

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

ROGER L. ANDERSON
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON WEDNESDAY, FEBRUARY 24, 2010**

The meeting was called to order at 10:41 a.m. by Mr. Anderson, as Secretary of the Authority. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on February 16, 2010, 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.
Ridgeley Hutchinson
Joshua Hodes
Andrew P. Sidamon-Eristoff, Acting State Treasurer (represented by Steven Petrecca)
Edward J. Graham, Chair, Comm. on Higher Education (represented by Kurt Landgraf)

AUTHORITY MEMBERS ABSENT:

Vivian Altman, Chair

STAFF PRESENT:

Roger L. Anderson, Executive Director
Barbara Cannon, Deputy Executive Director
Mary Jane Darby, Director of Project Management
Kathie Newell, Esq., Director of Risk Management
Marie Mueller, Controller
Sheryl Stitt, Director of Communications
Kristen Middleton, Assistant Controller
Debra Paterson, Senior Risk Manager
Vito Galluccio, Project Manager
Jennifer Soyka, Project Manager
Gary Vencius, Senior Accountant
Nichole Doxey, Communications Specialist
Jennifer Zoccali, Project/Communications Assistant
Jamie O'Donnell, Accountant
Denise Carroll, Administrative Assistant
Sheila Toles, Exec. Assistant/Human Resources Specialist

ALSO PRESENT:

Amanda Modjeska, Raymond James & Associates, Inc.
Amy Bartoletti, Ramirez & Company, Inc.
Anthony Inverso, Phoenix Advisors, LLC
Brenda Scotland, Powell Capital Markets, Inc.
Brian Burke, RBC Capital Markets
Charles Visconsi, Morgan Stanley & Co., Inc.
Clifford Rones, Esq., Deputy Attorney General
Crystal Mullins, JP Morgan Securities, Inc.
David Reiner, Esq., Governor's Authorities Unit
David Thompson, Phoenix Advisors, LLC
Elizabeth Caputo, Stifel, Nicolaus & Company, Inc.
James Fagan, NW Capital Markets, Inc.
James Fearon, Gluck Walrath, LLP
John Augustine, Barclay's Capital, Inc.
John Draikiwicz, Esq., Gibbons, PC
John Lisica, BB&T Capital Markets
Josh Nyikita, Acacia Financial Group, Inc.
Julie Eilers, Powell Capital Markets, Inc.
Kirwan Elliott, Public Financial Management, Inc.
Neil Booth, Banc of America Securities, LLC
Nicholas Concilio, Esq., McElroy, Deutsch, Mulvaney & Carpenter, LLP
Rafael Perez, Esq., Cozen O'Connor
Robert Polakowski, Assoc. of Independent Colleges and Universities in NJ
Ryan Conway, Wells Fargo
Sharon Landgraf, PNC Capital Markets
Susan Schmelzer, Jefferies First Albany Securities, LLC
Thomas Holt, Banc of America Securities, LLC

ITEMS OF DISCUSSION

Mr. Anderson requested the members' nominations for Chair of the meeting in Ms. Altman's absence. Mr. Hutchinson moved to nominate Mr. Jacobs. The motion was seconded by Mr. Landgraf and passed unanimously. Mr. Jacobs assumed the position of Chair

Mr. Jacobs welcomed the Authority's recent appointee, Mr. Hodes; the new representative of the Treasurer, Mr. Petrecca, and the new representative of the Governor's Authorities Unit, Mr. Reiner, to the Authority.

1. Resolution of Appreciation for Sonia Frontera, Esq.

The members were asked to consider the adoption of a resolution acknowledging and expressing appreciation to Sonia Frontera, Esq. for her services as representative of the Governor's Authorities Unit.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
EXPRESSING ITS APPRECIATION TO SONIA FRONTERA, ESQ.

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

The adopted resolution is appended as Exhibit I.

2. **Approval of the Minutes of the Meeting of December 10, 2009**

The minutes of the meeting of December 10, 2009 were hand delivered to Governor Jon S. Corzine under the date of December 11, 2009. Mr. Hutchinson moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Hodes and passed. Mr. Petrecca abstained from the vote.

3. **Report on Pending Projects**

Ms. Darby, Director of Project Management, reported that there are several projects for which various colleges and universities have requested Authority financing. Ms. Darby briefly described the projects and reported that the projects are under review and at various stages of development.

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

4. **Market Update – Public Financial Management, Inc.**

Mr. Elliott provided the Members with a market update report that included commentary on current market conditions.

5. **Report on the Sale of NJEFA Revenue Bonds, The College of New Jersey Issues, Series 2010 A (Tax-Exempt) and Series 2010 B (Build America Bonds – Direct Payment), In the Amount of \$44,500,000**

Ms. Darby reported that on January 14, 2010 the Authority successfully closed its first Build America Bond issue as part of the Series 2010 A and Series 2010 B bonds on behalf of The College of New Jersey and described the various components of the transaction. She reported that the Authority optimized the structure of the issue at the time of pricing with a small tax-exempt series at the beginning of the deal and the remainder as Build America Bonds.

The proceeds of the issue will be used for the demolition of an existing structure, site clearance and site work, utility upgrades and construction of a three-story, approximately 70,000 square-foot facility to house TCNJ's School of Education; capitalized interest; and to pay certain costs of issuance.

The transaction was structured as a fixed rate, negotiated transaction with ratings of AA- from Fitch Ratings, A3 from Moody's Investors Service and A from Standard and Poor's Rating Services. The bonds have a true interest cost of 4.69% (net of the federal subsidy) and a final maturity of July 1, 2040.

Mr. Visconsi of Morgan Stanley, Senior Manager, described the transaction and thanked the Authority.

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

6. **Report on the Sale of NJEFA Revenue Bonds, Princeton Theological Seminary Issue, 2010 Series A, In the Amount of \$68,785,000**

Ms. Darby reported that on February 11, 2010 the Authority successfully closed the sale of the 2010 Series A bonds on behalf of Princeton Theological Seminary and described the various components of the transaction. The proceeds of the issue are being used for the

construction of new housing for students and related improvements, including all work, equipment, materials and services necessary or incidental thereto; and to pay certain costs of issuance.

The transaction was structured as a fixed rate, negotiated transaction with ratings of Aaa from Moody's Investors Service and AAA from Standard and Poor's Rating Services. The bonds have a true interest cost of 3.745% and a final maturity of July 1, 2030.

Ms. Schmelzer of Jefferies First Albany Securities, LLC, Senior Manager, described the transaction and thanked everyone.

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

7. **Report on the Sale of NJEFA Revenue Bonds, Princeton University Issue, 2010 Series B, In the Amount of \$250,000,000**

Ms. Darby reported that on January 28, 2010 the Authority successfully closed the sale of the 2010 Series B bonds on behalf of Princeton University and described the various components of the transaction. The proceeds of the issue are being used, in whole or in part, for the renovation and repair of various University buildings and other facilities; to purchase capital equipment; and for the construction of academic, administrative and/or student related capital facilities on the University's main campus in Princeton; its Forrestal Campus in Plainsboro; or at its administrative building in West Windsor; and certain costs of issuance.

The fixed rate bonds were sold competitively on January 20, 2010 and eight bids were received. The winning bidder was JP Morgan. The bonds have a true interest cost of 4.033% and a final maturity of July 1, 2040.

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

8. **Approval of Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, Passaic County Community College Issue, Series 2010 C (Tax-Exempt), Series 2010 D (Recovery Zone Economic Development Bonds) and Series 2010 E (Build America Bonds – Direct Payment), In an Amount Not to Exceed \$12,500,000**

Mr. Anderson reported the details of the proposed Series 2010 C, D and E bonds in an amount not to exceed \$12,500,000 on behalf of Passaic County Community College. The proceeds of the issue will be used for the construction of a portion of a three-story building consisting of approximately 68,000 square-feet and equipping and furnishing a portion of the building; capitalized interest; and certain costs of issuance.

The financing is being structured as up to 40-year bonds with either a fixed or term rate. Depending on market conditions and investor appetite, the issue can be structured as any, or any combination, of tax-exempt bonds, Build America Bonds or Recovery Zone Economic Development Bonds. The issue will be a negotiated sale with a true interest cost not to exceed 7% on the Series 2010 C bonds and not to exceed 9% on the Series 2010 D and E bonds. The fixed rate bonds will have a final maturity not later than July 1, 2050 and the term rate bonds will have an initial rate period ending not later than January 1, 2026. The issue is tentatively scheduled to be sold the week of March 15, 2010 and to close the week of March 22, 2010.

Mr. Draikiwicz of Gibbons, PC, Bond Counsel, described the resolution presented for approval.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, PASSAIC COUNTY COMMUNITY COLLEGE ISSUE, SERIES 2010 C (TAX-EXEMPT), SERIES 2010 D (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND SERIES 2010 E (BUILD AMERICA BONDS – DIRECT PAYMENT)

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

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

9. Adoption of Resolution Authorizing an Appointment to the Authority's Audit Committee

Mr. Anderson reported that the Authority's By-Laws provide that the Audit Committee consists of the State Treasurer, the Treasurer of the Authority (if the Authority's Treasurer is a member of the Authority) and a member of the Authority with significant financial experience. He reported that in March 2009 Felice Vazquez resigned from the Authority's board and left a vacancy on the Committee. Mr. Anderson announced that Mr. Hutchinson, who is a current member of the Authority and has significant financial experience, had indicated his willingness to serve on the Committee. Accordingly, Mr. Anderson requested the Members' approval of the resolution appointing Mr. Hutchinson.

Mr. Jacobs congratulated Mr. Hutchinson on his featured article in the Authority's February 2010 Newsletter and thanked him for agreeing to serve on the Audit Committee.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
FILLING A VACANCY ON THE AUDIT COMMITTEE

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

The adopted resolution is appended as Exhibit VII.

10. Report on Operating and Construction Fund Statements

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

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

The reports are appended as Exhibit VIII.

11. Legislative Update

Ms. Stitt reported that the Authority is monitoring several bills that would substantially impact pension benefits for future public employees. One of the bills, S-3, would require all current and future public employees to contribute 1.5% of their salaries towards healthcare benefits.

She also reported that S-920 sponsored by Senator Lesniak proposes revisions to his recently enacted "New Jersey Economic Stimulus Act of 2009" which would authorize

public/private partnerships for certain higher education projects and would designate the Economic Development Authority as the approval and oversight agency for such projects.

12. **Directors' Update**

Mr. Anderson reported that, in response to Governor Christie's Executive Order No. 15, he had already responded that the Authority has no lobbying contracts and no written contracts of employment with any of its employees.

Ms. Newell reported that over recent years the IRS has undertaken initiatives to investigate Post Issuance Compliance procedures and practices and to encourage better compliance. She reported that this year the private colleges and universities, which are Section 501(c)3 organizations, must include with their annual 990 Forms, detailed information about all of their tax-exempt bonds. She advised that this year most of the required information can be found in the Form 8038, but next year more information will be required. Ms. Newell informed the members that several of the institutions have asked for assistance and that because the Authority has the information, the Authority sent out a letter to the institutions offering assistance in gathering the information next year and would also assist them in identifying when bond counsel should be consulted.

Mr. Landgraf reported on the pending discontinuity at the Commission on Higher Education between the Lesniak bill which elevated the Executive Director of the Commission to cabinet level and the proposal to abolish the Commission. He advised that the Commission will address the issue directly at a later date.

13. **Presentation – 2009 Year in Review**

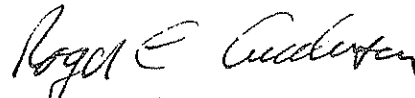
Mr. Anderson gave an informative presentation on the 2009 Year in Review. Mr. Jacobs thanked Roger and the Authority staff for an excellent report.

14. **Next Meeting Date**

Mr. Jacobs announced that, at the request of the Governor's Authorities Unit, Authority meetings will be rescheduled from the fourth Wednesday of each month to the fourth Tuesday of each month. Accordingly, he announced that the next meeting will be on Tuesday, March 23, 2010 at the Authority's office and requested a motion to adjourn.

Mr. Hodes moved that the meeting be adjourned at 11:29 a.m.; the motion was seconded by Mr. Petrecca and passed unanimously.

Respectfully submitted,



Roger L. Anderson
Secretary



RESOLUTION OF APPRECIATION

TO

SONIA M. FRONTERA, ESQ.

WHEREAS, on May 2, 2006, Sonia M. Frontera joined the Governor's Authorities Unit and was assigned to the New Jersey Educational Facilities Authority (the "Authority") and served as the Governor's representative at our Board meetings; and

WHEREAS, Ms. Frontera resigned from the Governor's Authorities Unit effective January 15, 2010; and

WHEREAS, Ms. Frontera has committed her time, knowledge, expertise and professionalism to the Authority's Board, staff, and its college and university clients; and

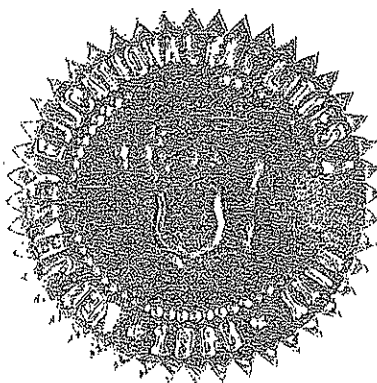
WHEREAS, the Authority's members and staff wish to acknowledge the contributions that Ms. Frontera has made to the Authority and to extend their appreciation for her service to the Authority and to New Jersey's higher education community.

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby expresses its sincere appreciation to Ms. Frontera for her guidance and generous service to the State of New Jersey, thereby benefiting the Authority and New Jersey's colleges and universities.

BE IT FURTHER RESOLVED, that the contributions made by Ms. Frontera to the Authority have greatly enhanced the physical facilities of New Jersey's institutions of higher education, thereby benefiting all of the citizens of the State.

BE IT FURTHER RESOLVED, that the Authority extends its best wishes to Ms. Frontera and wishes her much success in all her future endeavors.

BE IT FURTHER RESOLVED, that a copy of this Resolution of Appreciation be sent to Ms. Frontera as a tribute from the Authority for her public service.



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

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Joshua Hodes
Andrew Sidamon-Eristoff (represented by Steven Petrecca)
Edward J. Graham (represented by Kurt Landgraf)

NAY: None

ABSTAIN: None

ABSENT: Vivian Altman

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
 REPORT ON PENDING PROJECTS
 February 24, 2010

<u>Institution</u>	<u>Project</u>	<u>Estimated Size of Issue</u>	<u>Estimated Pricing Date</u>
<u>Private Institutions</u>			
Drew University	Refunding of Certain Existing Indebtedness and Various Capital Improvements	\$10 Million	TBD
<u>Public Institutions</u>			
Passaic County Community College	Construction of a Portion of a New Academic Building	\$11.5 Million	March 2010
New Jersey City University	Various Renovations and Capital Improvements and Possible Refunding	\$40 Million	May 2010
<u>Programs</u>			
Tax-Exempt Leasing Program	Equipment Leasing for Public/Private Colleges/Universities in New Jersey	Varies	Varies



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BOND SALE SUMMARY

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

Issue: 2010 Series A and
2010 Series B (Build America Bonds – Direct Payment)

Amount: \$44,500,000

Purpose: To provide funds to finance: (i) the demolition of an existing structure, site clearance and site work, utility upgrades and construction of a three story, approximately 70,000 square-foot facility to house the Public College's School of Education; (ii) the funding of capitalized interest on the Bonds; and (iii) the payment of certain costs of issuance.

Structure: Negotiated Sale, Fixed Rate Bonds

Final Maturity: July 1, 2040

True Interest Cost: 4.69%

Bond Ratings: AA- - Fitch Ratings
A3 - Moody's Investors Service
A - Standard and Poor's Rating Services

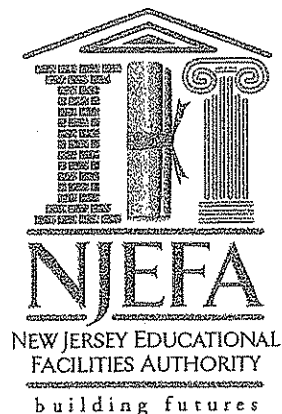
Pricing: January 6, 2010

Closing: January 14, 2010

Professionals on the Transaction:

Bond Counsel:	Gluck Walrath, LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Financial Advisor:	Phoenix Advisors, LLC
Senior Manager:	Morgan Stanley & Co., Inc.
Co-Managers:	Lebenthal & Co., LLC
	Raymond James & Associates, Inc.
Underwriters' Counsel:	Cozen O'Connor
Trustee:	US Bank, National Association
Trustee's Counsel:	McElroy, Deutsch, Mulvaney & Carpenter, LLP

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BOND SALE SUMMARY

Borrower:	Princeton Theological Seminary, Princeton, New Jersey
Issue:	2010 Series A
Amount:	\$68,785,000
Purpose:	To provide funds to finance: (i) the construction of new housing for students and related improvements, including all work, equipment, materials and services necessary or incidental thereto; and (ii) the payment of certain costs of issuance.
Structure:	Negotiated Sale, Fixed Rate Bonds
Final Maturity:	July 1, 2030
True Interest Cost:	3.745%
Bond Ratings:	Aaa - Moody's Investors Service AAA - Standard and Poor's Rating Services
Pricing:	February 3, 2010
Closing:	February 11, 2010

Professionals on the Transaction:

Bond Counsel:	DeCotiis, FitzPatrick, Cole & Wisler, LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Seminary's Counsel:	Drinker Biddle & Reath, LLP
Financial Advisor:	Phoenix Advisors, LLC
Senior Manager:	Jefferies & Company
Co-Senior Manager:	RBC Capital Markets
Co-Managers:	BB&T Capital Markets
	Jackson Securities, LLC
	NW Capital Markets Inc.
Underwriters' Counsel:	McManimon & Scotland, LLC
Trustee:	The Bank of New York Mellon
Trustee's Counsel:	Hawkins, Delafield & Wood, LLP



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BOND SALE SUMMARY

Borrower: Princeton University, Princeton, New Jersey

Issue: 2010 Series B

Amount: \$250,000,000

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 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, and (c) the construction of academic, administrative and/or student related capital facilities (collectively, "Facility X"); and (ii) the payment of certain costs of issuance.

Structure: Competitive Sale, Fixed Rate Bonds

Final Maturity: July 1, 2040

True Interest Cost: 4.033%

Successful Bidder: J.P. Morgan Securities Inc.

**Other Bidders
and TIC %:**

Banc of America Merrill Lynch	4.100987%
Wachovia Bank, National Association	4.141555%
Citigroup Global Markets Inc.	4.144799%
Morgan Stanley & Co., Inc.	4.166293%
Goldman, Sachs & Co.	4.170631%
Barclays Capital, Inc.	4.185674%
Jefferies & Company, Inc.	4.192707%

Bond Ratings:

Aaa - Moody's Investors Service
 AAA - Standard and Poor's Rating Services

Pricing:

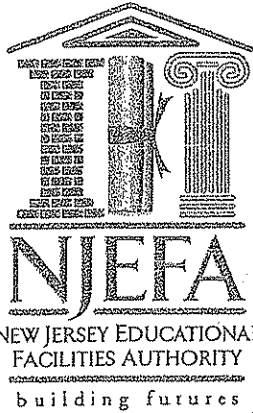
January 20, 2010

Closing:

January 28, 2010

Professionals on the Transaction:

Bond Counsel:	McCarter & English, LLP
Authority's Counsel:	Attorney General of the State of New Jersey
University's Counsel:	Princeton University, Office of General Counsel
Financial Advisor:	Public Financial Management, Inc.
University's Financial Advisor:	Prager, Sealy & Co., LLC
Trustee:	The Bank of New York Mellon
Trustee's Counsel:	McManimon & Scotland, LLC



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TERM SHEET

Borrower: Passaic County Community College, Passaic, New Jersey

Issues: Series 2010 C (Tax-Exempt)
Series 2010 D (Recovery Zone Economic Development Bonds)
Series 2010 E (Build America Bonds – Direct Payment)

Amount: Not to Exceed \$12,500,000

Purpose: To provide funds to finance: (i) the construction of a portion of a three-story building consisting of approximately 68,000 square-feet and equipping and furnishing a portion of such building; (ii) the funding of capitalized interest on the Bonds; and (iii) the payment of certain costs of issuance.

Security: General Obligation of the College

Structure: Negotiated Sale either as Fixed Rate Bonds or Term Rate Bonds

Term: Fixed Rate Bonds - Not later than July 1, 2050
Term Rate Bonds – Not later than January 1, 2026

Fixed Rate Bonds
True Interest
Cost: Series 2010 C – Not to Exceed 7.00%
Series 2010 D – Not to Exceed 9.00%
Series 2010 E – Not to Exceed 9.00%

Term Rate Bonds
Initial Interest
Rate: Series 2010 C – Not to Exceed 7.00%
Series 2010 D – Not to Exceed 9.00%
Series 2010 E – Not to Exceed 9.00%

Bond Ratings: To Be Determined
Tentative Pricing: Week of March 15, 2010
Tentative Closing: Week of March 22, 2010

The Authority Members will be asked to adopt the Series 2010 C (Tax-Exempt), Series 2010 D (Recovery Zone Economic Development Bonds) and Series 2010 E (Build America Bonds – Direct Payment) Bond Resolution which outlines the various parameters of the financing; authorizes the issuance of the revenue bonds; authorizes and approves the form of all legal documents necessary for the financing, including a Trust Indenture between the Authority and the Trustee, the Lease and Agreement, Preliminary Official Statement and Official Statement and Contract of Purchase; and delegates to any Authorized Officer the ability to take all actions as may be necessary to sell and issue the bonds, execute the Contract of Purchase with the Underwriter as well as all other bond documents, and finalize this transaction.

Professionals on the Transaction:

Bond Counsel:	Gibbons, PC
Authority's Counsel:	Attorney General of New Jersey
Underwriter:	RBC Capital Markets
Trustee:	To Be Determined
Trustee's Counsel:	To Be Determined

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, PASSAIC COUNTY COMMUNITY COLLEGE ISSUE, SERIES 2010 C (TAX-EXEMPT), SERIES 2010 D (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND SERIES 2010 E (BUILD AMERICA BONDS – DIRECT PAYMENT)

Adopted: February 24, 2010

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, PASSAIC COUNTY COMMUNITY COLLEGE ISSUE, SERIES 2010 C (TAX-EXEMPT), SERIES 2010 D (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND SERIES 2010 E (BUILD AMERICA BONDS – DIRECT PAYMENT)

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

WHEREAS, the Board of Trustees of Passaic County Community College (the “Public College”) has determined that it is necessary and advisable to undertake a capital project consisting of (i) the construction of a three story building consisting of approximately 68,000 square feet and equipping and furnishing a portion of such building, (ii) funding capitalized interest on the hereinafter-defined Bonds and (iii) paying certain costs incidental to the issuance and sale of the Bonds (collectively, the “Project”); and

WHEREAS, 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 (collectively, the “Bonds”), for the purpose of providing funds to finance all or a portion of the costs of the Project; and

WHEREAS, the repayment of the Bonds will be secured by a Lease and Agreement between the Authority and the Public College (the “Agreement”), pursuant to which the Authority will lease the Project Facilities (as defined in the Agreement) to the Public College; and

WHEREAS, the Bonds will be issued under and secured by one or more Indentures of Trust (each a “Trust Indenture” and together, the “Trust Indentures”) to be entered into by and between the Authority and a trustee to be selected by any Authorized Officer (as defined herein) of the Authority, as trustee (together with its successors in trust, the “Trustee”); and

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

WHEREAS, pursuant to the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, enacted February 17, 2009, the Authority may determine to issue all or a portion of the Bonds (i) (namely, the hereinafter-defined Series 2010 D Bonds) as Recovery Zone Economic Development Bonds within the meaning of Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the “Code”), or (ii) (namely, the hereinafter-defined Series 2010 E Bonds) as Build America Bonds (“BABs”) within the meaning of Section 54AA of the Code, wherein such Series 2010 D Bonds and Series 2010 E Bonds would be issued on a federally-taxable basis and (in lieu of issuing and selling

separate tax credits) the Authority, contingent upon timely application therefor and compliance with certain ongoing requirements imposed by the Code, would be entitled to receive on each Interest Payment Date (as defined in the herein-defined Trust Indenture) a refundable credit from the United States Treasury equal to (i) 45% of the interest payable on such Series 2010 D Bonds on such Interest Payment Date, and (ii) 35% of the interest payable on such Series 2010 E Bonds on such Interest Payment Date (the "Cash Refunds"); and

WHEREAS, the Authority has determined that an Authorized Officer of the Authority may, at the request of the Public College, direct that any such Cash Refunds received by the Authority will, upon receipt by the Authority, either (i) be promptly deposited into the applicable fund or account and credited against the lease payment obligation of the Public College, or (ii) be promptly remitted to the Public College (in which event such Cash Refunds would not be pledged to the repayment of the Series 2010 D Bonds and Series 2010 E Bonds), and that an Authorized Officer of the Authority may, at the request of the Public College, further direct that any such Cash Refunds be paid directly to the Public College, to the extent permitted by the United States Treasury; 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, negotiable bonds of the Authority shall be authorized by resolution of the members of the Authority; and

WHEREAS, the Public College has advised that it may pay for certain costs of the Project (the "Project Costs") prior to the issuance of the Bonds with funds of the Public College which are not proceeds of tax-exempt bonds;

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

ARTICLE 1

AUTHORIZATION OF BONDS; APPROVAL OF DOCUMENTS

1.1 Purpose of Issuance of the Bonds.

The Authority hereby declares the Project to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice-Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Secretary or any Assistant Secretary of the Authority, and/or any other person authorized by resolution of the Authority, and any of 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 College, all or part of the costs of the Project.

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 \$12,500,000, in order to finance, on behalf of the Public College, all or part of the costs of the Project. At the discretion of an Authorized Officer and in consultation with the Public College, the Bonds may be issued in one or more of the following series: (i) a series of tax-exempt bonds to be designated "New Jersey Educational Facilities Authority Revenue Bonds, Passaic County Community College Issue, Series 2010 C (Tax-Exempt)" (the "Series 2010 C Bonds"), (ii) a series of taxable bonds to be designated "New Jersey Educational Facilities Authority Revenue Bonds Passaic County Community College Issue, Series 2010 D (Recovery Zone Economic Development Bonds) (the "Series 2010 D Bonds") and (iii) a series of taxable bonds constituting BABs to be designated "New Jersey Educational Facilities Authority Revenue Bonds, Passaic County Community College Issue, Series 2010 E (Build America Bonds – Direct Payment)" (the "Series 2010 E Bonds"). In each case there may be added such additional series designation(s) as may be determined by an Authorized Officer of the Authority.

(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, sale of a complex credit and volatile market conditions, and a competitive sale of the Bonds is not in the best interest of the Authority and the Public College.

(c) Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority a contract of purchase (the "Purchase Contract") by and among the Authority, the Public College and RBC Capital Markets Corporation, on behalf of itself and any other members of an underwriting syndicate headed by such firm (collectively, the "Underwriter"), in substantially the form presented to this meeting with such changes as shall be approved by any Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the purchase of the Bonds at the price or prices to be agreed upon; provided, however, that the underwriter's discount for the Bonds of each series shall not exceed \$10.00 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 Chair, the Vice-Chair, the Executive Director or the Director of Project Management are hereby authorized to appoint any additional underwriters to purchase the Bonds as members of an underwriting syndicate headed by the Underwriter.

(e) 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, 2050. The Series 2010 C Bonds shall bear interest either (i) at fixed rates as described in the Trust Indenture, with a true interest cost for such Series 2010 C Bonds not to exceed 7.0% per annum, or (ii) at a variable rate as described in the Trust Indenture, at an initial rate for such Series 2010 C Bonds not to exceed 7.0% per annum and for an initial interest rate period ending no later than January 1, 2026. The Series 2010 D Bonds and the Series 2010 E Bonds shall bear interest either (i) at fixed rates as described in the Trust Indenture, with a true interest cost for such series of Bonds not to exceed 9.0% per annum, or (ii) at a variable rate as described in the Trust Indenture, at an initial rate for such series of Bonds not to exceed 9.0% per annum and for an initial interest rate period ending no later than January 1, 2026. The Bonds shall be subject to redemption as provided in the Trust Indenture; *provided, however*, that except in the case of the Series 2010 D Bonds and Series 2010 E Bonds (in which case there shall be no limitation), the redemption premium on the Bonds, if any, shall not exceed 5%.

(f) Any Authorized Officer may, with the advice of Bond Counsel and the Attorney General of the State, and in consultation with the Public College, (i) elect under Sections 54AA(d)(1)(C) and 1400U-2(b)(1) of the Code to treat the Series 2010 D Bonds as Recovery Zone Economic Development Bonds, (ii) elect under Sections 54AA(g)(2)(B) and 1400U-2(b)(1) of the Code to treat any such Series 2010 D Bonds as qualified bonds and to receive Cash Refunds under Section 6431 of the Code, and (iii) direct that any Cash Refunds received by the Authority in respect of any Series 2010 D Bonds will, upon receipt by the Authority, either (x) be promptly deposited into the applicable fund or account and credited against the lease payment obligation of the Public College, or (y) be promptly remitted to the Public College (in which event such Cash Refunds would not be pledged to the repayment of the Series 2010 D Bonds). Any Authorized Officer may, with the advice of Bond Counsel, and in consultation with the Public College, further direct that any such Cash Refunds be paid directly to the Public College, to the extent permitted by the United States Treasury.

(g) Any Authorized Officer may, with the advice of Bond Counsel and the Attorney General of the State, and in consultation with the Public College, (i) elect under Section 54AA(d)(1)(C) of the Code to treat the Series 2010 E Bonds as BABs, (ii) elect under Section 54AA(g)(2)(B) of the Code to treat any such Series 2010 E Bonds as qualified bonds and to receive Cash Refunds under Section 6431 of the Code, and (iii) direct that any Cash Refunds received by the Authority in respect of any Series 2010 E Bonds will, upon receipt by the Authority, either (x) be promptly deposited into the applicable fund or account and credited against the lease payment obligation of the Public College, or (y) be promptly remitted to the Public College (in which event such Cash Refunds would not be pledged to the repayment of the Series 2010 E Bonds). Any Authorized Officer may, with the advice of Bond Counsel, and in consultation with the Public

College, further direct that any such Cash Refunds be paid directly to the Public College, to the extent permitted by the United States Treasury.

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 and approved by the Authorized Officers executing and attesting such Bonds 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 Preliminary Official Statement and Official Statement.

The distribution of a Preliminary Official Statement relating to the Bonds (a draft of which is presented to this meeting and shall be filed with the records of the Authority) (the "Preliminary Official Statement") is hereby authorized in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as approved by any Authorized Officer of the Authority with the advice of Bond Counsel and the Attorney General of the State. Any Authorized Officer of the Authority is hereby authorized to "deem final" the Preliminary Official Statement in accordance with Rule 15c2-12 of the Securities and Exchange Commission, if applicable.

Any Authorized Officer of the Authority is hereby authorized and directed to execute and deliver the final Official Statement (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 conclusively by the execution thereof by such Authorized Officer of the Authority.

1.6 Approval of Agreement.

The form of the Agreement presented to the meeting at which this Resolution is adopted (a copy 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 insertions and changes therein

(including, without limitation, the date thereof, and any acceptable covenants or provisions that may be required for the marketing of the Bonds or by the bond insurer, if any) and any supplements thereto as the Authorized Officer executing the Agreement shall approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

1.7 Approval of Trust Indentures

The forms of the Trust Indentures presented to the meeting at which this Resolution is adopted (a copy of which shall be filed with the records of the Authority), is hereby approved. An Authorized Officer is hereby delegated and is authorized to select the form of the Indenture to be utilized to finance the Project. If necessary, any Authorized Officer is hereby authorized and directed to execute multiple Trust Indentures in order to effectuate the financing of the Project, such approval to be evidenced by such Authorized Officer's execution thereof. 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 for the marketing of the Bonds or by the bond insurer, if any) and any supplements thereto 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 conclusively by such Authorized Officer's execution thereof.

1.8 Appointment of Trustee.

Any Authorized Officer is hereby authorized and directed to appoint, via a competitive process, a trustee to act as the initial Trustee under the Trust Indenture. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Trust Indenture by the Trustee's execution and delivery thereof.

1.9 Book-Entry System for the Bonds.

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

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

1.10 Bond Insurance Authorized.

Any Authorized Officer is hereby authorized to accept a commitment 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 a commitment for such insurance, causing payment of the premium therefor (but only from proceeds of the Bonds or other funds provided by the Public College) 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.

1.11 Continuing Disclosure.

Pursuant to the Agreement, the Public College 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 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, and shall comply with and carry out all of the obligations imposed on the Dissemination Agent under the Continuing Disclosure Agreement and the Agreement. Notwithstanding any other provision of this Resolution, the Trust Indenture or the Agreement, failure of the Public College or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall not be considered an event of default under this Resolution, the Trust Indenture or the Agreement.

1.12 Conformance of Documents.

Any Authorized Officer is hereby authorized and directed to approve such changes to the forms of the Preliminary Official Statement, the Official Statement, the Purchase Contract, the Agreement, the Trust Indenture 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, with the advice and consent of Bond Counsel and the Attorney General of the State.

1.13 Authorization to Invest Bond Proceeds.

Any Authorized Officer is authorized to enter into or direct the Trustee to enter into one or more agreements to invest the proceeds of the Bonds in Investment Obligations (as defined in the Trust Indenture), which includes investment agreements and repurchase agreements, in the event that such Authorized Officer determines, in consultation with and with the consent of the Public College, that it is advantageous to the Public College for the Authority to invest any proceeds of the Bonds in Investment Obligations, which includes investment agreements and repurchase agreements. The form of any such investment agreement or repurchase agreement shall be as approved by an Authorized Officer of the Authority, with the advice of Bond Counsel and the Attorney General of the State.

ARTICLE 2

MISCELLANEOUS

2.1 Reimbursement.

(a) The Authority reasonably expects the Public College to reimburse its expenditure of Project Costs paid prior to the issuance of the Bonds with proceeds of the Bonds.

(b) This resolution is intended to be and hereby is a declaration of official intent to reimburse the expenditures for Project Costs paid prior to the issuance of the Bonds with the proceeds of the Bonds in accordance with Treasury Regulations Section 1.150-2.

(c) The maximum principal amount of Bonds expected to be issued to finance the Project is \$11,500,000, which Bonds may be issued in one or more transactions over the next three years.

(d) The Project Costs to be reimbursed with the proceeds of the Bonds will be "capital expenditures" in accordance with the meaning of Section 150 of the Internal Revenue Code of 1986, as amended (the "Code").

(e) No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147 of the Code. The proceeds of the Bonds used to reimburse Project Costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations Section 1.148-1) of the Bonds or another issue of debt obligations of the Authority, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations Section 1.148-1).

(f) All reimbursement allocations will occur not later than 18 months after the later of (i) the date of expenditure from a source other than the Bonds is paid or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations Section 1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

2.2 Incidental Action.

The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, agreements, directions and notices, and to take such other action as may be necessary or appropriate in order: (i) to effectuate the execution and delivery of the Preliminary Official Statement, the Official Statement, the Purchase Contract, the Agreement, the Trust Indentures, and the sale and issuance of the Bonds, (ii) to implement the DTC book-entry only system for the Bonds, (iii) to maintain the tax-exempt status of the interest on the Series 2010 C Bonds, and the eligibility for continued receipt of Cash Refunds in respect of the Series 2010 E Bonds (including in each case the preparation and filing of any information reports or other documents with respect to such bonds as may at any time be required under Section 149 of the Code, and any regulations thereunder), (iv) to file, or cause to be filed, with the United States Treasury, IRS Form 8038CP or such other forms or reports as may be required in order to provide for the payment, from time to time, of the Cash Refunds by the United States Treasury, (v) to obtain bond insurance for all or part of the Bonds, (vi) to enter into, or cause to be entered into, one or more agreements to invest the proceeds of the Bonds in Investment Obligations, which includes investment agreements

and repurchase agreements, and (vii) if applicable, to effectuate the remittance or direct payment of any Cash Refunds to the Public College.

2.3 Prior Resolutions.

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

2.4 Effective Date.

This Resolution shall take effect in accordance with the Act.

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

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Joshua Hodes
Andrew Sidamon-Eristoff (represented by Steven Petrecca)
Edward J. Graham (represented by Kurt Landgraf)

NAY: None

ABSTAIN: None

ABSENT: Vivian Altman

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

**NEW ISSUE
BOOK ENTRY ONLY**

Ratings: See "Ratings" herein

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 Series 2010 C 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 Series 2010 C Bonds, interest received by a holder of the Series 2010 C 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, interest on the Series 2010 C Bonds may become taxable retroactively if certain requirements under the Code are not complied with. No opinion is rendered regarding the Federal income tax treatment of interest on the Series 2010 D Bonds or the Series 2010 E Bonds. 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.



**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS,
PASSAIC COUNTY COMMUNITY COLLEGE ISSUES**

[PCCC
Logo]

\$ _____ * SERIES 2010 C (TAX-EXEMPT)
\$ _____ * SERIES 2010 D (RECOVERY ZONE ECONOMIC
DEVELOPMENT BONDS)
\$ _____ * SERIES 2010 E (BUILD AMERICA BONDS – DIRECT
PAYMENT)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The New Jersey Educational Facilities Authority, [\$ _____ *, Revenue Bonds, Passaic County Community College Issue, Series 2010 C Bonds (Tax-Exempt) (the "Series 2010 C Bonds"), \$ _____ * Revenue Bonds, Passaic County Community College Issue, Series 2010 D (Recovery Zone Economic Development Bonds) (the Series 2010 D Bonds") and the \$ _____ * Revenue Bonds, Passaic County Community College Issue, Series 2010 E Bonds (Build America Bonds – Direct Payment) (the "Series 2010 E Bonds" and together with the Series 2010 C Bonds and the Series 2010 D Bonds, 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 multiples 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". _____, _____, New Jersey (the "Trustee"), shall act as trustee and bond registrar for the Bonds.

Interest on the Bonds will be payable on January 1 and July 1 of each year, commencing July 1, 20__.

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 Resolution adopted by the New Jersey Educational Facilities Authority (the "Authority") on February 24, 2010 (the "Resolution") and an Indenture of Trust dated as of _____ 1, 2010 (the "Indenture") by and between the Authority and the Trustee. The proceeds of the Bonds will be used, together with other available funds, to fund a project consisting of: (i) the construction of a three story building consisting of approximately 68,000 square feet and equipping and furnishing a portion of such building; (ii) funding capitalized interest on the Bonds; and (iii) paying certain costs incidental to the issuance and sale of the Bonds (the "Project").

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 _____ 1, 2010 (the "Agreement"), by and between the Authority and Passaic County Community College, and from funds and accounts held by the Trustee under the 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.

This is a Preliminary Official Statement. Under no circumstances will this Preliminary Official Statement be used in connection with an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the securities offered hereby, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
Revenue Bonds

Passaic County Community College Issue

[\$ _____ * Series 2010 C Bonds (Tax-Exempt)

\$ _____ * Series 2010 D Bonds (Recovery Zone Economic Development
Bonds)

\$ _____ * Series 2010 E Bonds (Build America Bonds – Direct Payment)]

CONTRACT OF PURCHASE

_____, 2010

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

Ladies and Gentlemen:

RBC Capital Markets Corporation (the "Underwriter"), hereby offers to enter into this Contract of Purchase (this "Purchase Contract") with you, the New Jersey Educational Facilities Authority (the "Authority"), and Passaic County Community College (the "Public College"), which, upon your acceptance of this offer and upon execution hereof by the Authority and the Public College, will be binding upon the Authority, the Public College and the Underwriter. This offer is made subject to the acceptance by the Authority and the Public College 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 Underwriter 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 Indenture or the Official Statement (as defined herein).

1. **Purchase and Sale of the Bonds and Payment of 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 Underwriter hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriter, all (but not less than all) of its [\$ _____ New Jersey Educational Facilities Authority Revenue Bonds, Passaic County Community College Issue, Series 2010 C (Tax-Exempt), which are [fixed][Long-Term] rate, tax-exempt bonds (the "Series 2010 C Bonds"), its \$ _____ New Jersey Educational Facilities Authority Revenue Bonds, Passaic County Community College Issue, Series 2010 D (Recovery Zone Economic Development Bonds), which are [fixed][Long-Term] rate, Recovery Zone Economic Development Bonds (the "Series 2010D Bonds"), and its \$ _____ New Jersey Educational Facilities Authority Revenue Bonds, Passaic County Community College Issue, Series 2010 E (Build America Bonds – Direct Payment), which are [fixed][Long-Term] rate, direct payment Build America Bonds (the "Series 2010 E Bonds", and together with the Series 2010 C Bonds and the Series 2010 D Bonds, the "Bonds")] to be issued under and pursuant to a Resolution adopted by the Authority on February 24, 2010 (the "Resolution") and an Indenture of Trust, dated as of _____ 1, 2010 (the "Indenture"), by and between the Authority and _____, New Jersey, as trustee (the

CONTINUING DISCLOSURE AGREEMENT

BY AND BETWEEN

PASSAIC COUNTY COMMUNITY COLLEGE

AND

_____],

Dated

as of

March 1, 2010

Entered into with respect to the
New Jersey Educational Facilities Authority
Revenue Bonds, Passiac County Community College Issue,
Series 2010 __

INDENTURE OF TRUST

between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

as Trustee

\$ _____
New Jersey Educational Facilities Authority Revenue Bonds,
Passaic County Community College Issue
Series 2010 ____

Dated

as of
March 1, 2010

TRUST INDENTURE

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

_____ ,
as Trustee

Dated as of March 1, 2010

Relating to

\$ _____ New Jersey Educational Facilities Authority Revenue Bonds,
The Passaic County Community College Issue, Series 2010 C (Tax-Exempt)

or

\$ _____ New Jersey Educational Facilities Authority Revenue Bonds,
The Passaic County Community College Issue, Series 2010 D (Recovery Zone Economic
Development Bonds)

or

\$ _____ New Jersey Educational Facilities Authority Revenue Bonds,
The Passaic County Community College Issue, Series 2010 E (Build America Bonds – Direct
Payment)

LEASE AND AGREEMENT

BY AND BETWEEN

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

PASSAIC COUNTY COMMUNITY COLLEGE
DATED AS OF

March 1, 2010

Relating to the New Jersey Educational Facilities Authority Revenue Bonds, Passaic
County Community College Issues, Series 2010 __

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY FILLING A VACANCY ON THE AUDIT COMMITTEE**

- WHEREAS,** The Audit Committee has been established pursuant to Section 12 of the By-Laws of the New Jersey Educational Facilities Authority (the "By-Laws"); and
- WHEREAS,** The By-Laws provide that the Audit Committee shall consist of the State Treasurer, the Treasurer of the New Jersey Educational Facilities Authority (the "Authority") (if the Authority's Treasurer is a member of the Authority) and a member of the Authority with significant financial experience elected by the members of the Authority; and
- WHEREAS,** Executive Order No. 122 (July 12, 2004) ("Executive Order No. 122") sets forth certain criteria for service on the Audit Committee; and
- WHEREAS,** The resignation of Felice Vazquez has left a vacancy on the Audit Committee; and
- WHEREAS,** Felice Vazquez held the seat on the Audit Committee reserved for a member of the Authority with significant financial experience elected by the members of the Authority; and
- WHEREAS,** Ridgeley Hutchinson is currently serving as a member of the Authority, has significant financial experience, has indicated his willingness to serve on the Audit Committee and satisfies the criteria of Executive Order No. 122 for service on the Audit Committee; and
- WHEREAS,** In light of the availability and willingness of an Authority Member who satisfies the criteria of the Authority's by-laws and Executive Order No. 122, the Members of the Authority have determined, in accordance with the by-laws, to elect Mr. Hutchinson to the Audit Committee to serve in lieu of Ms. Vazquez.

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

- Section 1.** The Authority hereby elects Ridgeley Hutchinson as a member of the Audit Committee to serve in lieu of Ms. Vazquez.
- Section 2.** This Resolution shall take effect in accordance with the provisions of the Act.

___ Mr. Petrecca ___ 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
Andrew Sidamon-Eristoff (represented by Steven Petrecca)
Edward J. Graham (represented by Kurt Landgraf)

NAY: None

ABSTAIN: None

ABSENT: Vivian Altman

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2009 BUDGET VARIANCE ANALYSIS
FOR TWELVE MONTHS ENDED DECEMBER 31, 2009
(UNAUDITED)**

Executive Summary

The NJEFA concluded 2009 with net operating income in the amount of \$567,034, based on revenues of \$3,328,600 and expenses of \$2,761,566. As a result, net operating income is higher than budgeted by \$431,812. This difference is attributable to lower than anticipated expenses in the amount of \$603,154 partially offset by lower than expected revenues in the amount of \$171,342.

Revenues

Revenues were \$171,342 below projected for the year due to lower than expected annual fees, initial fees, and investment income.

Expenses

Operating expenditures through December were favorable as compared to budget by \$603,154. Professional Services were \$190,799 less than budgeted primarily due to less than expected post-issuance compliance fees. Attorney General Fees were \$179,338 less than budgeted because actual billings were less than those anticipated in the Legal Services Cost Projection Agreement. Most of the remaining line items display favorable deviations, at a savings to the Authority.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
DECEMBER 2009
(UNAUDITED)

	Twelve Months Ended		
	December 31, 2009		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>			
Annual Administrative Fees	\$3,134,245	\$ 3,168,942	\$ (34,697)
Initial Fees	176,599	244,000	(67,401)
Investment Income	17,756	87,000	(69,244)
	<u>\$ 3,328,600</u>	<u>\$ 3,499,942</u>	<u>\$ (171,342)</u>
<u>Operating Expenses</u>			
Salaries	\$ 1,410,644	\$ 1,521,132	\$ 110,488
Employee Benefits	429,724	438,740	9,016
Provision for Post Ret. Health Benefits	95,554	(14,059)	(109,613)
Office of The Governor	16,148	21,000	4,852
Office of The Attorney General	22,519	201,857	179,338
Sponsored Programs	3,122	25,000	21,878
Telephone	24,505	27,000	2,495
Gasoline & Auto Maintenance	13,259	14,000	741
Rent	286,537	310,000	23,463
Utilities	20,240	21,050	810
Postage	4,096	7,000	2,904
Office Supplies & Expenses	33,999	45,000	11,001
Travel & Official Receptions	21,382	30,000	8,618
Staff Training & Tuition Reimbursement	16,352	27,000	10,648
Insurance	41,904	51,000	9,096
Annual Report & Newsletters	23,899	50,000	26,101
Public Relations	189	20,000	19,811
Professional Services	109,201	300,000	190,799
Dues & Subscriptions	60,602	63,000	2,398
Data Processing	30,750	36,000	5,250
Maintenance of Equipment	26,916	48,000	21,084
Depreciation	70,024	72,000	1,976
Contingency	-	50,000	50,000
	<u>2,761,566</u>	<u>3,364,720</u>	<u>603,154</u>
Net Operating Income	<u>\$ 567,034</u>	<u>\$ 135,222</u>	<u>\$ 431,812</u>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2010 BUDGET VARIANCE ANALYSIS
FOR THE MONTH ENDED JANUARY 31, 2010**

Executive Summary

The NJEFA concluded the first month of 2010 with net operating income in the amount of \$169,958, based on revenues of \$365,357 and expenses of \$195,399. As a result, net operating income is higher than budgeted by \$15,139. This difference is a result of greater than expected revenues in the amount of \$120 and less than budgeted expenses in the amount of \$15,019.

Revenues

Revenues were close to projection for the month of January with a positive variance in Investment Income.

Expenses

Operating expenditures for the first month of the year were favorable as compared to budget by \$15,019. Attorney General Fees were \$6,417 less than budgeted. The remaining line items display positive deviations and are primarily the result of timing.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
JANUARY 2010

	Month Ended January 31, 2010		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>			
Annual Administrative Fees	\$ 273,987	\$ 273,987	\$ -
Initial Fees	89,000	89,000	-
Investment Income	<u>2,370</u>	<u>2,250</u>	<u>120</u>
	<u>\$ 365,357</u>	<u>\$ 365,237</u>	<u>\$ 120</u>
 <u>Operating Expenses</u>			
Salaries	\$ 111,285	\$ 114,623	\$ 3,338
Employee Benefits	31,372	32,032	660
Provision for Post Ref. Health Benefits	10,000	10,000	-
Office of The Governor	1,500	1,500	-
Office of The Attorney General	4,000	10,417	6,417
Sponsored Programs	-	-	-
Telephone	159	500	341
Gasoline & Auto Maintenance	371	400	29
Rent	18,184	18,333	149
Utilities	1,687	1,792	105
Postage	153	200	47
Office Supplies & Expenses	99	200	101
Travel & Official Receptions	150	200	50
Staff Training & Tuition Reimbursement	160	200	40
Insurance	3,121	3,121	-
Annual Report & Newsletters	-	-	-
Public Relations	189	200	11
Professional Services	284	300	16
Dues & Subscriptions	7,352	7,400	48
Data Processing	-	-	-
Maintenance of Equipment	-	3,667	3,667
Depreciation	5,333	5,333	-
Contingency	-	-	-
	<u>195,399</u>	<u>210,418</u>	<u>15,019</u>
 Net Operating Income	 <u>\$ 169,958</u>	 <u>\$ 154,819</u>	 <u>\$ 15,139</u>

New Jersey Educati Facilities Authority
 Summary of Construction Funds
 As of January 31, 2010

<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	\$ (15,605,507.63)	\$ 4,333,492.37	78%
* College of Saint Elizabeth	2008 Series F	2006 Perf. Arts Center, Renovations	1,111,345.11	(1,111,345.11)	0.00	100%
Saint Peter's College	2008 Series H	Various Construction & Renovations	5,075,000.00	(4,667,583.88)	407,416.12	92%
Princeton University	2008 Series J	Construction & Capital Equipment	253,753,780.55	(235,865,967.98)	17,887,812.57	93%
Princeton University	2010 Series B	Various Construction & Renovations	261,506,999.13	(304,188.43)	261,202,810.70	0%
Sub Total			\$ 541,386,124.79	\$ (257,554,593.03)	\$ 283,831,531.76	
<u>Public</u>						
Kean University	Series 2005 B	Various Projects & Renovations	\$ 91,383,145.08	\$ (78,003,842.45)	\$ 13,379,302.63	85%
Montclair State University	Series 2006 A	Rec. Center, Parking & Renovations	99,691,116.44	(62,253,591.96)	37,437,524.48	62%
* Richard Stockton College of New Jersey	Series 2006 F	Housing V, Various Projects	50,675,855.72	(48,310,876.19)	2,364,979.53	95%
Rowan University	Series 2006 G	Various Renovations	46,527,357.07	(33,342,024.18)	13,185,332.89	72%
Rowan University	Series 2006 H	Property Acquisition, Renovations	19,797,386.13	(10,566,750.65)	9,230,635.48	53%
Kean University	Series 2007 D	2 Residence Halls, Dining, Parking	124,287,050.02	(91,737,594.64)	32,549,455.38	74%
Richard Stockton College of New Jersey	Series 2007 G	Housing V, Various Upgrades & Renov	40,242,421.65	(17,626,657.66)	22,615,763.99	44%
The College of New Jersey	Series 2008 D	1999 A and 2002 D Projects	54,933,452.51	(43,876,225.29)	11,057,227.22	80%
William Paterson University	Series 2008 C	Science Hall Expansion & Renovation	83,907,460.92	(37,614,737.19)	46,292,723.73	45%
Richard Stockton College of New Jersey	Series 2008 A	Campus Ctr, Science Ctr, College Walk	105,482,763.92	(32,754,615.32)	72,728,148.60	31%
Montclair State University	Series 2008 J	New Student Housing Facility	27,157,619.62	(16,127,644.32)	11,029,975.30	59%
The College of New Jersey	Series 2010 A&B	Construct School of Education	44,293,116.12	(278,254.49)	44,014,861.63	1%
Sub Total			\$ 788,378,745.20	\$ (472,492,814.34)	\$ 315,885,930.86	
<u>Other Programs</u>						
Public Library Grant Program	Series 2002 A	Library Grants	\$ 45,380,714.58	\$ (45,142,383.88)	\$ 238,330.70	99%
Sub Total			\$ 45,380,714.58	\$ (45,142,383.88)	\$ 238,330.70	
Grand Total			\$ 1,375,145,584.57	\$ (775,189,791.25)	\$ 599,955,793.32	

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