.

4. **Damage.** Grantee and its successors and assigns shall reimburse the appropriate Grantor(s) for, or (if Grantee shall so elect in its sole discretion) restore in kind, any damage that might arise to any retaining walls, underground facilities and/or other improvements located or situated in the Easement Areas in compliance with the provisions and limitations contained in Paragraph 2 above, if and to the extent that the same is damaged by Grantee or Grantee's successors and assigns and their employees, agents, consultants, contractors and/or subcontractors in their exercise of the rights granted in Paragraph 3 above. If the amount of such reimbursement or the adequacy of such restoration cannot be mutually agreed upon, such dispute shall be resolved in accordance with the provisions of Paragraph 5 below.

5. **Dispute Resolution.** All claims, disputes and other matters in question between either or both Grantors and Grantee arising out of, or relating to, the Easement Grants, the License Grants, the Right of Access Grants and/or this Agreement shall be resolved in accordance with the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

6. **Remedies.** If Grantors or Grantee reasonably determine(s) that there is a violation of such party's rights under this Agreement, such party shall give written notice to the other party of such violation and, if the other party fails to cure such violation, may proceed as set forth in Paragraph 5 above to enforce the terms of this Agreement, to stop a violation and/or to recover any damages to which the aggrieved party may be entitled. If Grantors or Grantee reasonably determine(s) that circumstances require immediate action to prevent or mitigate damage or risk to its facilities or to the public, such party may bring an action at law or in equity. The rights under this provision apply equally in the event of either actual or threatened violation, and the parties agree that remedies at law for any violation may be inadequate and that a party shall be entitled to injunctive relief, both prohibitive and mandatory, in addition to other relief as to which a party may be entitled, including, without limitation, specific performance of the terms of this Agreement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Notwithstanding the foregoing, in the event Grantee assigns its rights under this Agreement, Grantee, as well as Grantee's successors and assigns, shall retain all rights and remedies under this Agreement.

7. **Costs of Enforcement.** Each party shall bear its own legal costs and expenses in enforcing the terms of this Agreement, provided, however, that MSU shall indemnify and defend the EFA in accordance with the terms, covenants and conditions contained in the Leases.

8. **Non-Waiver.** The failure of Grantors or Grantee to enforce the terms of this Agreement, or any forbearance by a party in the exercise of its rights under this Agreement, shall not be deemed or construed to be a waiver of any of such party's rights. No delay or admission

by Grantors or Grantee in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

9. **Lateral Support.** If either Grantor undertakes excavations or other construction near any of the Easement Areas, such Grantor shall provide sufficient lateral support, by artificial means if necessary, to the Easement Area during the progress and after completion of such excavations or construction. The provisions of this Paragraph 9 shall not apply to any excavations or other construction undertaken by Grantee, or undertaken at MSU's request, whether pursuant to any of the EFA Leases or otherwise.

10. **Authority.** The person or persons executing this Agreement represent to having the full authority to do so.

11. **Notices.** All notices to be provided pursuant to this Agreement shall be given by certified mail, return receipt requested, addressed as follows or to such other address as such party may subsequently provide by notice to the other party:

if to Grantors: NJ Educational Facilities Authority
103 College Road East
Princeton, New Jersey 80540

with copies to:

if to Grantee:

with copies to:

12. **Applicable Law.** This Agreement shall be governed by, construed in accordance with and enforced under the laws of the State of New Jersey.

13. **Eminent Domain.** If the Easement Areas or any part(s) thereof are taken, in whole or in part, by the exercise of the power of eminent domain, Grantee shall be entitled in such proceeding to compensation in accordance with the allocation of value of its interest.

14. Entire Agreement. This Agreement contains and expresses all of the agreements and obligations of Grantor and Grantee in regard to this subject matter.

15. Amendment. Grantee shall have the right, at any time after completion of the installation and/or construction of the Underground Distribution Systems, to cause this Agreement to be amended of record to replace *Exhibit B* and/or *Exhibit C* with updated drawings and/or legal descriptions reflecting or responding to any changes in the design and/or location of the Underground Distribution System and/or any part or parts thereof during the installation and/or construction thereof. Grantors shall cooperate with Grantee in all reasonable respects in order to facilitate such amendment of this Agreement of record, if and to the extent MSU requests such cooperation. Any other amendment or modification of this Agreement must be in writing, duly executed by Grantors and Grantee, and recorded.

16. Incorporation in Future Deeds. Each Grantor shall incorporate a reference to this Agreement in any deed, mortgage, deed of trust, or other legal instrument by which it divests itself of any interest in all or a portion of the Campus containing any of the Easement Areas if necessary to preserve the validity of any easement, license, or right of access granted in this Agreement. However, the failure of a Grantor to do so shall not impair the validity of this Agreement or limit its enforceability.

17. Binding Effect. The terms, covenants and conditions contained in this Agreement shall run with the land, and shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREFORE, the parties hereto have caused this Agreement to be duly executed.

ADD SIGNATURE AND ACKNOWLEDGEMENTS

Exhibit A
Legal Description of the Central Energy Center

All that piece or parcel of land situate in the Township of Little Falls in the County of Passaic, State of New Jersey, more particularly bounded and described as follows, being 87,539 square feet or 2.01 acres more or less:

BEGINNING at the end of the third course of as tract of lands containing 15.93 acres, heretofore, conveyed to the State of New Jersey from the Houdaille Company and filed in the Passaic County Clerk's Office on October 21, 1970 in Book R-89, page 522; said point of **BEGINNING** also being the point of **BEGINNING** of lands now or formerly of the State of New Jersey, as described in a deed filed in the Passaic County Clerk's Office on July 17, 1972, in Book N-92 Page 210, known as Tax Lot 1.05 in Block 250, Section 24 of the Tax Map of the Township of Little Falls; and from said beginning point running thence:

Along the division line between Tax Lot 1 and Tax Lot 1.05, North 23 degrees 44 minutes 20 seconds East 375.50 feet to a point; thence

Along a line South 68 degrees 23 minutes 13 seconds East 348.51 feet to a point on the division line between Tax Lot 1 and Tax Lot 1.04 on the Tax Map of the Township of Little Falls; thence

Along said division line South 15 degrees 03 minutes 05 seconds West 35.84 feet; thence

Along a line South 60 degrees 19 minutes 41 seconds West 340.00 feet; thence

Along a curve to the right having a radius of 183.42 feet, and central angle of 52 degrees 10 minutes 45 seconds, a length of 167.04 feet; thence

Along a line North 69 degrees 29 minutes 38 seconds West 10.33 feet to the point or place of **BEGINNING**.

Subject to a Right of Way as described in an agreement between Houdaille Construction Materials Inc., formerly the North Jersey Quarry Company, and the Public Service Electric and Gas Company, filed in Book Y-74 page 394, filed at the Passaic County Clerk's Office on May 12, 1951, and amendments thereto.

Exhibit B
The EFA Leases

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING SIGNING OF REQUISITIONS**

Adopted: December 14, 2011

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, P.L. 1967, c. 271, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act") and authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and
- WHEREAS:** In connection with the administration of bond proceeds after the closing of a financing, it is necessary for certain officers and staff of the Authority to sign requisitions from various funds and accounts established pursuant to each bond transaction; and
- WHEREAS:** Bond resolutions and trust indentures ("Financing Documents") for specific bond transactions use the term "Authorized Officers" to describe the officers of the Authority authorized to execute and deliver necessary and appropriate documents, which includes the signing of requisitions from the various funds and accounts established under the relevant Financing Documents; and
- WHEREAS:** The particular officers included in the definition of "Authorized Officer" have evolved over time and therefore vary by bond transaction; and
- WHEREAS:** In the Financing Documents related to the transactions for which bond proceeds are currently on deposit in the respective construction funds, the definition of "Authorized Officer" provides that in addition to those officers specifically identified, any other person authorized by resolution to perform an act or execute a document may be considered an Authorized Officer for that specific transaction; and
- WHEREAS:** The Authority has from time to time adopted resolutions designating specific positions or individuals to sign requisitions as permitted by the Financing Documents; and
- WHEREAS:** Over a period of time, positions and individual staff members at the Authority have changed and it has become advisable to update the resolutions identifying those positions at the Authority authorized to sign requisitions for both outstanding transactions and new transactions undertaken by the Authority; and
- WHEREAS:** The staff of the Authority recommends that, to the extent that the Chair, Vice Chair, Treasurer, Executive Director, Controller, Assistant Controller and Director of Project Management are not specifically identified Authorized Officers in a Financing Document they be included as Authorized Officers by this resolution for the sole purpose of signing requisitions; and
- WHEREAS:** The Members of the Authority have determined that it is necessary, advisable and appropriate to accept the recommendation of the staff and to include the Chair, Vice Chair, Treasurer, Executive Director, Controller, Assistant Controller and Director of Project Management as Authorized Officers under any of the Financing Documents in which they are not specifically identified as such; and

WHEREAS: The Members of the Authority have determined that it advisable to require at least two Authorized Officers to execute requisitions and deliver same to the trustees, as needed;

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

SECTION 1. The Chair, Vice Chair, Treasurer, Executive Director, Controller, Assistant Controller and Director of Project Management are hereby designated Authorized Officers under any Financing Document in which they are not otherwise already designated as such in connection with any outstanding bond transactions and any bond transactions undertaken by the Authority in the future as if they were expressly included in the list of Authorized Officers in the Financing Documents authorizing the sale and issuance of the applicable series of bonds or other Authority obligations; provided however, that they are so designated solely for the purpose of signing requisitions.

SECTION 2. The Members hereby determine and direct that all requisitions to be submitted to trustees must be executed by at least two of the Authorized Officers designated under Financing Documents or under this Resolution.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2011 BUDGET VARIANCE ANALYSIS
FOR ELEVEN MONTHS ENDED NOVEMBER 30, 2011**

Executive Summary

The NJEFA concluded eleven months of 2011 with net operating income in the amount of \$812,383, based on revenues of \$3,112,449 and expenses of \$2,300,066. As a result, net operating income is higher than budgeted by \$498,150. This difference is primarily a result of less than budgeted expenses.

Revenues

Revenues were less than budgeted primarily due to less than anticipated bond issuance activity.

Expenses

Operating expenditures through November were favorable as compared to budget by \$564,730. Most of the line items display positive deviations and are primarily the result of staff vacancies and timing.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
OCTOBER - NOVEMBER 2011

	2 Months Ended			Eleven Months Ended		
	November 30, 2011			November 30, 2011		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$479,344	\$479,344	\$ -	\$ 2,877,904	\$ 2,877,904	\$ -
Initial Fees	16,000	52,500	(36,500)	225,158	288,750	(63,592)
Investment Income	269	2,250	(1,981)	9,387	12,375	(2,988)
	<u>\$ 495,613</u>	<u>\$ 534,094</u>	<u>\$ (38,481)</u>	<u>\$ 3,112,449</u>	<u>\$ 3,179,029</u>	<u>\$ (66,580)</u>
<u>Operating Expenses</u>						
Salaries	\$ 146,185	\$ 224,928	\$ 78,743	\$ 1,054,375	\$ 1,353,528	\$ 299,153
Employee Benefits	49,008	74,726	25,718	452,286	537,172	84,886
Provision for Post Ret. Health Benefits	25,000	25,000		137,500	137,500	-
Office of The Governor	3,380	3,000	(380)	16,880	16,500	(380)
Office of The Attorney General	4,667	9,334	4,667	46,670	51,337	4,667
Sponsored Programs	-	2,500	2,500	-	13,750	13,750
Telephone	2,904	4,416	1,512	15,963	24,288	8,325
Gasoline & Auto Maintenance	-	3,110	3,110	656	15,950	15,294
Rent	37,395	39,334	1,939	204,132	216,337	12,205
Utilities	3,373	3,584	211	18,553	19,712	1,159
Postage	270	1,054	784	2,871	5,470	2,599
Office Supplies & Expenses	2,578	7,728	5,150	19,237	39,140	19,903
Travel & Official Receptions	3,874	4,418	544	9,142	22,290	13,148
Staff Training & Tuition Reimbursement	95	4,690	4,595	5,838	23,650	17,812
Insurance	3,318	6,254	2,936	26,295	32,873	6,578
Annual Report & Newsletters	-	4,834	4,834	19,828	26,587	6,759
Public Relations	189	1,500	1,311	189	8,250	8,061
Professional Services	12,972	800	(12,172)	90,405	123,125	32,720
Dues & Subscriptions	5,124	7,084	1,960	67,279	69,337	2,058
Data Processing	7,000	8,000	1,000	35,000	40,000	5,000
Maintenance of Equipment	4,125	7,334	3,209	29,304	40,337	11,033
Depreciation	8,666	8,666	-	47,663	47,663	-
Contingency	-	-	-	-	-	-
	<u>\$ 320,123</u>	<u>\$ 452,294</u>	<u>\$ 132,171</u>	<u>\$ 2,300,066</u>	<u>\$ 2,864,796</u>	<u>\$ 564,730</u>
Net Operating Income	<u>\$ 175,490</u>	<u>\$ 81,800</u>	<u>\$ 93,690</u>	<u>\$ 812,383</u>	<u>\$ 314,233</u>	<u>\$ 498,150</u>

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of November 30, 2011

	<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<u>Private</u>							
	Institute for Advanced Study	2006 Series C	Biology Bldg., & Renovations	\$ 19,939,000.00	\$ (18,179,488.94)	\$ 1,759,511.06	91%
	Saint Peter's College	2008 Series H	Various Construction & Renovations	5,075,000.00	(4,640,399.27)	434,600.73	91%
*	Princeton Theological Seminary	2010 Series A	New Housing- West Windsor Campus	75,316,239.56	(72,320,416.83)	2,995,822.73	96%
	Princeton University	2011 Series B	Various Construction & Renovations	265,292,710.35	(56,596,726.67)	208,695,983.68	21%
	Sub Total			\$ 365,622,949.91	\$ (151,737,031.71)	\$ 213,885,918.20	
<u>Public</u>							
	Kean University	Series 2005 B	Various Projects & Renovations	\$ 91,383,145.08	\$ (79,344,767.82)	\$ 12,038,377.26	87%
*	Montclair State University	Series 2006 A	Rec. Center, Parking & Renovations	99,691,116.44	(96,863,344.09)	2,827,772.35	97%
	Rowan University	Series 2006 G	Various Renovations	46,527,357.07	(42,609,962.03)	3,917,395.04	92%
	Rowan University	Series 2006 H	Property Acquisition, Renovations	19,797,386.13	(18,397,424.03)	1,399,962.10	93%
	Kean University	Series 2007 D	2 Residence Halls, Dining, Parking	124,287,050.02	(95,226,817.69)	29,060,232.33	77%
	Richard Stockton College of New Jersey	Series 2007 G	Housing V, Various Upgrades & Renov	40,242,421.65	(31,065,064.28)	9,177,357.37	77%
	William Paterson University	Series 2008 C	Science Hall Expansion & Renovation	83,907,460.92	(69,487,554.89)	14,419,906.03	83%
	Richard Stockton College of New Jersey	Series 2008 A	Campus Ctr, Science Ctr, College Walk	105,482,763.92	(88,383,507.35)	17,099,256.57	84%
	The College of New Jersey	Series 2010 A&B	Construct School of Education	44,293,116.12	(21,425,156.65)	22,867,959.47	48%
	New Jersey City University	Series 2010 F	Various Capital Improvements	14,717,070.83	(711,449.12)	14,005,621.71	5%
	New Jersey City University	Series 2010 G	Various Capital Improvements	18,201,075.23	(5,251,687.36)	12,949,387.87	29%
	New Jersey Institute of Technology	Series 2010 I	Acqu., Renov., & Equip Former H.S.	20,336,331.08	(10,219,823.80)	10,116,507.28	50%
	Passaic County Community College	Series 2010 C	Construct & Equip. 3-Story Bldg.	13,312,936.20	(3,726,875.25)	9,586,060.95	28%
	Ramapo College of New Jersey	Series 2011 A	Renovation of Student Center	8,165,446.46	(5,078,146.58)	3,087,299.88	62%
	Thomas Edison State College	Series 2011 D	Renovation of Kuser Mansion	8,000,000.00	(292,775.20)	7,707,224.80	4%
	Sub Total			\$ 738,344,677.15	\$ (568,084,356.14)	\$ 170,260,321.01	
<u>Other Programs</u>							
	Public Library Grant Program	Series 2002 A	Library Grants	\$ 45,380,714.58	\$ (45,308,109.58)	\$ 72,605.00	> 99%
	Sub Total			\$ 45,380,714.58	\$ (45,308,109.58)	\$ 72,605.00	
	Grand Total			\$ 1,149,348,341.64	\$ (765,129,497.43)	\$ 384,218,844.21	

* This issue has reached a completion rate of 95% or higher and will no longer appear on future reports.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ADOPTING THE OPERATING AND CAPITAL BUDGETS FOR
CALENDAR YEAR 2012

December 14, 2011

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") annually prepares operating and capital budgets; and

WHEREAS: The Authority's Finance Committee has reviewed the proposed Operating and Capital Budgets for calendar year 2012 (the "2012 Budget"); and

WHEREAS: The proposed 2012 Budget was provided to the Authority members for their review and consideration; and

WHEREAS: The Authority desires to approve and adopt the 2012 Budget as recommended by the Finance Committee.

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 2012 Budget as attached hereto.

SECTION 2. This resolution shall take effect as provided in the New Jersey Educational Facilities Authority Law (being N.J.S.A. 18A:72A-1 et seq.).

**New Jersey Educational Facilities Authority
2012 Budget Proposal
Operating Budget**

	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Projected</u>	<u>2012 Proposed</u>
Revenues:				
Annual Administrative Fees	\$ 3,245,622	\$ 3,117,579	\$ 3,127,887	\$ 3,099,406
Initial Fees	464,843	315,000	214,218	376,000
Interest Income	14,066	13,500	10,000	2,000
Total Revenues	<u>\$ 3,724,531</u>	<u>\$ 3,446,079</u>	<u>\$ 3,352,105</u>	<u>\$ 3,477,406</u>
Expenses:				
Salaries	\$1,402,847	\$1,466,000	\$1,125,244	\$1,466,000
Employee Benefits	481,960	571,534	478,009	590,739
Provision for Post Ret. Health Benefits	120,000	150,000	562,000	168,100
Office of The Governor	16,148	18,000	19,000	20,000
Office of The Attorney General	11,316	56,000	42,000	56,000
Sponsored Programs	3,583	15,000	6,000	15,000
Telephone	24,061	26,500	20,000	23,000
Gasoline and Auto Maintenance	6,152	17,500	656	0
Rent	218,213	236,000	223,000	236,000
Utilities	20,240	21,500	20,500	21,500
Postage	2,954	6,000	5,500	4,000
Office Supplies and Expenses	35,082	43,000	32,000	38,000
Travel and Official Receptions	12,730	24,500	12,000	15,000
Staff Training and Tuition Reimb.	9,948	26,000	14,000	21,000
Insurance	36,694	36,000	30,500	32,000
Annual Report and Newsletters	19,393	29,000	29,000	30,500
Public Relations	189	9,000	1,600	2,000
Professional Services	92,459	260,000	101,519	295,000
Dues and Subscriptions	62,671	83,000	82,000	75,000
Data Processing	39,000	44,000	42,000	45,000
Depreciation	55,885	52,000	43,500	35,500
Maintenance of Equipment	27,762	44,000	38,000	42,000
Contingency	-	50,000	-	50,000
Total Expenditures	<u>\$ 2,699,287</u>	<u>\$ 3,284,534</u>	<u>\$ 2,928,028</u>	<u>\$ 3,281,339</u>
Surplus, Revenues Over Expenses	<u>\$ 1,025,244</u>	<u>\$ 161,545</u>	<u>\$ 424,076</u>	<u>\$ 196,067</u>

**New Jersey Educational Facilities Authority
Proposed 2012 Capital Budget**

	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Projected</u>	<u>2012 Proposed</u>
Data Processing Equipment	\$ 19,257	\$ 31,300	\$ 10,401	\$ 29,000
Office Furniture and Equipment	<u>9,496</u>	<u>3,900</u>	<u>2,296</u>	<u>2,600</u>
Total Capital Budget	<u>\$ 28,753</u>	<u>\$ 35,200</u>	<u>\$ 12,697</u>	<u>\$ 31,600</u>

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

Biography



John Nelson
Managing Director
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John joined Moody's in 1991 and is currently Managing Director of Moody's Health Care, Higher Education and Not-for-Profit rating teams. His teams produce the most research in the capital markets on financial and credit risks facing the various not-for-profit sectors. Moody's rates more than 1,300 hospital, university and other not-for-profit borrowers in the U.S, and assigns additional ratings in Canada, Europe and Asia. John has spent two decades analyzing financial trends in these sectors and has personally visited more than 200 universities and hospitals, meeting with board members, presidents, CFOs, CIOs and other senior management officers. He is quoted frequently in national and industry media, and has spoken at more than 100 different conferences, seminars and board meetings for various colleges, universities, and hospitals. John is also a member of Moody's Global Public Sector Credit Committee (PSCC).

Prior to joining Moody's, John managed an executive staff of corporate planners for six years at the Port Authority of New York and New Jersey. He also spent four years as a country risk analyst for Republic National Bank, as well as two years as budget advisor to New York City's Office of the City Council President.

John received a B.A. in History with a course concentration in Economics from Binghamton University in New York in 1976. He received a Masters of Public Affairs from the Johnson School at the University of Texas at Austin in 1979. He was also a research associate at the Aspen Institute for Humanistic Studies in Aspen, Colorado in 1979. John is currently Adjunct Associate Professor of Public Administration at New York University, where he teaches a course focusing on financial analysis of not-for-profit organizations.

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