



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

ROGER L. ANDERSON  
*Executive Director*

February 29, 2008

**VIA UNITED PARCEL SERVICE**

Honorable Jon S. Corzine  
Governor  
State House  
125 West State Street  
P.O. Box 001  
Trenton, New Jersey 08625

**ATTN:** Sonia Frontera, Assistant Counsel  
Governor's Authorities Unit

Dear Governor Corzine:

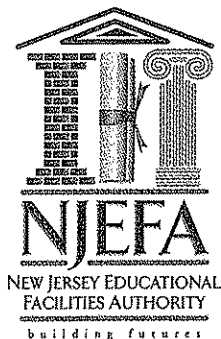
Enclosed please find an original and one copy of the minutes of the meeting of the New Jersey Educational Facilities Authority held on Wednesday, February 27, 2008.

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

Sincerely,

Roger L. Anderson  
Secretary

Enclosures



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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 27, 2008**

The meeting was called to order at 10:38 a.m. by Chair Altman. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax on February 11, 2008, 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:**

Vivian Altman, Chair  
Roger B. Jacobs, Esq.  
Felice K. Vazquez, Esq.  
R. David Rousseau, Acting State Treasurer (represented by Nancy Style)

**AUTHORITY MEMBERS ABSENT:**

Laurence M. Downes, Chair, Commission on Higher Education

**STAFF PRESENT:**

Roger L. Anderson, Executive Director  
Mary Jane Darby, Director of Project Management  
Donald Uyhazi, Controller  
Sheryl Stitt, Director of Communications  
Katherine Newell, Esq., Senior Advisor  
Marie Mueller, Controller Designate  
Kristen Middleton, Assistant Controller  
Debra Paterson, Project Manager  
Vito Galluccio, 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:**

Anthony Inverso, Phoenix Advisors, LLC  
Brian Burke, RBC Capital Markets  
Craig Hrinkevich, A.G. Edwards & Sons, Inc./Wachovia  
Daniel Froehlich, George K. Baum & Company  
Dunstan McNichol, The Star Ledger  
Elizabeth Greene, Lehman Brothers  
Elizabeth Veasey, Banc of America Securities, LLC  
Gregory Anderson, Alexandra & James, Co.  
Howard Eichenbaum, Esq., Gluck Walrath, LLP  
James Ness, Powell Capital Markets, Inc.  
John Cavaliere, Esq., McManimon & Scotland, LLC  
Jonathan White, Siebert Brandford Shank & Co., LLC  
Julie Ellers, Powell Capital Markets, Inc.  
Kavin Mistry, Esq., Deputy Attorney General  
Kerwin Elliott, Public Financial Management, Inc.  
Lisa Gorab, Esq., Wilentz, Goldman & Spitzer  
Mark Liff, Merrill Lynch & Co.  
Noreen White, Acacia Financial Group, Inc.  
Oliver Zlomislic, Morgan Stanley & Co., Inc.  
Rafael Perez, Esq., Cozen O'Connor  
Rasheia Johnson, Public Financial Management, Inc.  
Rebecca Delia, PNC Capital Markets, Inc.  
Richard Vieser, Wachovia Bank, N.A.  
Rochelle Powell, Prager, Sealy & Co., LLC  
Sakinah Rahman, Wachovia Bank, N.A.  
Sonia Frontera, Esq., Governor's Authorities Unit  
William Mayer, Esq., DeCotiis, Fitzpatrick, Cole & Wisler, LLP

## **ITEMS OF DISCUSSION**

### **1. Approval of the Minutes of the Meeting of January 23, 2008**

The minutes of the meeting of January 23, 2008 were hand delivered to Governor Jon S. Corzine under the date of January 25, 2008. Ms. Style moved that the minutes of the meeting be approved as presented; the motion was seconded by Ms. Vazquez and passed unanimously.

### **2. Approval of the Minutes of the Executive Session of January 23, 2008**

The minutes of the executive session meeting of January 23, 2008 were hand delivered to Governor Jon S. Corzine under the date of January 25, 2008. Mr. Jacobs moved that the minutes of the meeting be approved as presented; the motion was seconded by Ms. Style and passed unanimously.

### **3. Adoption of Resolution Approving Method of Sale Pursuant to Executive Order No. 26 for the Authority's Institute for Advanced Study Issue, In an Amount to Be Determined**

Mr. Anderson reported that the Authority is proposing a negotiated sale on behalf of the Institute for Advanced Study and recommended the members' approval of the resolution based on a complex financing structure and volatile market conditions.

The resolution authorizes the negotiated sale of bonds pursuant to Executive Order No. 26 and the Authority's adopted policies and guidelines.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REGARDING THE SALE OF NEW JERSEY EDUCATIONAL FACILITIES  
AUTHORITY REVENUE REFUNDING BONDS, INSTITUTE FOR ADVANCED  
STUDY ISSUE, IN AN AMOUNT TO BE DETERMINED

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

The adopted resolution is appended as Exhibit I.

4. **Approval of Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Refunding Bonds, Institute for Advanced Study Issue, 2008 Series C, In an Amount Not to Exceed \$15,000,000**

Mr. Anderson reported the details of the proposed 2008 Series C bonds in an amount not to exceed \$15,000,000 on behalf of the Institute for Advanced Study. The proceeds of the issue will be used for the current refunding of all or a portion of the Authority's outstanding 1997 Series F and 1997 Series G bonds; and certain costs of issuance.

The financing is structured as a fixed rate, negotiated transaction with a true interest cost not to exceed 6% and a final maturity not later than July 1, 2021. The issue is tentatively scheduled to be priced the week of March 24, 2008 and to close the week of March 31, 2008.

Mr. Cavaliere of McManimon & Scotland, LLC, Bond Counsel, described the resolution presented for approval.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY REVENUE REFUNDING BONDS, INSTITUTE FOR  
ADVANCED STUDY ISSUE, 2008 SERIES C IN AN AGGREGATE PRINCIPAL  
AMOUNT NOT TO EXCEED \$15,000,000

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

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

5. **Approval of Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, Rowan University Issue, Series 2008 B, In an Amount Not to Exceed \$37,500,000**

Mr. Anderson reported the details of the proposed Series 2008 B bonds in an amount not to exceed \$37,500,000 on behalf of Rowan University. The proceeds of the issue will be used to provide funds for the current refunding of all of the Authority's outstanding Series 2003 K bonds and/or all of the Authority's outstanding Series 2006 H bonds issued on behalf of the University; and certain costs of issuance.



The financing is structured as a fixed rate, competitive transaction with a true interest cost not to exceed 7% and a final maturity not later than July 1, 2036. The issue is tentatively scheduled to be priced the week of March 17, 2008 and close the week of March 24, 2008.

Mr. Mayer of DeCotiis, Fitzpatrick, Cole and Wisler, LLP, Bond Counsel, described the resolution presented for approval.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$37,500,000 NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BONDS, ROWAN UNIVERSITY ISSUE, SERIES 2008 B

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

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

**6. Approval of Resolution Authorizing Restructuring of Certain Variable Rate Bonds**

Mr. Anderson reported that the Authority has outstanding 14 issues of revenue and revenue refunding bonds which bear interest at variable rates determined through auctions or remarketings and each of which is insured by Financial Guaranty Insurance Company, MBIA, Inc., CIFG Assurance North America, Inc., XL Capital Assurance, Ambac Assurance Corporation or Radian Insurance. He also reported that swap contracts are in effect with respect to certain of these variable rate bonds. He reported that as a result of the sub-prime mortgage crisis, one or more of Standard & Poor's, Moody's Investors Service and Fitch Ratings have downgraded or have indicated that they are considering downgrading, the financial and/or claims paying strength of certain bond insurers (including, but not limited to, Ambac, XL, FGIC, CIFG, MBIA and Radian) and/or of certain brokers and swap providers. This has had a widespread effect on the financial markets and the variable rate municipal bond market in particular.

Currently, the Authority, in consultation with each of the Institutions named below, is monitoring developments in the market for the variable rate bonds and is investigating restructuring alternatives in order to improve borrowing costs for the Institutions with respect to the variable rate bonds. Mr. Anderson stated that it is advisable to authorize the restructuring of any or all of the variable rate bonds and any attendant swaps in order to improve the borrowing costs for the Institutions and recommended approval of the resolution allowing the Authority to refund and/or restructure debt and swaps of Rowan University, The College of New Jersey, New Jersey City University, Seton Hall University, The College of Saint Elizabeth, The Richard Stockton College of New Jersey and Kean University in response to market turmoil, as approved by the borrower.

Ms. Vazquez moved the adoption of the following resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING RESTRUCTURING OF CERTAIN VARIABLE RATE BONDS

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

The adopted resolution is appended as Exhibit IV.

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

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

Ms. Style moved that the reports be accepted as presented; the motion was seconded by Ms. Vazquez and passed unanimously.

The reports are appended as Exhibit V.

**8. Adoption of Resolution Increasing the Designated Fund Balance Reserve**

Mr. Anderson reported that, in May 1999, the Authority designated \$2,000,000 from its operating fund as a reserve to facilitate the normal operations of the Authority and for counsel and consultants, if needed, in the event of difficulties experienced by the Authority or its client colleges. In December 2005, in light of the significant increase in the Authority's outstanding bonds and other obligations and the attendant increase in real property owned by the Authority, together with related contractual obligations, the amount of the designated fund balance reserve was increased to \$4,500,000.

Mr. Anderson reported that, since December 2005, the amount of the Authority's outstanding bonds and the value of Authority-owned real property and the Authority's contractual obligations have increased and that recent downgrades of certain bond insurers' credit ratings by the major rating agencies, and other circumstances precipitated by the "sub-prime crisis", have brought considerable turmoil into the municipal bond market. He recommended, in light of these factors, the members of the Authority increase the amount of the Authority's fund balance designated as a reserve to \$5,500,000.

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
INCREASING THE DESIGNATED FUND BALANCE RESERVE**

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

The resolution is appended as Exhibit VI.

**9. Adoption of Resolution Electing a Member of the Audit Committee**

Mr. Anderson reported that the Authority's 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 recommended the election of Felice Vazquez to serve on the Audit Committee to fill the vacancy caused by the resignation of former committee member, Robert Medina last year.

Mr. Jacobs 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 Ms. Style and passed unanimously.

The adopted resolution is appended as Exhibit VII.

**10. Market Update – Acacia Financial Group, Inc.**

Ms. White provided the members with a market update report that included commentary on current market conditions.

**11. 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 VIII.

**12. Report on NJEFA Swaps and Variable Rate Bonds**

Ms. Darby reported, in response to a question posed at the January 2008 meeting, on those variable rate bond issues of the Authority that have associated interest rate swaps. She presented summaries for each portion of a bond issue that has been swapped. The reports show bond payments, payments under the swap and the fixed rate under the swap as well as the recent bond rate resets. Ms. Darby noted that the hedges have worked fairly well until recently, but that staff anticipates that, given current market turmoil, the hedges are not going to work as well at present as they have in the past. Chair Altman thanked Ms. Darby and Mr. Galluccio for preparing the useful report.

The summaries are appended as Exhibit IX.

**13. Legislative Update**

Ms. Stitt reported that she and Mr. Anderson have met with legislators to discuss both the Authority's response to the State Commission on Investigation (SCI) report and amendments to the Authority's statute. She informed the members that Senator Lesniak is working on legislation that will contain higher education restructuring measures and will also seek to implement some of the recommendations of the SCI as well as some of the Authority's proposed amendments on public/private partnerships and working capital.

The Assembly Higher Education Committee met on February 25<sup>th</sup> to hear testimony on the SCI's report. Mr. Anderson testified along with the Chair of the SCI, President McCormick from Rutgers, Presidents Altenkirch, Mercer and Farish from the New Jersey Institute of Technology, Ramapo College and Rowan University respectively, as well as Commission Chair, Laurence Downes.

Senator Barbara Buono, Chair of the Senate Budget and Appropriations Committee, is looking into recent developments in the auction-rate bond market and the impact of these developments on the State. In a letter to the State Treasurer, the Senator requested a summary and inventory of all outstanding auction-rate debt currently held by the State and its authorities.

Ms. Stitt gave a brief recap of Governor Corzine's FY09 budget address as it relates to the higher education sector.

Mr. Anderson's testimony and Senator Buono's letter are appended as Exhibit X.

**14. Presentation – 2007 Year in Review**

Mr. Anderson gave an informative presentation on the 2007 Year in Review. A copy of his Powerpoint presentation is appended as Exhibit XI.

**15. Next Meeting Date**

Chair Altman announced that the next meeting will be on Monday, March 31, 2008 at the Authority's office.

She also reminded everyone that Ms. Cannon has confirmed the April 23, 2008 meeting at Rider University and the September 24, 2008 meeting at the College of Saint Elizabeth.

Ms. Style moved that the meeting be adjourned at 11:23 a.m.; the motion was seconded by Mr. Jacobs and passed unanimously.

Respectfully submitted,



Roger L. Anderson  
Secretary

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REGARDING THE SALE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BONDS, INSTITUTE FOR ADVANCED STUDY ISSUE, IN AN AMOUNT TO BE DETERMINED (the "Bonds")**

**WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority"), pursuant to Executive Order No. 26, has adopted policies, procedures, and criteria for the sale of its bonds, notes and other obligations; and

**WHEREAS:** The Authority has received a request from Institute for Advanced Study (the "Private College") for a loan in an amount to be determined; and

**WHEREAS:** The proceeds of the loan will be used for the refunding of certain debt, including, but not limited to, all or a portion of the Authority's outstanding 1997 Series F and 1997 Series G Bonds issued on behalf of the Private College; and

**WHEREAS:** It is the Authority's policy to sell its bonds on a competitive basis; and

**WHEREAS:** The proposed bond issue involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26 and the Authority's adopted policies, procedures, and criteria, including a complex financing structure and volatile market conditions; and

**WHEREAS:** The Authority will select and appoint an underwriter from the Authority's pool of underwriting firms, which pool was selected in accordance with Executive Order No. 26 and the Authority's adopted policies, procedures, and criteria, to serve as underwriter for this transaction.

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

**SECTION 1.** The Authority authorizes the sale of the Bonds on a negotiated basis, the proceeds of which will be loaned to the Private College for use as described herein.

**SECTION 2.** The Authority authorizes the sale of the Bonds on a negotiated basis because the financing involves the following circumstances:

- Complex financing structure; and
- Volatile market conditions.

- SECTION 3.** The Authority also authorizes the Executive Director to select and appoint an underwriter for the negotiated sale of the Bonds in accordance with Executive Order No. 26 and the Authority's adopted policies, procedures, and criteria.
- SECTION 4.** The Authority shall file a copy of this resolution with the State Treasurer within five (5) days.
- SECTION 5.** This resolution shall take effect upon adoption in accordance with *N.J.S.A. 18A:72A-4(i)*.

\_\_\_ Ms. Style \_\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_ Ms. Vazquez \_\_\_ and upon roll call the following members voted:

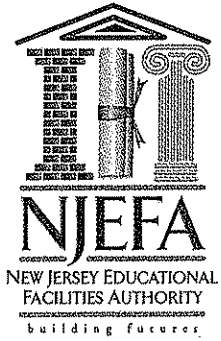
**AYE:** Vivian Altman  
Roger B. Jacobs  
Felice K. Vazquez  
R. David Rousseau (represented by Nancy Style)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Laurence M. Downes (represented by Kevin J. Collins)

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



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**TERM SHEET**

**Borrower:** Institute for Advanced Study, Princeton, New Jersey

**Issue:** 2008 Series C

**Amount:** Aggregate Amount Not to Exceed \$15,000,000

**Purpose:** To provide funds to finance: (i) the current refunding of all or a portion of the Authority's outstanding 1997 Series F Bonds issued on behalf of the Institute; (ii) the current refunding of all or a portion of the Authority's outstanding 1997 Series G Bonds issued on behalf of the Institute; and (iii) the payment of certain costs of issuance.

**Security:** General Obligation of the Institute

**Structure:** Fixed Rate, Negotiated Sale

**Term:** No later than July 1, 2021

**True Interest Cost:** Not to Exceed 6.00%

**Expected Bond Ratings:** Aaa - Moody's Investors Service  
AAA - Standard & Poor's Corporation

**Tentative Pricing:** Week of March 24, 2008

**Tentative Closing:** Week of March 31, 2008

The Authority Members will be asked to adopt the 2008 Series C Resolution which outlines the various parameters of the financing; authorizes the issuance of the revenue refunding bonds; authorizes and approves the form of all legal documents necessary for the financing, including the Indenture of Trust between the Authority and the Trustee, Loan Agreement, Continuing Disclosure Agreement, form of Preliminary Official Statement and Official Statement, and Contract of Purchase; and delegates to any Authorized Officer the ability to take any and 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:**

<b>Bond Counsel:</b>	McManimon & Scotland, LLC
<b>Authority's Counsel:</b>	Attorney General of New Jersey
<b>Borrower's Counsel:</b>	Taylor, Colicchio & Silverman, LLP
<b>Financial Advisor:</b>	Public Financial Management, Inc.
<b>Underwriter:</b>	Lehman Brothers, Inc.
<b>Underwriter's Counsel:</b>	Cozen O'Connor
<b>Trustee:</b>	The Bank of New York
<b>Trustee's Counsel:</b>	To Be Determined
<b>Verification Agent:</b>	To Be Determined



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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

BOND RESOLUTION  
AUTHORIZING THE ISSUANCE OF  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REVENUE REFUNDING BONDS, INSTITUTE FOR ADVANCED STUDY ISSUE  
2008 SERIES C IN AN AGGREGATE PRINCIPAL AMOUNT  
NOT TO EXCEED \$15,000,000

Adopted: February 27, 2008

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**BOND RESOLUTION  
AUTHORIZING THE ISSUANCE OF  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REVENUE REFUNDING BONDS, INSTITUTE FOR ADVANCED STUDY ISSUE  
2008 SERIES C IN AN AGGREGATE PRINCIPAL AMOUNT  
NOT TO EXCEED \$15,000,000**

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

**WHEREAS**, the Institute for Advanced Study – Louis Bamberger and Mrs. Felix Fuld Foundation (the “**Institute**”) has determined it is necessary and advisable to undertake a project (the “**Refunding Project**”) consisting of all or certain of the following: (i) the current refunding of all or a portion of the \$16,310,000 original principal amount Authority Revenue Bonds, Institute for Advanced Study Issue, 1997 Series F selected for refunding by the Authority with the consent of the Institute (the “**1997 F Bonds to be Refunded**”), (ii) the current refunding of all or a portion of the \$26,565,000 original principal amount Authority Revenue Bonds, Institute for Advanced Study Issue, 1997 Series G selected for refunding by the Authority with the consent of the Institute (the “**1997 G Bonds to be Refunded**”; collectively with the 1997 F Bonds to be Refunded, the “**Bonds to be Refunded**”), and (iii) the payment of certain costs of issuing the Bonds (hereinafter defined); and

**WHEREAS**, the Authority, at the request of the Institute, has determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated “New Jersey Educational Facilities Authority, Revenue Refunding Bonds, Institute for Advanced Study Issue, 2008 Series C” (the “**Bonds**”) for the purpose of providing funds to finance the Refunding Project; and

**WHEREAS**, the Bonds will be issued under and secured by an Indenture of Trust (the “**Indenture**”) to be entered into by and between the Authority and the trustee (together with its successors in trust, the “**Trustee**”); and

**WHEREAS**, the Authority desires to enter into a Loan Agreement by and between the Authority and the Institute (the “**Agreement**”) pursuant to which the Authority will, among other things, loan the proceeds of the Bonds to the Institute and wherein the Institute agrees to, among other things, make certain loan payments to the Authority all as set forth in the Agreement; and

**WHEREAS**, the Authority desires to approve the form of and authorize the distribution of the Preliminary Official Statement (as hereinafter defined) and the Official Statement (as hereinafter defined) relating to the Bonds, to authorize the appropriate officers of the Authority to deem the Preliminary Official Statement final and to authorize the preparation and distribution of the final Official Statement to be used in connection with the offering and sale of the Bonds; and

**WHEREAS**, the Authority deems it necessary and in keeping with its purposes to issue under the Indenture the Bonds herein authorized for the purpose of financing all or any combination of the purposes enumerated above; 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.

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

## ARTICLE I

### AUTHORIZATION OF BONDS; APPROVAL OF DOCUMENTS

#### 1.1. Purpose of Issuance of the Bonds.

The Authority hereby declares the Refunding Project to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Secretary, any Assistant Secretary, Director of Project Management and 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 Institute, the costs of the Refunding Project, in whole or in part.

#### 1.2. Authorization of the Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in the aggregate principal amount of not to exceed \$15,000,000, in order to finance, in whole or in part, on behalf of the Institute, the costs of the Refunding Project.

(b) Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority a contract of purchase (the “**Contract of Purchase**”) by and among the Authority, the Institute and Lehman Brothers, Inc., which is hereby appointed as the underwriter of the Bonds (the “**Underwriter**”), in substantially the form presented to this meeting with such changes as shall be approved by an Authorized Officer, with the advice of McManimon & Scotland, L.L.C., Bond Counsel to the Authority (“**Bond Counsel**”), and the Attorney General of the State of New Jersey (such approval to be evidenced by such Authorized Officer’s execution thereof), for the purchase of the Bonds at the price or prices to be agreed upon; *provided, however*, that the Underwriter’s discount for the Bonds shall not exceed \$10.00 per \$1,000.00 of principal amount. A copy of the Contract of Purchase as executed shall be filed with the records of the Authority.

(c) The Bonds shall be issued in fully registered form, shall be in the denominations, and shall be numbered as shall be provided in the Indenture. The Bonds shall be dated, bear interest, mature and be executed and authenticated as shall be set forth in the Indenture; *provided, however*, that the final maturity date of the Bonds will be no later than July 1, 2021. The Bonds shall bear interest at a rate not to exceed 6% per annum. The Bonds shall be subject to redemption as provided in the Indenture; *provided, however*, that the redemption premium on the Bonds, if any, shall not exceed 105%.

(d) The Bonds shall be in substantially the form set forth in the Indenture, with such insertions, omissions or variations as may be necessary or appropriate.

(e) 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 Secretary, any Assistant Secretary or Executive Director (provided the same has not executed such Bond).

(f) 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 or its designee against receipt of the purchase price or unpaid balance thereof.

### **1.3. Approval of Preliminary Official Statement and Official Statement.**

The preparation, publication and distribution by the Underwriter of a Preliminary Official Statement (the “**Preliminary Official Statement**”) relating to the Bonds (in substantially the form presented to the Authority at the time of adoption hereof, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State of New Jersey) are hereby approved, ratified and confirmed. The preparation and distribution by the Underwriter of a final Official Statement (the “**Official Statement**”) for the Bonds (in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State of New Jersey) are hereby approved, and any Authorized Officer is hereby authorized to sign and deliver to the Underwriter the Official Statement in final form acceptable to such Authorized Officer. Any Authorized Officer is hereby authorized, with the advice of Bond Counsel and the Attorney General of the State of New Jersey, to deem the Preliminary Official Statement final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and to provide written evidence relating thereto in form acceptable to Bond Counsel

### **1.4. 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 attest and affix the official common seal of the Authority to the Agreement in substantially such form, with such changes therein (including, without limitation, the date thereof and any covenants or provisions required by a rating agency) and any supplements thereto as Bond Counsel and the Attorney General of the State of New Jersey may advise and the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer’s execution thereof.

### **1.5. Approval of Indenture.**

The form of the Indenture 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 attest and affix the official common seal of the Authority to, the Indenture in substantially such form, with such insertions and changes therein (including, without limitation, the date thereof and any covenants or provisions required by a rating agency) and any supplements thereto as Bond Counsel and the Attorney General of the State of New Jersey may advise and the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof.

**1.6. Appointment of Trustee.**

The Bank of New York is hereby appointed to act as the Trustee under the Indenture to be entered into by and between the Authority and the Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by the Trustee's execution and delivery thereof.

**1.7. Appointment of Verification Agent.**

Any Authorized Officer is hereby authorized and directed to select, via a competitive process, an independent certified public accountant, accounting firm or other qualified financial expert to act as verification agent in connection with the Refunding Project.

**1.8. Continuing Disclosure.**

Pursuant to the Agreement, the Institute 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 (the "**Continuing Disclosure Agreement**") by and between the Institute and the Trustee, as Dissemination Agent presented to this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. A failure of the Institute to comply with the requirements of the Continuing Disclosure Agreement shall not constitute a default under the Indenture or the Agreement.

## ARTICLE II

### MISCELLANEOUS

#### 2.1. 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 Permitted Investments (as defined in the Indenture), in the event that such Authorized Officer determines, in consultation with and with the consent of the Institute, that it is advantageous to the Institute for the Authority to invest any proceeds of the Bonds in Permitted Investments.

Any Authorized Officer is hereby authorized to utilize the proceeds of the Bonds or other available moneys held pursuant to the Refunding Project either (a) to purchase United States Treasury Obligations, State and Local Government Series (“SLGS”), or (b) to select a firm to act as its broker or to direct the Authority’s bidding agent to solicit bids to purchase open market U.S. Treasury Obligations (which qualify as permissible defeasance obligations pursuant to the applicable documents for the Bonds to be Refunded), in the event that such Authorized Officer determines that it is necessary or advantageous to the Authority to purchase such open market U.S. Treasury Obligations. In connection with the purchase of open market U.S. Treasury Obligations, any Authorized Officer is further authorized to solicit bids for one or more float forward or escrow reinvestment agreements (a “**Float Forward Agreement**”) and to direct the trustee for the Bonds to be Refunded (the “**Refunding Trustee**”) to enter into such Float Forward Agreement or Agreements with the successful bidder or bidders therefor. Pursuant to the terms of any Float Forward Agreement, the provider, in consideration of an upfront payment to the Refunding Trustee, shall have the right to sell U.S. Treasury Obligations to the Refunding Trustee at the times and in the amounts set forth in the Float Forward Agreement at an aggregate purchase price not exceeding the maturity value thereof. Such U.S. Treasury Obligations shall mature on or before the dates when the proceeds thereof are needed in order to pay and redeem the Bonds to be Refunded. Each Float Forward Agreement shall be awarded to the bidder offering to pay the highest upfront payment therefor. The form of any Float Forward Agreement shall be as approved by an Authorized Officer of the Authority, with the advice of Bond Counsel and the Attorney General of the State of New Jersey. An Authorized Officer is further authorized to execute and deliver any such Float Forward Agreement and/or any certificates or other documents required in connection therewith. Notwithstanding the foregoing, nothing contained herein shall prohibit an Authorized Officer from purchasing both SLGS and open market U.S. Treasury Obligations, to the extent permitted by law. Bond Counsel and the Underwriter are hereby authorized to act as agent(s), if so directed by an Authorized Officer of the Authority, on behalf of the Authority for the subscription of SLGS via SLGSafe pursuant to the regulations promulgated therefor set forth in 31 CFR Part 344.

#### 2.2. Selection of Bonds to be Refunded; Incidental Action.

The Executive Director and/or the Director of Project Management are hereby authorized and directed to select the 1997 F Bonds to be Refunded and the 1997 G Bonds to be Refunded with the consent of the Institute.

The Authorized Officers of the Authority are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in order: (i) to effectuate the execution and delivery of the Contract of Purchase, the Agreement, the Indenture and the issuance and sale of the Bonds, including, without limitation, documents necessary or appropriate in order to effectuate the issuance and sale of the Bonds; (ii) to implement the DTC book-entry only system for the Bonds; (iii) to invest the proceeds of the Bonds in Permitted Investments; and (iv) to maintain the tax-exempt status of the interest on the Bonds (including the preparation and filing of any information reports or other documents with respect to the Bonds as may at any time be required under Section 149 of the Internal Revenue Code of 1986, as amended, and any regulations thereunder).

**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.



\_\_\_\_ Ms. Style \_\_\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_\_ Mr. Jacobs \_\_\_\_ and upon roll call the following members voted:

**AYE:** Vivian Altman  
Roger B. Jacobs  
Felice K. Vazquez  
R. David Rousseau (represented by Nancy Style)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Laurence M. Downes (represented by Kevin J. Collins)

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



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540  
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**TERM SHEET**

**Borrower:** Rowan University, Glassboro, New Jersey

**Issue:** Series 2008 B

**Amount:** Not to Exceed \$37,500,000

**Purpose:** To provide funds to finance: (i) the current refunding of all of the Authority's outstanding Series 2003 K Bonds and / or all of the Authority's outstanding Series 2006 H Bonds issued on behalf of the University; and (ii) the payment of certain costs of issuance.

**Security:** General Obligation of the University

**Structure:** Fixed Rate, Competitive Sale

**Term:** Not later than July 1, 2036

**True Interest Cost:** Not to Exceed 7.00%

**Expected Bond Ratings:** A2 - Moody's Investors Service  
A+ - Standard & Poor's Corporation

**Tentative Pricing:** Week of March 17, 2008

**Tentative Closing:** Week of March 24, 2008

The Authority Members will be asked to adopt the Series 2008 B Bond Resolution which outlines the various parameters of the financing; authorizes the issuance of the revenue refunding bonds through a competitive sale of bonds; authorizes and approves the form of all legal documents necessary for the financing, including a Trust Indenture Agreement between the Authority and the Trustee, the Lease and Agreement, Continuing Disclosure Agreement, the form of the Official Bid Form, Notice of Sale, 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.

In the event that the Authority, in consultation with the University, bond counsel and the Attorney General of the State, determines the sale of bonds involves certain circumstances under which a negotiated sale is permissible and more advantageous, the Series 2008 B Resolution also authorizes all actions necessary for the negotiated sale of bonds, including the appointment of Underwriter(s) and the execution of a Contract of Purchase with the Underwriter(s) for the transaction.

**Professionals on the Transaction:**

<b>Bond Counsel:</b>	DeCotiis, Fitzpatrick, Cole & Wisler, LLP
<b>Authority's Counsel:</b>	Attorney General of New Jersey
<b>Financial Advisor:</b>	Public Financial Management, Inc.
<b>Trustee/Escrow Agent:</b>	The Bank of New York
<b>Trustee/Escrow Agent Counsel:</b>	To Be Determined
<b>Verification Agent:</b>	To Be Determined

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RESOLUTION  
AUTHORIZING THE ISSUANCE OF  
AN AGGREGATE PRINCIPAL AMOUNT  
NOT TO EXCEED \$37,500,000  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REVENUE REFUNDING BONDS,  
ROWAN UNIVERSITY ISSUE,  
SERIES 2008 B

Adopted: February 27, 2008

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RESOLUTION AUTHORIZING THE ISSUANCE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$37,500,000 NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BONDS, ROWAN UNIVERSITY ISSUE, SERIES 2008 B

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

**WHEREAS**, the Authority has previously issued its Revenue Bonds, Rowan University Issue, Series 2003 K in the original aggregate principal amount of \$14,700,000 (the “**Series 2003 K Bonds**”) and its Variable Rate Revenue Bonds, Rowan University Issue, Series 2006 H in the original aggregate principal amount of \$20,000,000 (the “**Series 2006 H Bonds**”); and

**WHEREAS**, the Series 2003 K Bonds were issued and secured pursuant to the Authority’s Series 2003 K Bond Resolution adopted on September 24, 2003, and the Indenture of Trust by and between the Authority and The Bank of New York, as Trustee, dated as of November 1, 2003, and the Lease and Agreement dated as of November 1, 2003 (the “**Series 2003 K Agreement**”) by and between the Authority and The Board of Trustees of Rowan University (the “**Public University**”) pursuant to which the Series 2003 K Project (as such term is defined in the Series 2003 K Agreement, the “**Series 2003 K Project**”) is leased by the Authority to the Public University and the Public University is obligated, *inter alia*, to pay annual rent in an amount sufficient to pay debt service on the Series 2003 K Bonds; and

**WHEREAS**, the Series 2006 H Bonds were issued and secured pursuant to the Authority’s Series 2006 G and H Bond Resolution adopted by the Authority on August 23, 2006, and the Indenture of Trust by and between the Authority and The Bank of New York, as Trustee, dated as of November 1, 2006, and the Lease and Agreement dated as of November 1, 2006 (the “**Series 2006 G and H Agreement**”) by and between the Authority and the Public University, pursuant to which the Series 2006 H Project (as such term is defined in the Series 2006 G and H Agreement, the “**Series 2006 H Project**”) is leased by the Authority to the Public University and the Public University is obligated, *inter alia*, to pay annual rent in an amount sufficient to pay debt service on the Series 2006 H Bonds; and

**WHEREAS**, the Public University has determined it is necessary and advisable to undertake a project consisting of the: (A) current refunding all of the outstanding Series 2003 K Bonds or all of the outstanding Series 2006 H Bonds or all of the outstanding Series 2003 K Bonds and the Series 2006 H Bonds; and (B) payment of the costs of issuance of the hereinafter defined Series 2008 B Bonds (collectively, the “**Series 2008 B Refunding Project**”); and

**WHEREAS**, the Authority, at the request of the Public University, has determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, Rowan University Issue, Series 2008 B” (the “**Series 2008 B Bonds**”) for the purpose of providing funds to finance all or a portion of the Series 2008 B Refunding Project; and

**WHEREAS**, the repayment of the Series 2008 B Bonds will be secured by a Lease and Agreement by and between the Authority and the Public University (the “**Agreement**”) pursuant to which the Authority will lease the Series 2003 K Project or the Series 2006 H Project or both the Series 2003 K Project and the Series 2006 H Project, as appropriate, to the Public University; and

**WHEREAS**, the Series 2008 B Bonds will be issued under and secured by a Trust Indenture (the “**Indenture**”) to be entered into by and between the Authority and The Bank of New York, as Trustee (the “**Trustee**”); and

**WHEREAS**, the Authority desires to approve the form of and authorize the distribution of a Preliminary Official Statement and final Official Statement with respect to the Series 2008 B 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 Series 2008 B Bonds; and

**WHEREAS**, the Authority deems it necessary and in keeping with its purposes to issue under the Indenture the Series 2008 B Bonds herein authorized for the purpose of financing all or any combination of the purposes enumerated above; and

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

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

## ARTICLE I

### AUTHORIZATION OF SERIES 2008 B BONDS AND APPROVAL OF DOCUMENTS

#### 1.1 Purpose of Issuance of the Series 2008 B Bonds.

The Authority hereby declares the Series 2008 B Refunding Project to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Director of Project Management, Secretary or any Assistant Secretary and 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 University, the costs of the Series 2008 B Refunding Project, in whole or in part. There is hereby delegated to any Authorized Officer the authority to determine whether to refund all of the outstanding Series 2003 K Bonds or all of the outstanding Series 2006 H Bonds or all of the outstanding principal amount of both the Series 2003 K Bonds and the Series 2006 H Bonds.

#### 1.2 Authorization of the Series 2008 B Bonds; Competitive Bond Sale Provisions.

(a) The Authority hereby authorizes the issuance of the Series 2008 B Bonds, in the aggregate principal amount not to exceed \$37,500,000, in order to finance, on behalf of the Public University, the costs of the Series 2008 B Refunding Project in whole or in part.

(b) The Series 2008 B Bonds shall be issued in fully registered form, shall be in the denominations, and shall be numbered as shall be provided in the Indenture. The Series 2008 B Bonds shall be dated, bear interest, mature and be executed and authenticated as shall be set forth in the Indenture; provided, however, that the final maturity date of the Series 2008 B Bonds will be no later than July 1, 2036. The Series 2008 B Bonds shall bear interest at a fixed rate as described in the Indenture, with a true interest cost for the Series 2008 B Bonds not to exceed 7.00% per annum. The Series 2008 B Bonds shall be subject to redemption as provided in the Indenture; provided, however, that the redemption premium, if any, on the Series 2008 B Bonds, shall not exceed 3.00%.

(c) The Series 2008 B Bonds shall be in substantially the form set forth in the Indenture, with such insertions, omissions or variations as may be necessary or appropriate, as approved by an Authorized Officer, with the advice of DeCotiis, FitzPatrick, Cole & Wisler, LLP, bond counsel to the Authority ("**Bond Counsel**"), and the Attorney General of the State.

(d) Following the execution of the Series 2008 B Bonds, any Authorized Officer is hereby authorized to deliver the executed Series 2008 B Bonds to the Trustee for authentication and, after authentication, to cause the delivery of such Series 2008 B Bonds to the purchaser or purchasers thereof against receipt of the purchase price or unpaid balance thereof.

(e) At such time, on such date or dates and at such place or places as shall be selected by an Authorized Officer, sealed proposals in the form of the Official Bid Form presented to this meeting (the “**Official Bid Form**”) shall be received, opened and considered for the purchase of the Series 2008 B Bonds, to be dated and mature as required herein and substantially as contained in the form of the Notice of Sale presented to this meeting (the “**Notice of Sale**”), with such changes, insertions and omissions to such provisions as an Authorized Officer may approve, with the advice of Bond Counsel and the Attorney General of the State. Bids may also be submitted electronically, at the election of the bidder, in accordance with the provisions of the Notice of Sale. An Authorized Officer is hereby authorized and directed, on behalf of the Authority, to cause the Notice of Sale or a summary thereof to be published prior to the date of bidding at least once in The Bond Buyer, a publication carrying municipal bond notices and devoted primary to financial news published in the City of New York, such notice to be published prior to the day of bidding. The Authority is authorized to accept Financial Surety Bonds, as well as certified or cashier’s checks, for purposes of satisfying the Deposit (as defined in the Notice of Sale) requirement, all as set forth in the Notice of Sale. Notwithstanding the foregoing provisions of this Section 1.2, in the event that an Authorized Officer determines, in consultation with Bond Counsel, and the Attorney General of the State that (a) the issuance of the Series 2008 B Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26 (Whitman 1994) (“**Executive Order No. 26**”), namely, volatile market conditions and a competitive sale of the Series 2008 B Bonds is not in the best interest of the Authority and the Public University or (b) the competitive sale was held and all bids were rejected in accordance with the Notice of Sale, the sale of the Series 2008 B Bonds shall be governed by Section 1.10 hereof.

### **1.3 Approval of Preliminary Official Statement, Notice of Sale, Official Bid Form and Final Official Statement.**

The preparation, publication and distribution of the Preliminary Official Statement, the Notice of Sale and the Official Bid Form relating to the Series 2008 B Bonds (in substantially the forms presented at this meeting) are hereby approved (copies of which shall be filed with the records of the Authority) with such insertions, deletions and changes therein and any supplements thereto as may be approved by an Authorized Officer with the advice of Bond Counsel and the Attorney General of the State. Any Authorized Officer is hereby authorized to “deem final” the Preliminary Official Statement in accordance with Rule 15(c)2-12 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.

### **1.4 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 with the Public University in substantially such form, with such changes therein (including, without limitation, the date thereof) and any supplements thereto as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

### **1.5 Approval of Indenture.**

The form of the Indenture by and between the Authority and the Trustee 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 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 and provisions relating to a policy of insurance, if any, insuring principal and interest when due on the Series 2008 B Bonds) and any supplements thereto as the Authorized Officer executing the same may approve, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

### **1.6 Appointment of Trustee.**

The Bank of New York, West Paterson, New Jersey, is hereby designated to act as the initial trustee (the "**Trustee**") under the Indenture. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by the Trustee's execution and delivery thereof.

### **1.7 Bond Insurance Authorized.**

Any Authorized Officer is hereby authorized to select a municipal bond insurer or insurers (the "**Bond Insurer**") for the Series 2008 B Bonds: (i) to the extent that such Authorized Officer determines that bond insurance is necessary or desirable in order to market the Series 2008 B Bonds, (ii) to execute a commitment letter for the issuance of a bond insurance policy or policies (collectively, the "**Policy**") by such Bond Insurer (or a certificate evidencing selection of the Bond Insurer), (iii) to carry out the Authority's obligations thereunder (including payment of the premium for the Policy), and (iv) to accept the terms and conditions relating to the Series 2008 B Bonds required by the Bond Insurer as a condition to the issuance of the Policy and to incorporate such terms and conditions in the Indenture, the Agreement, the Preliminary Official Statement and the Official Statement, as such Authorized Officer deems necessary and appropriate, with the advice of Bond Counsel and the Attorney General of the State.

### **1.8 Continuing Disclosure.**

Pursuant to the Agreement, the Public University has undertaken and will undertake all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the holders of the Series 2008 B Bonds or any other person with respect to

such disclosure matters. The form of the Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”) by and between the Public University and the Trustee, as Dissemination Agent presented at this meeting (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 the Trustee shall comply with and carry out all of the obligations imposed on the Dissemination Agent under the Continuing Disclosure Agreement and the Agreement. The failure of the Public University to comply with the requirements of the Continuing Disclosure Agreement shall not constitute a default under the Indenture or the Agreement.

### **1.9 Additional Proceedings.**

As additional proceedings of the Authority in connection with the sale and delivery of the Series 2008 B Bonds hereby authorized, there is hereby delegated to an Authorized Officer, the power to take the following actions and make the following determinations as to the Series 2008 B Bonds by the Certificate of Determination of an Authorized Officer of any one such Authorized Officer:

(a) To receive the Official Bid Form pursuant to the Notice of Sale and, if such Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State, so determines, to reject any or all submitted Official Bid Forms, so far as permitted by law, to waive any irregularities or informalities in the Official Bid Form for the Series 2008 B Bonds, to postpone the date of the sale of the Series 2008 B Bonds and to exercise any and all rights of the Authority under the Notice of Sale. If the Authorized Officer rejects all submitted Official Bid Forms, the Authorized Officer shall also be and is hereby authorized to hold another Series 2008 B Bond sale in accordance with the provisions of this Resolution and, in connection with such additional Series 2008 B Bond sale, to distribute a Notice of Sale, an Official Bid Form and a Preliminary Official Statement in substantially the forms presented to this meeting with such changes and insertions to and omissions from such document forms as may be appropriate upon the advice of Bond Counsel and the Attorney General of the State.

(b) To arrange for the submission of bids electronically utilizing the services of such provider of electronic bidding services and on such terms and conditions as such Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State, shall determine, or, if such Authorized Officer so determines, with the advice of Bond Counsel and the Attorney General of the State, to discontinue any such arrangements prior to the sale of the Series 2008 B Bonds and to require that all bids be submitted by hand delivery.

(c) To award the Series 2008 B Bonds to the successful bidder in accordance with the Notice of Sale.

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

### **1.10 Negotiated Bond Sale Provisions.**

In the event that an Authorized Officer determines, in consultation with Bond Counsel, and the Attorney General of the State, that either (a) a competitive sale of the Series 2008 B

Bonds is not in the best interest of the Authority and the Public University or (b) a competitive sale of the Series 2008 B Bonds is held and all bids are rejected in accordance with the Notice of Sale, the following provisions set forth in this Section 1.10 shall apply:

(a) Authorization of Negotiated Sale. The Authority hereby finds and determines that the issuance of the Series 2008 B Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26, namely, volatile market conditions. The Authority has selected and approved underwriters in accordance with Executive Order No. 26. An Authorized Officer is hereby authorized to sell the Series 2008 B Bonds to any such firm selected from the list previously approved by the Authority on a negotiated basis.

(b) Authorization of Execution and Delivery of the Contract of Purchase. Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority a contract of purchase (a “**Contract of Purchase**”) by and among the Authority and the Senior Managing Underwriter (selected as hereinafter provided), on behalf of itself and any additional underwriters appointed pursuant to Section 1.10(c) hereof, and the Public University in the form determined by and as shall be approved by an 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 Series 2008 B Bonds at the price or prices to be agreed upon; provided; however, that the Underwriters’ discount for the Series 2008 B Bonds shall not exceed \$8.00 per \$1,000.00 of principal amount of the Series 2008 B Bonds. A copy of the Contract of Purchase as executed shall be filed with the records of the Authority.

(c) Appointment of Underwriters. The Authority hereby delegates to an Authorized Officer the appointment and determination of the Senior Managing Underwriter and any co-senior managing underwriter and co-managers (collectively, the “**Underwriters**”), which firms shall be selected from the list previously approved by the Authority. The Underwriters shall be compensated in an amount or amounts in accordance with Section 1.10(b) of this Resolution, with the execution of the Contract of Purchase being conclusive evidence of such approval.

(d) True Interest Cost. The Series 2008 B Bonds shall be dated and shall bear interest at such rate or rates set forth for the applicable maturities in the Contract of Purchase; provided, however, that the true interest cost for the Series 2008 B Bonds shall not exceed 7.00% per annum.

(e) Maturity Date. All Series 2008 B Bonds shall mature as set forth in the Contract of Purchase, in each of the years and in the amounts set forth in the Contract of Purchase; provided, however, that the final maturity date will be no later than July 1, 2036.

### **1.11 Authorization to Invest Bond Proceeds and Certain Funds.**

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 Series 2008 B Bonds in Investment Obligations (as defined in the 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 University, that it is advantageous to the Public University for the Authority to invest any proceeds of the Series 2008 B Bonds in Investment Obligations, which includes investment agreements and repurchase agreements.

### **1.12 Approval of Escrow Deposit Agreement; Selection of Verification Agent; Investment of Escrowed Funds.**

(a) The form of the Escrow Deposit Agreement (the “**Escrow Deposit Agreement**”) by and among the Authority and the trustee for the Series 2003 K Bonds and the trustee for the Series 2006 H Bonds, as Escrow Agent (the “**Escrow Agent**”), 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 Escrow Deposit Agreement in substantially such form, with such insertions and changes therein as the Authorized Officer executing the same may approve, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer’s execution thereof.

(b) Any Authorized Officer is hereby authorized and directed to select, via a competitive process, an independent certified public accountant, accounting firm or other qualified financial expert to act as verification agent in connection with the Series 2008 B Refunding Project.

(c) Any Authorized Officer is hereby authorized to purchase United States Treasury Obligations, State and Local Government Series, in connection with the Series 2008 B Refunding Project, or to select a firm to act as its broker or to direct the Authority’s bidding agent to solicit bids to purchase open market U.S. Treasury Obligations (as defined in the Escrow Deposit Agreement) in connection with the Series 2008 B Refunding Project, in the event that such Authorized Officer of the Authority determines that it is necessary or advantageous to the Authority to purchase such open market U.S. Treasury Obligations. In connection with the purchase of open market U.S. Treasury Obligations, an Authorized Officer of the Authority is further authorized to solicit bids for one or more float forward or escrow reinvestment agreements (a “**Float Forward Agreement**”) and to direct the Escrow Agent pursuant to the Escrow Deposit Agreement to enter into such Float Forward Agreement or agreements with the successful bidder or bidders therefor. Pursuant to the terms of any Float Forward Agreement, the provider, in consideration of an upfront payment to the Escrow Agent, shall have the right to sell U.S. Treasury Obligations to the Escrow Agent at the times and in the amounts set forth in the Float Forward Agreement at an aggregate purchase price not exceeding the maturity value thereof. Such U.S. Treasury Obligations shall mature on or before the dates when the proceeds thereof are needed to make payments in accordance with the Escrow Deposit

Agreement. Each Float Forward Agreement shall be awarded to the bidder offering to pay the highest upfront payment therefor. The form of any Float Forward Agreement shall be as approved by an Authorized Officer of the Authority, in consultation with Bond Counsel and the Attorney General of the State. An Authorized Officer of the Authority is further authorized to execute and deliver any such Float Forward Agreement and/or any certificates or other documents required in connection therewith. Notwithstanding the foregoing, nothing contained herein shall prohibit an Authorized Officer of the Authority from purchasing both United States Treasury Obligations, State and Local Government Series and open market U.S. Treasury Obligations, to the extent permitted by law. Bond Counsel, the Senior Managing Underwriter, if applicable, and the Escrow Agent, are each hereby authorized to act as agent(s), if so directed by an Authorized Officer of the Authority, on behalf of the Authority for the subscription of United States Treasury Obligations, State and Local Government Series via SLGSafe pursuant to the regulations promulgated therefore set forth in 31 CFR Part 344.

## ARTICLE II

### MISCELLANEOUS

#### **2.1 Incidental Action.**

The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in order to: (i) effectuate the Series 2008 B Refunding Project and the refunding and redemption of the Series 2003 K Bonds and the Series 2006 H Bonds; (ii) effectuate the execution and delivery of the Agreement, the Indenture and the Official Statement and, if applicable, the Contract of Purchase, and the sale and issuance of the Series 2008 B Bonds; (iii) implement the DTC book-entry only system for the Series 2008 B Bonds, (iv) maintain the tax-exempt status of the interest on the Series 2008 B Bonds (including the preparation and filing of any information reports or other documents with respect to the Series 2008 B Bonds as may at any time be required under Section 149 of the Internal Revenue Code of 1986, as amended, and any regulations thereunder), (v) obtain the Policy, if applicable, and (vi) to enter into, or cause to be entered into, one or more agreements to invest the proceeds of the Series 2008 B Bonds in Investment Obligations, which includes investment agreements and repurchase agreements. A Certificate of Determination of an Authorized Officer awarding the Series 2008 B Bonds and making the determinations authorized herein shall be final and conclusive as to the purchaser or purchasers of the Series 2008 B Bonds, the rates of interest per annum to be borne thereby, the purchaser price thereof and any other terms and details relating to the sale and issuance of the Series 2008 B Bonds.

#### **2.2 Prior Resolutions.**

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

#### **2.3 Effective Date.**

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

\_\_\_\_Mr. Jacobs\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_\_Ms. Style\_\_ and upon roll call the following members voted:

**AYE:** Vivian Altman  
Roger B. Jacobs  
Felice K. Vazquez  
R. David Rousseau (represented by Nancy Style)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Laurence M. Downes (represented by Kevin J. Collins)

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
AUTHORIZING RESTRUCTURING OF CERTAIN VARIABLE RATE BONDS**

**WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, L. 1967, c. 271, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act") and authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as such term is defined in the Act; and

**WHEREAS:** The Authority has issued and outstanding fourteen (14) issues of revenue or revenue refunding bonds on behalf of The College of New Jersey ("TCNJ"), Rowan University ("Rowan"), Kean University ("Kean"), New Jersey City University ("NJCU"), The Richard Stockton College of New Jersey ("Stockton"), Seton Hall University ("Seton Hall") and the College of Saint Elizabeth ("CSE") (collectively, the "Institutions") which bear interest at variable rates and which are insured by Financial Guaranty Insurance Company ("FGIC"), MBIA, Inc. ("MBIA"), CIFG Assurance North America, Inc. ("CIFG"), XL Capital Assurance ("XL"), Ambac Assurance Corporation ("Ambac") or Radian Insurance ("Radian") (the "Bonds" or "Variable Rate Bonds"); and

**WHEREAS:** The Variable Rate Bonds consist of the following series of the Authority's Revenue or Revenue Refunding Bonds: (a) The College of New Jersey Issue, Series 1999 A issued in the aggregate principal amount of \$146,455,000, currently outstanding in the aggregate principal amount of \$143,855,000 and insured by Ambac (the "TCNJ 1999 A Bonds"); (b) The College of New Jersey Issue, Series 2002 D issued and currently outstanding in the aggregate principal amount of \$138,550,000 and insured by FGIC (the "TCNJ 2002 D Bonds"); (c) Kean University Issue, Series 2007 E-1 issued and currently outstanding in the aggregate principal amount of \$78,115,000 and insured by FGIC (the "Kean 2007 E-1 Bonds"); (d) Kean University Issue, Series 2007 E-2 issued and currently outstanding in the aggregate principal amount of \$78,125,000 and insured by FGIC (the "Kean 2007 E-2 Bonds"); (e) New Jersey City University Issue, Series 2003 A issued in the aggregate principal amount of \$47,850,000, currently outstanding in the aggregate principal amount of \$47,650,000 and insured by FGIC (the "NJCU 2003 A Bonds"); (f) New Jersey City University Issue, Series 2005 A issued in the aggregate principal amount of \$21,575,000, currently outstanding in the aggregate principal amount of \$20,250,000 and insured by CIFG (the "NJCU 2005 A Bonds"); (g) New Jersey City University Issue, Series 2006 C issued and outstanding in the aggregate principal amount of \$5,950,000 and insured by CIFG (the "NJCU 2006 C Bonds"); (h) The Richard Stockton College of New Jersey Issue, Series 2005 C issued and outstanding in the aggregated principal amount of \$31,150,000 and insured by XL (the "Stockton 2005 C Bonds"); (i) Rowan University Issue, Series 2003 K issued and outstanding in the aggregate principal amount of \$14,700,000 and insured by XL (the "Rowan 2003 K Bonds"); (j) Rowan University Issue, Series 2006 H issued and outstanding in the aggregate principal amount of \$20,000,000 and insured by



MBIA (the “Rowan 2006 H Bonds”); (k) Seton Hall University Issue, 2005 Series C issued and outstanding in the aggregate principal amount of \$57,750,000 and insured by CFIG (the “Seton Hall 2005 C Bonds”); (l) Seton Hall University Issue, 2006 Series A issued in the aggregate principal amount of \$20,650,000, outstanding in the aggregate principal amount of \$20,450,000 and insured by CFIG (the “Seton Hall 2006 A Bonds”); (m) The College of Saint. Elizabeth Issue, 2000 Series C (the “CSE 2000 C Bonds”) originally issued in the aggregate principal amount of \$12,000,000, outstanding in the aggregate principal amount of \$10,400,000 and insured by Radian; and (n) The College of Saint Elizabeth Issue, 2006 Series K (the “CSE 2006 K Bonds”) originally issued and outstanding in the aggregate principal amount of \$15,000,000 and insured by Radian; and

**WHEREAS:** All of the Variable Rate Bonds bear interest at variable rates determined through auctions or remarketings; and

**WHEREAS:** Swap contracts are in effect with respect to certain of the Variable Rate Bonds; and

**WHEREAS:** As a result of the sub-prime mortgage crisis, one or more of Standard & Poor’s (“S&P”), Moody’s Investors Service (“Moody’s”) and Fitch Ratings (“Fitch,” and collectively with S&P and Moody’s, the “Rating Agencies”) have downgraded or have indicated they are considering downgrading, the financial and/or claims paying strength of certain bond insurers (including, but not limited to, Ambac, XL, FFIG, CFIG, MBIA and Radian) and/or of certain brokers and swap providers; and

**WHEREAS:** The sub-prime mortgage crisis and such downgrades and potential downgrades have had a widespread effect on the financial markets and the variable rate municipal bond market in particular; and

**WHEREAS:** Such downgrades and potential downgrades have severely affected the market for and have triggered legal impediments to the purchase of short term securities by certain investors and have led investors to restrict or refrain from investment in such securities and to failed auctions for auction rate bonds and have otherwise adversely affected the borrowing costs of the Institutions; and

**WHEREAS:** The Authority, in consultation with the Institutions, is monitoring developments in the market for the Variable Rate Bonds and is investigating restructuring alternatives in order to improve borrowing costs for the Institutions with respect to the Variable Rate Bonds; and

**WHEREAS:** Restructuring alternatives include, without limitation, reinsurance of existing insurance, substitution of new insurance, conversion from auction rate mode to variable rate demand mode with a liquidity facility with insurance or a letter of credit with or without insurance, provision of a liquidity facility or letter of credit relating to an existing variable rate mode, conversion from an existing variable rate mode to another variable rate mode either with or without a liquidity facility

or letter of credit and with or without insurance, termination or continuation of any or all related existing swaps, entry into additional swaps, conversion to a fixed rate or current refunding of the Variable Rate Bonds through the issuance of Authority refunding bonds; and

**WHEREAS:** The Members of the Authority have determined that, in view of the effect of the sub-prime mortgage crisis on the market for the Variable Rate Bonds in variable rate modes, it is necessary and advisable to authorize the restructuring of any or all of the Variable Rate Bonds in order to improve the borrowing costs for the Institutions; and

**WHEREAS:** The determination of the most advantageous restructuring alternative for each series of Variable Rate Bonds will depend on a number of factors including the specific Institution, the number of providers which have capacity to issue liquidity facilities or letters of credit and the costs associated with a particular alternative; and

**WHEREAS:** In order to mitigate the adverse effect on borrowing costs of the Institution, it is advisable to authorize such restructuring in an efficient manner.

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

**SECTION 1.** The Authority hereby authorizes undertaking the restructuring of any or all of the Variable Rate Bonds through any means which satisfies the conditions set forth in this Resolution including, without limitation, reinsurance of existing insurance, substitution of new insurance, conversion from auction rate mode or R-Floats Mode to variable rate demand mode with a liquidity facility with insurance or a letter of credit with or without insurance, provision of a liquidity facility or letter of credit relating to an existing variable rate mode, conversion from an existing variable rate mode to one or more other variable rate modes either with or without a liquidity facility or letter of credit and with or without insurance and/or conversion to one or more variable rate modes and fixed rate modes, termination or continuation of any or all related existing swaps, entry into additional swaps, conversion to a fixed rate mode or current refunding of the Variable Rate Bonds through the issuance by the Authority of one or more of refunding bonds (each, a "Restructuring") and authorizes any Authorized Officer (as defined below) to determine the form of and to effect the Restructuring with respect to any or all of the Variable Rate Bonds; provided that the applicable Institution consents, in writing, to the Restructuring.

**SECTION 2.** The undertaking of any Restructuring meets the conditions set forth in this Resolution if, in addition to the written consent of the Institution required under Section 1, the following conditions are satisfied:

(a) the documentation for each Restructuring is substantially in the form of the existing documentation for such series of Variable Rate Bonds to be restructured with such modifications, additions or changes as are approved by an Authorized Officer executing the same with the advice of the applicable Bond Counsel to the Authority and are approved by the authorized officer of the Institution executing the same, such approval to be conclusively evidenced by the execution thereof by such Authorized Officer and a duly authorized representative of the Institutions:

(b) in the case of either maintaining the existing variable rate mode for a particular series of Variable Rate Bonds or converting such Bonds to another variable rate mode, the initial interest rate does not exceed 5 %, the underwriter's discount or remarketing agent's fee does not exceed \$9.00 and the maximum rate shall not exceed 15% per annum or for bonds purchased by a liquidity facility provider, the rate per annum as set forth in the applicable liquidity facility; provided that in no event shall the maximum rate exceed the maximum amount permitted by any applicable usury or similar law;

(c) in the case of conversion of a particular series of Variable Rate Bonds to a fixed rate of interest, the TIC does not exceed 6% and the underwriter's discount or remarketing agent's fee does not exceed \$9.00;

(d) in the case of a current refunding of a particular series of Variable Rate Bonds, (i) if the refunding is effected through issuance of variable rate bonds ("Variable Rate Refunding Bonds"), the conditions set forth in this Section 2(b) are satisfied; (ii) if the refunding is effected through issuance of fixed rate bonds ("Fixed Rate Refunding Bonds"), the conditions set forth in Section 2(c) are satisfied;

(e) in the case of any Restructuring, the Authority's applicable Financial Advisor certifies in writing that the costs of the Restructuring are reasonable in light of the effect of the sub-prime mortgage crisis on the Variable Rate Bonds and the Authority's Derivative Consultant, if applicable, certifies in writing that any costs associated with restructuring, terminating or entering into swaps in connection with the Restructuring are reasonable in light of the effect of the sub-prime mortgage crisis on the Bonds; and

(f) the maximum final maturity date for each particular series of Restructured Variable Rate Bonds (as herein defined), Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds shall not exceed : (i) in the case of a series of such Bonds which relate to Variable Rate Bonds which is either maintained in its existing mode, converted to another variable rate mode, converted to a fixed rate mode or currently refunded, the final maturity date as set forth in the currently existing documentation applicable to such particular series of Variable Rate Bonds or, if later and permitted by the existing bond documentation, the final maturity date permitted by federal tax law without adversely affecting tax-exempt status of the applicable series of bonds being restructured; (ii) in all other circumstances not set forth in (i) above with respect to a particular series of Variable Rate Bonds, forty

(40) years; or (iii) in the case of a particular series of Variable Rate Bonds which are currently refunded with Fixed Rate Refunding Bonds, forty (40) years.

**SECTION 3.** Any Authorized Officer is hereby authorized, (i) to the extent that such Authorized Officer determines that bond insurance or reinsurance is necessary or desirable in order to market any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds, to select, via a process which satisfies applicable procurement requirements imposed by the laws of the State of New Jersey, a municipal bond insurer(s) or reinsurer(s) (the "Bond Insurer") for any particular series of Variable Rate Bonds, as restructured ("Restructured Variable Rate Bonds") or Variable Rate Refunding Bonds, or Fixed Rate Refunding Bonds, (ii) to execute a commitment letter for the issuance of a bond insurance policy or policies or reinsurance policy or policies (collectively, the "Policy") by such Bond Insurer (or a certificate evidencing selection of the Bond Insurer); (iii) to carry out the Authority's obligations thereunder (including payment of the premium for the Policy); and (iv) to accept the terms and conditions relating to each particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds required by the applicable Bond Insurer as a condition to the issuance of the Policy and to incorporate such terms and conditions in the documentation relating to each particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds, as such Authorized Officer deems necessary and appropriate, with the advice of the applicable Bond Counsel to the Authority; and (b) any Authorized Officer is hereby authorized, to select, via a process which satisfies applicable procurement requirements imposed by the law of the State of New Jersey, a municipal bond insurer(s) to provide swap insurance (the "Swap Insurer") to insure any interest rate swap agreement or other swap agreement entered into with respect to any Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds, (i) to the extent that such Authorized Officer determines that swap insurance is necessary or desirable; (ii) to execute a commitment letter for the issuance of a swap insurance policy or policies (collectively, the "Swap Insurance Policy") by such Swap Insurer (or a certificate evidencing selection of a Swap Insurer); (iii) to carry out the Authority's obligations thereunder (including payment of the premium for the Swap Insurance Policy); and (iv) to accept the terms and conditions relating to each particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds, required by the Swap Insurer as a condition to the issuance of the Swap Insurance Policy and to incorporate such terms and conditions in the documentation relating to each particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds as such Authorized Officer deems necessary and appropriate, with the advice of the applicable Bond Counsel to the Authority.

**SECTION 4.** Any Authorized Officer is hereby delegated and authorized to select, via a process which satisfies procurement requirements imposed by the laws of the State of New Jersey, and appoint a verification agent in connection with the current refunding of any particular series of Variable Rate Bonds.

**SECTION 5.** The trustees are appointed as trustees for the respective issues (each a "Trustee"); for the bonds resulting from the restructurings as follows: U.S. Bank for the restructuring each of the CSE 2000 C Bonds and the CSE 2006 K Bonds; Bank of New York Mellon for the restructuring of each of the Rowan 2003 K Bonds and the Rowan 2006 H Bonds; Bank of New York Mellon for the restructuring of each of the NJCU 2003 A Bonds, NJCU 2005 A Bonds, NJCU 2006 C Bonds; U.S. Bank for the restructuring each of the Kean 2007 E-1 Bonds and the Kean 2007 E-2 Bonds; U.S. Bank for restructuring of the Stockton 2005 C Bonds; Bank of New York Mellon for the restructuring of each of the Seton Hall 2005 C Bonds and the Seton Hall 2006 A Bonds; U.S. Bank for the restructuring of each of the TCNJ 1999 A Bonds and the TCNJ 2002 D Bonds. An Authorized Officer is authorized to determine the terms and conditions of such service as Trustee as such Authorized Officer deems beneficial and appropriate taking into account price and other factors such as the nature of the restructuring. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the documentation related to any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds by the Trustee's execution and delivery thereof.

**SECTION 6.** (a) The Members of the Authority hereby delegate to and authorize any Authorized Officer to select, via a process which satisfies applicable procurement requirements under the laws of the State of New Jersey, one or more banking institution(s) to provide a liquidity facility or facilities or letter(s) of credit to support the payment of debt service on and serve as a liquidity facility or letter of credit with respect to any particular series of Restructured Variable Rate Bonds or Variable Rate Refunding Bonds or short-term Fixed Rate Refunding Bonds; subject to the terms and conditions set forth below. Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority, in connection with any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or short term Fixed Rate Refunding Bonds, any liquidity facility, standby bond purchase agreement, reimbursement agreement and/or letter of credit, which shall be in such form as approved by an Authorized Officer with the advice of the applicable Bond Counsel to the Authority, such approval to be conclusively evidence by such Authorized Officer's execution of the same.

(b) Any liquidity facility selected pursuant to this Section 6 shall be subject to the following terms and conditions:

- (1) The proposed liquidity providers shall be a commercial bank or banks with at least P-1/A1 ratings from Moody's and A-1/A+ ratings from S&P;
- (2) Fee quotes shall be requested at least for 364-day facilities and for facilities with terms of two (2) through five (5) years, it being understood that quotes for longer term facilities may be requested;

- (3) The borrowing rate under the facilities shall be based on the Federal Funds Rate, LIBOR or Prime Rate or other rate provided by the provider and accepted by an Authorized Officer and a duly authorized representative of the applicable Institution. The maximum interest rate under the facilities shall be no more than 20 % per annum;
- (4) The facility shall contain such terms as are approved by an Authorized Officer and a duly authorized representative of the Institution; and
- (5) The award shall be made based upon the terms most advantageous to the Authority and the applicable Institution as determined by an Authorized Officer Authority and a duly authorized representative of the Institution in their sole discretion, taking into consideration price, fees, trading differentials, the form of the restructuring and other considerations.

#### **SECTION 7.**

(a) If the form of a Restructuring of any particular series of Variable Rate Bonds requires the services of a remarketing agent, the Members of the Authority hereby delegate to and authorize any Authorized Officer to confirm the appointment of a firm previously designated and serving as remarketing agent for a particular series of Variable Rate Bonds, appoint remarketing agents in addition to a previously appointed remarketing agent, and/or appoint a new remarketing agent or agents (the "Remarketing Agent").

(b) Any Remarketing Agent (other than a previously appointed and serving Remarketing Agent) shall be selected by a process which satisfies applicable procurement requirements under the laws of the State of New Jersey. Additional or new Remarketing Agents shall be a firm or firms most advantageous to the Authority and the applicable Institution and shall be selected based on price and other factors such as experience, market access and any other relevant factors. Such Remarketing Agent(s) shall be appointed and named in the applicable documents or certificates relating to the Restructuring.

(c) Any Remarketing Agent appointed under this Section 7 shall be a member of the National Association of Securities Dealers, Inc., have a capitalization of at least fifteen million dollars (\$15,000,000), and be authorized by law to perform all the duties of a remarketing agent.

#### **SECTION 8.**

The Authority hereby delegates and authorizes any Authorized Officer to terminate, amend or modify, with the consent of the applicable Institution any interest rate swap agreement or other swap agreement currently in effect with respect to any particular series of Variable Rate Bonds. The Members of the Authority hereby delegate to and authorize any Authorized Officer to pay any termination fee in connection with the termination of any interest rate swap agreement or other swap agreement currently in effect with respect to any particular series of Variable Rate Bonds but solely from sources provided under any lease agreement, loan agreement or any other agreement by and between the

Authority and any particular Institution in connection with any particular series of Variable Rate Bonds. Notwithstanding anything to the contrary foregoing, in connection with the restructuring of the TCNJ 1999 A Bonds, the Authority hereby authorizes any Authorized Officer to terminate the interest rate swap with Ambac Financial Services relating to the TCNJ 1999 A Bonds (the "TCNJ Swap") and to enter into a new swap agreement under terms and conditions which allow for payment of the termination fee applicable to the termination of the TCNJ Swap and which otherwise is advantageous for The College of New Jersey taking into account price and other factors (including credit quality) which the Authorized Officer and a duly authorized representative of The College of New Jersey approve.

**SECTION 9.** The Authority hereby delegates and authorizes any Authorized Officer to take any and all action which an Authorized Officer deems necessary or advisable in order to exercise the right of the Authority to assign any interest rate swap agreement or other swap agreement entered with respect to any particular series of Variable Rate Bonds to a third party.

**SECTION 10.** (a) The Authority hereby delegates and authorizes any Authorized Officer to solicit proposals (the "Proposals") pursuant to a term sheet for and to enter into one or more agreements (each a "New Swap Agreement") with one or more counterparties (each, a "Swap Counterparty") in connection with the Restructuring of any or all series of Variable Rate Bonds (including without limitation swaps with respect to such Bonds which are converted or refunded to bear fixed interest rates and including without limitation the New Swap Agreement to be entered in connection with the termination of the TCNJ Swap), and each New Swap Agreement constituting a swap agreement under the documentation applicable to such particular series of Variable Rate Bonds, and all documents relating to or necessary to execute each such New Swap Agreement with a Swap Counterparty including, but not limited to, one or more ISDA master agreements and attached counterparty schedules and credit support annexes and confirmations thereto or a confirmation(s) under existing ISDA master agreements and attached counterparty schedules and credit support annexes with, all as approved by an Authorized Officer with the advice of the applicable Bond Counsel to the Authority, such approval to be conclusively evidenced by the Authorized Officer's execution thereof. Any Proposal solicited under this Section 10(a) shall comply with the parameters set forth in Sections 10(d) and 10(g);

(b) Any Authorized Officer is authorized to receive the requested Proposals for each New Swap Agreement, and, if such Authorized Officer, with the advice of the applicable Bond Counsel of the Authority and the Attorney General of the State, so determines, to accept any or all Proposals and to enter each New Swap Agreement which the Authorized Officer and a duly authorized representative of the Institution determine are most advantageous to the Institution taking into account price and other factors including credit quality and the form of the Restructuring.

(c) Notwithstanding the foregoing, any Authorized Officer is authorized to reject any or all proposals and so far as permitted by law, to waive any irregularities or informalities in any Proposal;

(d) The Authority hereby delegates to and authorizes any Authorized Officer to determine the notional amount, term and interest rate provisions of each New Swap Agreement and any other provisions deemed advisable by the Authorized Officer not in conflict with or in substitution for the provisions of this Resolution and the original resolution authorizing any particular series of Variable Rate Bonds; provided that the notional amount of any New Swap Agreement shall not exceed the principal amount outstanding of the applicable particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds; the maximum term of any New Swap Agreement shall not exceed the final maturity date of the applicable series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds; and the maximum fixed rate of interest to be paid by the Authority under each New Swap Agreement shall not exceed 6% per annum;

(e) The Authority hereby delegates to and authorizes any Authorized Officer to determine, subject to the provisions of the documentation applicable to a particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds and with the advice of the applicable Bond Counsel to the Authority, whether the payment obligations of the Authority on behalf of the Institution under any New Swap Agreement shall be on parity with or subordinate to the payment obligations on the applicable series of Variable Rate Bonds as restructured;

(f) The Authority hereby delegates to and authorizes an Authorized Officer to execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable, including identifying a swap which remains in effect or a particular New Swap Agreement as a "Qualified Hedge" as defined in applicable federal tax regulations, in connection with the execution and delivery of any New Swap Agreement and are not inconsistent with the provisions of this Resolution and the documentation with respect to the applicable series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds.

(g) Any New Swap Agreement entered into by the Authority pursuant to this Section 10 shall comply with the terms, provisions and conditions set forth in the Authority's Swap and Derivative Policy adopted on October 26, 2005 and any swap or derivative policy adopted by the applicable Institution.



**SECTION 11.**

(a) (1) The Authority hereby determines that, the Restructuring of the Variable Rate Bonds through issuance of Restructured Variable Rate Bonds or Variable Rate Refunding Bonds involves circumstances under the criteria of Executive Order No. 26 and the Authority's policies, procedures and criteria that permit the Restructurings to be implemented on a negotiated basis because the Restructurings involve complex credits, complex financial structure and volatile markets. With respect to any Restructuring accomplished through the issuance Fixed Rate Refunding Bonds, the Authority hereby authorizes any particular series of Fixed Rate Refunding Bonds to be sold via competitive sale, except as set forth below.

(2) Each particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds and Fixed Rate Refunding Bonds shall be in an aggregate principal amount not exceeding the principal amount necessary to currently refund the outstanding principal amount of the series or series of Variable Rate Bonds being restructured and the costs of issuance (including but not limited to any termination fee due with respect to terminating an existing swap) necessary to convert or issue such Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds. Such Restructured Variable Rate Bonds, Variable Rate Refunding Bonds and Fixed Rate Refunding Bonds shall be in such denominations, and shall be numbered as shall be provided in the documentation applicable to such particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds. Such Restructured Variable Rate Bonds, Variable Rate Refunding Bonds and Fixed Rate Refunding Bonds shall be dated, bear interest, mature and be executed and authenticated as shall be set forth in the documentation applicable to such particular series of Bonds and as provided in Section 2 of this Resolution and shall be subject to redemption as provided in the documentation applicable to such particular series of Bonds, provided that the redemption premium, if any, on any such series of Bonds shall not exceed 105%;

(b) Any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds shall be in substantially the form set forth in the documentation applicable to such Bonds, with such insertions, omissions or variations as may be necessary or appropriate, as approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State, such approval to be conclusively evidenced by such Authorized Officer's execution thereof;

(c) Following the execution of any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds, any Authorized Officer is hereby authorized to deliver such executed Bonds to the Trustee for authentication and, after authentication, to cause the delivery of such Bonds to the purchaser or purchasers thereof against receipt of the purchase price or unpaid balance thereof;

(d) Except as otherwise determined by an Authorized Officer, in the case of Fixed Rate Refunding Bonds, at such time, on such date or dates and at such place

or places as shall be selected by an Authorized Officer, sealed proposals in the form of the Official Bid Form in the form determined by and as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (a copy of which shall be filed with the records of the Authority) (the "Official Bid Form") shall be received, opened and considered for the purchase of any particular series of Fixed Rate Refunding Bonds, to be dated and mature as required herein and substantially as contained in the form of the Notice of Sale in the form determined by and as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (a copy of which shall be filed with the records of the Authority) (the "Notice of Sale"). Bids may also be submitted electronically, at the election of the bidder, in accordance with the provisions of the Notice of Sale. An Authorized Officer is hereby authorized and directed, on behalf of the Authority, to cause the Notice of Sale or a summary thereof to be published prior to the date of bidding at least once in The Bond Buyer, a publication carrying municipal bond notices and devoted primary to financial news published in The City of New York, such notice to be published prior to the day of bidding. The Authority is authorized to accept Financial Surety Bonds, as well as certified or cashier's checks, for purposes of satisfying the Deposit (as defined in the Notice of Sale) requirement, all as set forth in the Notice of Sale. Notwithstanding the foregoing provisions of this Section 11, in the event that an Authorized Officer determines, in consultation with the applicable Bond Counsel to the Authority, and the Attorney General of the State that (a) the issuance of any particular series of Fixed Rate Refunding Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26 (Whitman 1994) ("Executive Order No. 26"), and a competitive sale of any particular series of Fixed Rate Refunding Bonds is not in the best interest of the Authority and the applicable Institution or (b) the competitive sale was held and all bids were rejected in accordance with the Notice of Sale, the sale of such particular series of Fixed Rate Refunding Bonds shall be governed by Section 11(e) hereof;

(e) In the event that an Authorized Officer determines, in consultation with the applicable Bond Counsel to the Authority, and the Attorney General of the State, that either (a) a competitive sale of any particular series of Fixed Rate Refunding Bonds is not in the best interest of the Authority and the applicable Institution or (b) a competitive sale of any particular series of Fixed Rate Refunding Bonds is held and all bids are rejected in accordance with the applicable Notice of Sale, the following provisions shall apply: (i) the Authority hereby finds and determines that the issuance of any particular series of Fixed Rate Refunding Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26, namely, volatile market conditions. The Authority will select and approve underwriters from the Authority's pre-qualified pool in accordance with Executive Order No. 26. An Authorized Officer is hereby authorized to sell any particular series of Fixed Rate Refunding Bonds subject to the foregoing determination, any Restructured Variable Rate Bonds, and any Variable Rate Refunding Bonds to any such firm selected from the list previously

approved by the Authority on a negotiated basis; (ii) any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority a contract of purchase (a "Contract of Purchase") by and among the Authority and the Senior Managing Underwriter (selected as hereinafter provided), on behalf of itself and any additional underwriters appointed pursuant to this Section 11(e), and the applicable Institution in the form determined by and as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof) for the purchase of any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds at the price or prices to be agreed upon; provided; however, that the underwriters' discount for any particular series of such Bonds shall be as set forth in Section 2(c) above. A copy of the Contract of Purchase as executed shall be filed with the records of the Authority; (iii) the Authority hereby delegates to an Authorized Officer the appointment and determination of the Senior Managing Underwriter and any co-senior managing underwriter and co-managers (collectively, the "Underwriters"), which firms shall be selected from the list previously approved by the Authority. The Underwriters shall be compensated in an amount or amounts in accordance with Section 2 of this Resolution, with the execution of the Contract of Purchase being conclusive evidence of such approval; (iv) any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds, and Fixed Rate Refunding Bonds shall be dated and shall bear interest at such rate or rates set forth for the applicable maturities in the Contract of Purchase and in conformance with this Resolution and the applicable documentation; provided, however, that the conditions set forth in Section 2 (c) regarding, true interest cost and compensation of professionals shall apply and any such series of Bonds shall bear interest at rates, payable on such dates and mature as set forth in the applicable Indenture or other documentation.

**SECTION 12.** The Authority hereby authorizes the preparation, publication and distribution of a Preliminary Official Statement, if applicable, in the form determined by and as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (a copy of which shall be filed with the records of the Authority) (the "Preliminary Official Statement"), and in the case of Fixed Rate Refunding Bonds sold via a competitive sale, the Notice of Sale and the Official Bid Form relating to thereto. Any Authorized Officer is hereby authorized to "deem final" the Preliminary Official Statement, if applicable, in accordance with Rule 15(c)2-12 of the Securities and Exchange Commission, if applicable.

Any Authorized Officer of the Authority is hereby authorized and directed to execute and deliver a final Official Statement (the "Official Statement"), in substantially the form of applicable Preliminary Official Statement with respect to any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds, with such changes, insertions and alterations as the Authorized Officer executing same shall approve with the

advice of the applicable Bond Counsel of the Authority and the Attorney General of the State, such approval to be evidenced conclusively by the execution thereof by such Authorized Officer (a copy of which shall be filed with the records of the Authority). Any Authorized Officer is hereby authorized to "deem final" the Official Statement, if no Preliminary Official Statement is necessary in connection with the marketing of Restructured Variable Rate Bonds or Variable Rate Refunding Bonds, in accordance with Rule 15(c)2-12 of the Securities and Exchange Commission.

- SECTION 13.** The Authority hereby authorizes any Authorized Officer to execute and deliver a new lease and agreement or amendments to an existing lease and agreement, in the case of a State college or university, by and between the Authority and the State college or university (a "Lease Agreement") or a loan agreement or amendments to an existing loan agreement, in the case of a private college or university, by and between the Authority and the private college or university (a "Loan Agreement"), each of which shall be substantially in the form heretofore approved by the Authority in similar transactions, with such insertions, revisions, modifications and changes therein as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (a copies of which shall be filed with the records of the Authority) in connection with any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds. Any other Authorized Officer is hereby authorized and directed to acknowledge and deliver and to affix and attest the official common seal of the Authority to any Lease Agreement or Loan Agreement.
- SECTION 14.** The Authority hereby authorizes any Authorized Officer, to execute and deliver an Indenture of Trust (or an amendment or supplement to an Indenture of Trust) by and between the Authority and the Trustee for any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds (an "Indenture"), each of which shall be substantially in the form heretofore approved by the Authority in similar transactions, with such insertions, revisions, modifications and changes therein as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (a copies of which shall be filed with the records of the Authority) in connection with any particular series of such Bonds such approval to be conclusively evidenced by such Authorized Officer's execution thereof. Any other Authorized Officer is hereby authorized and directed to acknowledge and deliver and to affix and attest the official common seal of the Authority to any such Indenture.
- SECTION 15.** The Authority hereby authorizes any Authorized Officer, if necessary, to execute and deliver a new mortgage and security agreement or an amendment to an existing mortgage and security agreement by and between the Authority and a private college or university (the "Mortgage Agreement") and to assign, as applicable, such Mortgage to the Trustee, Swap Provider, Bond Insurer or provider of a letter of credit or liquidity facility, each of which shall be

substantially in the form heretofore approved by the Authority in similar transactions, with such insertions, revisions, modifications and changes therein as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (a copies of which shall be filed with the records of the Authority) in connection with any particular series of Fixed Rate Refunding Bonds such approval to be conclusively evidence by such Authorized Officer's execution thereof. Any other Authorized Officer is hereby authorized and directed to acknowledge and deliver and to affix and attest the official common seal of the Authority to any such Mortgage.

**SECTION 16.** Pursuant to the applicable Lease Agreement or Loan Agreement entered into in connection with any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds, or Fixed Rate Refunding Bonds, the Institutions have undertaken and will undertake all responsibility for compliance with continuing disclosure requirements, to the extent applicable and the Authority shall have no liability to the holders of any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds or any other person with respect to continuing disclosure matters. The form of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") by and between the applicable Institution and the applicable Trustee, as dissemination agent (the "Dissemination Agent") in connection with any particular series of Restructured Variable Rate Bonds, Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds shall be in the form determined by and as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (a copies of which shall be filed with the records of the Authority). The applicable Trustee shall be appointed to act as Dissemination Agent under the applicable Continuing Disclosure Agreement and the applicable Trustee shall comply with and carry out all of the obligations imposed on the Dissemination Agent under the applicable Continuing Disclosure Agreement and the applicable Lease Agreement or Loan Agreement. The failure of a particular Institution to comply with the requirements of a particular Continuing Disclosure Agreement shall not constitute a default under the applicable Indenture or the applicable Lease Agreement or Loan Agreement with respect to any particular series of Fixed Rate Refunding Bonds.

**SECTION 17.** The Authority hereby authorizes any Authorized Officer to execute and deliver an Escrow Deposit Agreement (the "Escrow Deposit Agreement") by and among the Authority and the Trustee for such applicable series of Variable Rate Refunding Bonds or Fixed Rate Refunding Bonds, as Escrow Agent, each of which shall be substantially in the form heretofore approved by the Authority in similar transactions, with such insertions, revisions, modifications and changes therein as shall be approved by an Authorized Officer, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof) (a copy of which shall be filed with the records of the Authority). Any

Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Escrow Deposit Agreement in substantially such form, with such insertions and changes therein as the Authorized Officer executing the same may approve, with the advice of the applicable Bond Counsel to the Authority and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

**SECTION 18.** Any Authorized Officer is hereby authorized to purchase United States Treasury Obligations, State and Local Government Series, in connection with the refunding of any particular series of Variable Rate Bonds (the "Refunding"), or to select a firm to act as its broker or to direct the Authority's bidding agent to solicit bids to purchase open market U.S. Treasury Obligations (as defined in the Escrow Deposit Agreement) in connection with the Refunding, in the event that such Authorized Officer of the Authority determines that it is necessary or advantageous to the Authority to purchase such open market U.S. Treasury Obligations. In connection with the purchase of open market U.S. Treasury Obligations, an Authorized Officer of the Authority is further authorized to solicit bids for one or more float forward or escrow reinvestment agreements (a "Float Forward Agreement") and to direct the Escrow Agent pursuant to the Escrow Deposit Agreement to enter into such Float Forward Agreement or agreements with the successful bidder or bidders therefor. Pursuant to the terms of any Float Forward Agreement, the provider, in consideration of an upfront payment to the Escrow Agent, shall have the right to sell U.S. Treasury Obligations to the Escrow Agent at the times and in the amounts set forth in the Float Forward Agreement at an aggregate purchase price not exceeding the maturity value thereof. Such U.S. Treasury Obligations shall mature on or before the dates when the proceeds thereof are needed to make payments in accordance with the Escrow Deposit Agreement. Each Float Forward Agreement shall be awarded to the bidder offering to pay the highest upfront payment therefor. The form of any Float Forward Agreement shall be as approved by an Authorized Officer of the Authority, in consultation with Bond Counsel and the Attorney General of the State such approval to be conclusively evidenced such Authorized Officer's execution thereof. An Authorized Officer of the Authority is further authorized to execute and deliver any such Float Forward Agreement and/or any certificates or other documents required in connection therewith. Notwithstanding the foregoing, nothing contained herein shall prohibit an Authorized Officer of the Authority from purchasing both United States Treasury Obligations, State and Local Government Series and open market U.S. Treasury Obligations, to the extent permitted by law. Bond Counsel, the Senior Managing Underwriter, if applicable, and the Escrow Agent, are each hereby authorized to act as agent(s), if so directed by an Authorized Officer of the Authority, on behalf of the Authority for the subscription of United States Treasury Obligations, State and Local Government Series via SLG Safe pursuant to the regulations promulgated therefore set forth in 31 CFR Part 344.

**SECTION 19.** Each Authorized Officer is hereby authorized by the Authority to take any and all actions the Authorized Officer deems necessary or desirable to effect each Restructuring to which the applicable Institution consents. All prior actions undertaken by any Authorized Officer in connection with the Restructurings is hereby ratified and confirmed.

**SECTION 20.** The Chair, Vice Chair, Executive Director, Deputy Executive Director, Treasurer, Secretary, any Assistant Secretary or Director of Project Management of the Authority (each an "Authorized Officer") are hereby authorized by the Authority to execute and deliver any and all documents and any modifications, changes or additions to documents in effect (including without limitation indentures, leases, loan agreements, mortgages, swap agreements and credit or liquidity facilities) necessary or appropriate to effect each Restructuring in the form accepted by the Authorized Officer executing such Agreement, with the advice of Bond Counsel and the Attorney General of the State, such execution being conclusive evidence of acceptance thereof by the executing Authorized Officer and any other Authorized Officer is hereby authorized to attest such documents and to affix the official common seal of the Authority thereto.

**SECTION 21.** This Resolution shall take effect in accordance with the Act.

\_\_\_\_Ms. Vazquez\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_\_ Mr. Jacobs\_\_ and upon roll call the following members voted:

**AYE:** Vivian Altman  
Roger B. Jacobs  
Felice K. Vazquez  
R. David Rousseau (represented by Nancy Style)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Laurence M. Downes (represented by Kevin J. Collins)

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



**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
2008 BUDGET VARIANCE ANALYSIS  
FOR ONE MONTH ENDED JANUARY 31, 2008**

**Executive Summary**

The NJEFA concluded the first month of 2008 with net operating income in the amount of \$148,829, based on revenues of \$338,432 and expenses of \$189,603. As a result, net operating income is higher than budgeted by \$14,194. This difference is a result of greater than expected revenues in the amount of \$2,912 and less than anticipated expenses in the amount of \$11,282.

**Revenues**

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

**Expenses**

Operating expenditures for the first month of the year were favorable as compared to budget by \$11,282. Attorney General Fees were \$6,322 less than budgeted because actual billings are less than that of the Legal Services Cost Projection Agreement. The remaining line items display positive deviations and are primarily the result of timing.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**  
**ACTUAL vs. BUDGET REPORT**  
**JANUARY 2008**

	Month Ended January 31, 2008		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b><u>Operating Revenues</u></b>			
Annual Administrative Fees	\$ 275,520	\$ 275,520	\$ -
Initial Fees	-	-	-
Investment Income	<u>62,912</u>	<u>60,000</u>	<u>2,912</u>
	<u>\$ 338,432</u>	<u>\$ 335,520</u>	<u>\$ 2,912</u>
<b><u>Operating Expenses</u></b>			
Salaries	\$ 102,700	\$ 103,464	\$ 764
Employee Benefits	25,919	26,779	860
Office of The Governor	2,333	2,333	-
Office of The Attorney General	10,000	16,322	6,322
Sponsored Programs	-	-	-
Telephone	158	700	542
Gasoline & Auto Maintenance	265	500	235
Rent	24,683	24,683	-
Utilities	1,687	1,687	-
Postage	257	541	284
Office Supplies & Expenses	1,280	2,000	720
Travel & Official Receptions	807	1,500	693
Staff Training & Tuition Reimbursement	89	500	411
Insurance	4,460	4,460	-
Annual Report & Newsletters	1,750	1,750	-
Public Relations	-	-	-
Electronic Communication Program	-	-	-
Professional Services	-	-	-
Dues & Subscriptions	6,150	6,500	350
Maintenance of Equipment	-	-	-
Depreciation	7,065	7,166	101
Contingency	-	-	-
	<u>189,603</u>	<u>200,885</u>	<u>11,282</u>
<b>Operating Income</b>	<u>\$ 148,829</u>	<u>\$ 134,635</u>	<u>\$ 14,194</u>

**New Jersey Educational Facilities Authority**  
**Summary of Construction Funds**  
**As of January 31, 2008**

<u>Private</u>	<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
	Stevens Institute of Technology	2004 Series B	Student Residence Conversion	\$ 12,281,959.45	\$ (10,746,631.16)	\$ 1,535,328.29	87%
	Seton Hall University	2005 Series C	Science Center/Student Housing	56,906,973.36	(48,665,576.46)	8,241,396.90	86%
	Institute for Advanced Study	2006 Series C	Biology Bldg. & Renovations	19,939,000.00	(7,987,924.61)	11,951,075.39	40%
	Princeton University	2006 Series D	Renovations/Capital Equipment	75,000,000.00	(52,482,137.45)	22,517,862.55	70%
	College of Saint Elizabeth	2006 Series K	Perf. Arts Center, Renovations	13,943,570.20	(11,543,082.86)	2,400,487.34	83%
	Rider University	2007 Series C	Student Housing, Parking & Improv.	21,013,907.29	(2,944,064.88)	18,069,842.41	14%
	Drew University	2007 Series D	Student Housing & Renovations	25,314,969.30	(1,853,722.18)	23,461,247.12	7%
	Georgian Court University	2007 Series D	Wellness Center, Bookstore	11,327,709.22	(6,405,237.06)	4,922,472.16	57%
	Princeton University	2007 Series E	Construction & Major Maintenance	329,363,288.30	(101,601,870.95)	227,761,417.35	31%
	Sub Total			\$ 565,091,377.12	\$ (244,230,247.61)	\$ 320,861,129.51	
<u>Public</u>							
	The College of New Jersey	Series 1999 A	Academic Buildings	\$ 54,996,856.58	\$ (34,069,899.64)	\$ 20,926,956.94	62%
	The College of New Jersey	Series 2002 D	Library & Various Renovations	137,126,158.84	(83,554,095.03)	53,572,063.81	61%
	New Jersey City University	Series 2003 A	Various Projects	45,779,798.13	(41,961,606.78)	3,818,191.35	92%
	Rowan University	Series 2004 C	Academic Building, Various Projects	57,850,090.45	(49,187,482.22)	8,662,608.23	85%
	New Jersey City University	Series 2005 A	Various Capital Improvements	21,348,611.31	(15,496,252.60)	5,852,358.71	73%
	Richard Stockton College of New Jersey	Series 2005 C	Various Projects & Renovations	25,824,484.04	(20,562,873.40)	5,261,610.64	80%
	Kean University	Series 2005 B	Various Projects & Renovations	91,383,145.08	(20,387,862.53)	70,995,282.55	22%
	Ramapo College of New Jersey	Series 2006 D	Science Bldg., Parking & Renov.	48,962,668.44	(43,718,946.44)	5,243,722.00	89%
	Montclair State University	Series 2006 A	Rec. Center, Parking & Renovations	99,691,116.44	(20,992,909.42)	78,698,207.02	21%
	Richard Stockton College of New Jersey	Series 2006 F	Housing V, Various Projects	50,675,855.72	(24,998,206.41)	25,677,649.31	49%
	Rowan University	Series 2006 G	Various Renovations	46,527,357.07	(9,028,533.43)	37,498,823.64	19%
	Rowan University	Series 2006 H	Property Acquisition, Renovations	19,797,386.13	(2,080,645.89)	17,716,740.24	11%
	Kean University	Series 2007 D	2 Residence Halls, Dining, Parking	124,287,050.02	(4,018,481.38)	120,268,568.64	3%
	Richard Stockton College of New Jersey	Series 2007 G	Housing V, Various Upgrades & Renov	40,242,421.65	(331,469.21)	39,910,952.44	1%
	Sub Total			\$ 864,492,999.90	\$ (370,389,264.38)	\$ 494,103,735.52	
<u>Other Programs</u>							
	Public Library Grant Program	Series 2002 A	Library Grants	\$ 45,380,714.58	\$ (44,832,414.28)	\$ 548,300.30	99%
	Capital Improvement Fund	Series 2002 A	Capital Improvements	195,287,675.00	(191,507,541.02)	3,780,133.98	98%
	Equipment Leasing Fund	Series 2003 A	Equipment Leasing	13,343,279.40	(13,276,267.23)	67,012.17	99%
	Sub Total			\$ 254,011,668.98	\$ (249,616,222.53)	\$ 4,395,446.45	
	<b>Grand Total</b>			<b>\$ 1,683,596,046.00</b>	<b>\$ (864,235,734.52)</b>	<b>\$ 819,360,311.48</b>	

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES  
AUTHORITY INCREASING THE DESIGNATED FUND BALANCE  
RESERVE**

- WHEREAS,** By resolution adopted on May 18, 1999, the Members of the New Jersey Educational Facilities Authority (the "Authority") designated the amount of \$2 Million Dollars (\$2,000,000) from the Authority's operating fund as a reserve to facilitate the normal operations of the Authority and for counsel and consultants, if needed, in the event of difficulties experienced by the Authority or its client colleges; and
- WHEREAS,** By resolution adopted on December 21, 2005, in light of the significant increase in the Authority's outstanding bonds and other obligations and the attendant increase in real property owned by the Authority together with related contractual obligations and exposure, the Members of the Authority increased the amount of the designated fund balance reserve to the amount of \$4.5 Million Dollars (\$4,500,000); and
- WHEREAS,** Section 2 of such resolution authorized and directed the Executive Director and Authority staff to advise Members of changes, events or circumstances which suggest that it is prudent or desirable to increase such designation; and
- WHEREAS,** Authority staff has advised the Members that, since the date of such designation, the amount of the Authority's outstanding bonds, the value of Authority-owned real property and the Authority's contractual obligations and exposure have increased; and
- WHEREAS,** Recent downgrades of certain bond insurers' credit ratings by the major rating agencies, and other circumstances precipitated by the "sub-prime crisis", have brought considerable turmoil into the market for insured variable-rate debt obligations, including those issued by the Authority on behalf of its client colleges; and
- WHEREAS,** In light of these factors, the Members of the Authority deem it prudent and advisable to increase the amount of the Authority's fund balance designated as a reserve;

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

- Section 1.** The Authority hereby designates the amount of \$5.5 Million Dollars (\$5,500,000) of its approximately \$8.2 Million Dollar (\$8,200,000) unrestricted operating fund balance as a reserve to facilitate the normal operations of the Authority and for counsel and consultants, if needed, in the event of difficulties experienced by the Authority or its client colleges.

**Section 2.** The Executive Director and the Authority staff are hereby authorized and directed to advise the Members of changes, events or circumstances which suggest that it is prudent or desirable to increase such designation on an ongoing basis and to make recommendations to the Members regarding prudent or advisable increases in such designation.

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

\_\_\_\_Mr. Jacobs\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_\_ Ms. Style\_\_ and upon roll call the following members voted:

**AYE:** Vivian Altman  
Roger B. Jacobs  
Felice K. Vazquez  
R. David Rousseau (represented by Nancy Style)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Laurence M. Downes (represented by Kevin J. Collins)

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

**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; and
- WHEREAS,** The resignation of Robert Medina from the Authority has left a vacancy on the Audit Committee; and
- WHEREAS,** The position of Treasurer of the Authority is currently vacant; and
- WHEREAS,** Felice Vazquez, who is currently serving as a Member of the Authority otherwise satisfies the criteria of Executive Order No. 122 for service on the Audit Committee; and
- WHEREAS,** Ms. Vazquez has indicated her willingness to serve on the Audit Committee; and
- WHEREAS,** The Members of the Authority have determined, in accordance with the By-Laws, to elect Ms. Vazquez to the Audit Committee to serve in lieu of Mr. Medina.

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

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

\_\_\_ Mr. Jacobs \_\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_ Ms. Style \_\_\_ and upon roll call the following members voted:

**AYE:** Vivian Altman  
Roger B. Jacobs  
Felice K. Vazquez  
R. David Rousseau (represented by Nancy Style)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Laurence M. Downes (represented by Kevin J. Collins)

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REPORT ON PENDING PROJECTS**

February 27, 2008

Estimated Size of Estimated Pricing  
Issue      Date

Institution

Project

Private Institutions

Institute for Advanced Study	Refunding of Certain Existing Indebtedness	\$15 Million	March 2008
Drew University	Refunding of Certain Existing Indebtedness	\$10 Million	April 2008 (closing)
Princeton University	Acquisition, Construction, Renovation, Installation and Repair of Various Academic, Athletic, Residential and Administrative Facilities on the Main Campus and Forrester Campus	\$350 Million	2nd Q 2008
Monmouth University	Construction of a New Residence Hall and the Possible Refinancing of Certain Existing Indebtedness	\$20 Million	On Hold

Public Institutions

The William Paterson University of New Jersey	Renovation and Expansion of the Science Building	\$85 Million	2nd Q 2008
The Richard Stockton College of New Jersey	Renovation and / or Construction of Campus Center and College Walk and Site and Roadway Improvements	\$100 Million	July 2008
University of Medicine and Dentistry of New Jersey	Refinancing of Certain Existing Indebtedness and Various Renovation, Infrastructure, Utility, and Construction Projects on the University's Campus	TBD	TBD

Programs

Tax-Exempt Leasing Program	Equipment Leasing for Public/Private Colleges/Universities in New Jersey	Varies	Varies
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**Floating Rate Bond:**

Closing (Dated) Date	7/20/2006
Original Bond Par	21,400,000
First Determination Date	
Determination Date Generally	
First Interest Payment Date	9/6/2006
Interest Payment Date Generally	1st Wed of month
Initial Auction Period	
CUSIP No.	
Remarketing Agent	Wachovia
Trustee	BoNY
Insurer	N/A
Liquidity	Wachovia LOC
Interest Calculation	Act/Act
Interest Period Generally	7 Days

**Swap #1:**

Swap Type	Float to Fixed
Original Swap Amount	8,045,000
Counterparty	Wachovia
Trade Date	3/7/2005
Effective Date	8/1/2006
Termination Date	7/1/2015
Ammended	Yes

**Recent Bond Resets**

Determ Date	Rate
2/6/2008	1.640
2/13/2008	1.110
2/20/2008	2.160

2006 F	
Payment Date	Pay Floating Rate

Swap #1		
Payment Date	Pay Fixed Rate	Receive 70% Libor

Net
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Spread to Fixed
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9/6/2006	3.504	9/1/2006	3.395	3.744	3.156	(0.239)
10/4/2006	3.550	10/2/2006	3.395	3.730	3.215	(0.180)
11/1/2006	3.479	11/1/2006	3.395	3.724	3.150	(0.245)
12/6/2006	3.541	12/1/2006	3.395	3.725	3.211	(0.184)
1/3/2007	3.649	1/2/2007	3.395	3.742	3.303	(0.092)
2/7/2007	3.548	2/1/2007	3.395	3.724	3.219	(0.176)
3/7/2007	3.574	3/1/2007	3.395	3.724	3.245	(0.150)
4/4/2007	3.578	4/2/2007	3.395	3.724	3.249	(0.147)
5/2/2007	3.736	5/1/2007	3.395	3.724	3.407	0.012
6/6/2007	3.877	6/1/2007	3.395	3.724	3.548	0.153
7/5/2007	3.676	7/2/2007	3.395	3.724	3.347	(0.048)
8/1/2007	3.580	8/1/2007	3.395	3.724	3.251	(0.144)
9/5/2007	3.682	9/4/2007	3.395	3.851	3.227	(0.168)
10/3/2007	3.771	10/1/2007	3.395	3.863	3.303	(0.092)
11/7/2007	3.455	11/1/2007	3.395	3.527	3.323	(0.072)
12/5/2007	3.496	12/3/2007	3.395	3.303	3.588	0.193
1/2/2008	3.226	1/2/2008	3.395	3.518	3.104	(0.291)
2/6/2008	2.760	2/1/2008	3.395	2.847	3.308	(0.087)
		3/3/2008	3.395			

**Summary: Caldwell College 2006 F VRDB**

**Floating Rate Bond:**

Closing (Dated) Date	7/20/2006
Original Bond Par	21,400,000
Last Day of Initial Auction Period	
First Determination Date	
Determination Date Generally	Wednesday
First Interest Payment Date	9/6/2006
Interest Payment Date Generally	1st Wed of month
Initial Auction Period	
CUSIP No.	64605LQ8
Remarketing Agent	Wachovia
Trustee	BoNY
Insurer	N/A
Liquidity	Wachovia LOC
Interest Calculation	Act/Act
Interest Period Generally	7 Days

**Swap #2:**

Swap Type	Float to Fixed
Original Swap Amount	13,355,000
Counterparty	Wachovia
Trade Date	7/12/2006
Effective Date	7/20/2006
Termination Date	7/1/2016
Ammended	

**Recent Bond Resets**

Determ Date	Rate
2/6/2008	1.640
2/13/2008	1.110
2/20/2008	2.160

2006 F	
Payment Date	Pay Floating Rate

Swap #2		
Payment Date	Pay Fixed Rate	Receive 70% Libor

Net Rate
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Spread to Fixed
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		8/1/2006	4.050	3.776		
9/6/2006	3.504	9/1/2006	4.050	3.744	3.811	(0.239)
10/4/2006	3.550	10/2/2006	4.050	3.730	3.870	(0.180)
11/1/2006	3.479	11/1/2006	4.050	3.724	3.805	(0.245)
12/6/2006	3.541	12/1/2006	4.050	3.725	3.866	(0.184)
1/3/2007	3.649	1/2/2007	4.050	3.745	3.954	(0.096)
2/7/2007	3.548	2/1/2007	4.050	3.725	3.873	(0.177)
3/7/2007	3.574	3/1/2007	4.050	3.724	3.900	(0.150)
4/4/2007	3.578	4/2/2007	4.050	3.724	3.904	(0.147)
5/2/2007	3.736	5/1/2007	4.050	3.724	4.062	0.012
6/6/2007	3.877	6/1/2007	4.050	3.724	4.203	0.153
7/5/2007	3.676	7/2/2007	4.050	3.724	4.002	(0.048)
8/1/2007	3.580	8/1/2007	4.050	3.724	3.906	(0.144)
9/5/2007	3.682	9/4/2007	4.050	3.817	3.916	(0.134)
10/3/2007	3.771	10/1/2007	4.050	3.863	3.958	(0.092)
11/7/2007	3.455	11/1/2007	4.050	3.527	3.978	(0.072)
12/5/2007	3.496	12/3/2007	4.050	3.303	4.243	0.193
1/2/2008	3.226	1/2/2008	4.050	3.518	3.759	(0.291)
2/6/2008	2.760	2/1/2008	4.050	2.847	3.963	(0.087)
		3/3/2008	4.050			

Summary: College of St Elizabeth 2000 C ARS

**Floating Rate Bond:**

Closing (Dated) Date	5/18/2000
Original Sub Series Bond Par	12,000,000
Last Day of Initial Auction Period	6/22/2000
First Auction Date	6/22/2000
Auction Date Generally	Every 35 Days
First Interest Payment Date	
Interest Payment Date Generally	Every 5th Thursday
Initial Auction Period	5/18/2000 - 6/22/2000
CUSIP No.	64605KRD(4)
Broker Dealer	Prudential---> Merrill Lynch
Auction Agent	Bankers Trust, Deutsche Bank
Trustee	Wachovia ---> US Bank
Insurer	Asset Guaranty ---> Radian
Liquidity	NA
Interest Calculation	Act/Act
Interest Period Generally	

**Swap #1:**

Swap Type	Fixed to Floating
Original Swap Amount	7,500,000
Counterparty	Merrill Lynch
Trade Date	2/26/2007
Effective Date	2/28/2007
Termination Date	6/30/2030
Ammended	NA

**Recent Bond Resets**

Pmt Date	Rate
1/16/2008	5.750
2/20/2008	4.500
3/26/2008	9.256

2000 C		Swap #1		
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Receive SIFMA

Net
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Spread to Fixed
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1/31/2007	3.850					
3/7/2007	3.610					
4/11/2007	3.580	3/30/2007	3.867	3.575	3.872	0.005
5/16/2007	3.700					
6/20/2007	3.650	6/30/2007	3.867	3.769	3.748	(0.119)
7/25/2007	3.800					
8/29/2007	2.405					
10/3/2007	5.500	9/30/2007	3.867	3.697	5.670	1.803
11/7/2007	4.500					
12/12/2007	4.300					
1/16/2008	5.750	12/31/2007	3.867	3.447	6.170	2.303
2/20/2008	4.500					
3/26/2008	9.256	3/31/2008	3.867			
4/30/2008						
6/4/2008						
7/9/2008						
8/13/2008						
9/17/2008						
10/22/2008						
11/26/2008						
12/31/2008						
2/4/2009						
3/11/2009						
4/15/2009						
5/20/2009						
6/24/2009						

**Summary: Institute for Advanced Study 2006 B VRDB**

**Floating Rate Bond:**

Closing (Dated) Date	3/15/2007
Original Bond Par	29,600,000
Last Day of Initial Period	
First Date	
Remarketing Date Generally	
First Interest Payment Date	8/1/2006
Interest Payment Date Generally	1st Bus Day of Month
Initial Period	
CUSIP No.	64605LQ92
Remarketing Agent	Lehman
Trustee	BoNY
Insurer	NA
Liquidity	Wachovia
Interest Calculation	Act/Act
Interest Period Generally	7

**Swap:**

Swap Type	Float to Fixed
Original Swap Amount	29,600,000
Counterparty	Lehman Brothers
Trade Date	4/18/2006
Effective Date	7/19/2006
Termination Date	7/1/2031
Ammended	

**Recent Bond Resets**

Week Begin Date	Rate
2/1/2008	1.65
2/6/2008	1.20
2/13/2008	0.75
2/20/2008	1.90

2006 F	
Payment Date	Pay Floating Rate

Swap #1		
Payment Date	Pay Fixed Rate	Receive 67% 3M Libor

Net
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Spread to Fixed
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8/1/2006	3.566	8/1/2006	3.770	3.686	3.650	(0.120)
9/1/2006	3.488	9/1/2006	3.770	3.633	3.625	(0.145)
10/2/2006	3.503	10/1/2006	3.770	3.611	3.663	(0.108)
11/1/2006	3.483	11/1/2006	3.770	3.600	3.654	(0.117)
12/1/2006	3.536	12/1/2006	3.770	3.600	3.707	(0.064)
1/2/2007	3.645	1/2/2007	3.770	3.592	3.822	0.052
2/1/2007	3.533	2/1/2007	3.770	3.591	3.712	(0.059)
3/1/2007	3.543	3/1/2007	3.770	3.591	3.722	(0.049)
4/2/2007	3.534	4/2/2007	3.770	3.582	3.722	(0.048)
5/1/2007	3.703	5/1/2007	3.770	3.587	3.886	0.116
6/1/2007	3.869	6/1/2007	3.770	3.590	4.049	0.279
7/2/2007	3.663	7/1/2007	3.770	3.591	3.842	0.072
8/1/2007	3.573	8/1/2007	3.770	3.591	3.752	(0.019)
9/4/2007	3.677	9/1/2007	3.770	3.667	3.781	0.011
10/1/2007	3.782	10/1/2007	3.770	3.690	3.863	0.092
11/1/2007	3.451	11/1/2007	3.770	3.467	3.753	(0.017)
12/3/2007	3.235	12/1/2007	3.770	3.309	3.697	(0.073)
1/1/2008	2.972	1/1/2008	3.770	3.348	3.394	(0.376)
2/1/2008	2.408	2/1/2008	3.770	2.726	3.453	(0.318)
3/1/2008		3/1/2008				
4/1/2008		4/1/2008				

Summary: Kean University 2007 E-1 ARS

**Floating Rate Bond:**

Closing Date	4/13/2007
Original Sub Series Bond Par	78,115,000
Last Day of Initial Auction Period	
First Auction Date	4/25/2007
Auction Date Generally	Wed
First Interest Payment Date	4/26/2007
Interest Payment Date Generally	Thurs
Initial Auction Period	
CUSIP No.	646065FD(9)
Broker Dealer	Citi / AG Edwards
Auction Agent	Wilmington Trust
Trustee	US Bank
Insurer	FGIC
Liquidity	None
Interest Calculation	Act/360
Interest Period Generally	7

**Swap E1:**

Swap Type	Float to Fixed
Original Swap Amount	78,115,000
Counterparty	Citigroup
Trade Date	4/5/2007
Effective Date	4/13/2007
Termination Date	7/1/2037
Ammended	

**Recent Bond Resets**

Auction Date	Rate
2/6/2008	3.750
2/13/2008	9.000
2/20/2008	8.000

2007 E-1	
Payment Date	Pay Floating Rate
5/3/2007	3.455
6/7/2007	3.604
7/5/2007	3.463
8/2/2007	3.388
9/6/2007	3.560
10/4/2007	3.613
11/1/2007	3.413
12/6/2007	3.482
1/3/2008	3.793
2/7/2008	3.580
3/6/2008	
4/3/2008	

Swap E1		
Payment Date	Pay Fixed Rate	Receive 56.3% 1M Libor +15bp
5/3/2007	3.217	3.145
6/7/2007	3.217	3.145
7/5/2007	3.217	3.145
8/2/2007	3.217	3.145
9/6/2007	3.217	3.225
10/4/2007	3.217	3.232
11/1/2007	3.217	2.981
12/6/2007	3.217	2.811
1/3/2008	3.217	2.985
2/7/2008	3.217	2.354
3/6/2008		

Net
3.527
3.676
3.534
3.459
3.552
3.598
3.649
3.888
4.025
4.443

Spread to Fixed
0.310
0.459
0.317
0.242
0.335
0.381
0.432
0.671
0.808
1.226

Summary: Kean University 2007 E-2 ARS

**Floating Rate Bond:**

Closing Date	4/13/2007
Original Sub Series Bond Par	78,125,000
Last Day of Initial Auction Period	
First Auction Date	4/26/2007
Auction Date Generally	Thurs
First Interest Payment Date	4/27/2007
Interest Payment Date Generally	Fri
Initial Auction Period	14
CUSIP No.	646065FE(7)
Broker Dealer	Citi / AG Edwards
Auction Agent	Wilmington Trust
Trustee	US Bank
Insurer	FGIC
Liquidity	None
Interest Calculation	Act/360
Interest Period Generally	7

**Swap E2:**

Swap Type	Float to Fixed
Original Swap Amount	78,125,000
Counterparty	Citigroup
Trade Date	4/5/2007
Effective Date	4/13/2007
Termination Date	7/1/2037
Ammended	

**Recent Bond Resets**

Auction Date	Rate
2/7/2008	3.500
2/14/2008	11.000
2/21/2008	11.000

2007 E-2	
Payment Date	Pay Floating Rate
5/4/2007	3.450
6/8/2007	3.600
7/6/2007	3.690
8/3/2007	3.363
9/7/2007	3.540
10/5/2007	3.625
11/2/2007	3.300
12/7/2007	3.504
1/4/2008	3.818
2/8/2008	3.450
3/7/2008	
4/4/2008	

Swap E2		
Payment Date	Pay Fixed Rate	Receive 56.3% 1M Libor +15bp
5/4/2007	3.217	3.145
1/0/1900	3.217	0.000
7/6/2007	3.217	3.145
8/3/2007	3.217	3.146
9/7/2007	3.217	3.225
10/5/2007	3.217	3.232
11/2/2007	3.217	2.981
12/7/2007	3.217	2.811
1/4/2008	3.217	2.985
2/8/2008	3.217	2.317
3/7/2008		

Net
3.522
6.817
3.762
3.433
3.532
3.610
3.536
3.910
4.050
4.350

Spread to Fixed
0.305
3.600
0.545
0.216
0.315
0.393
0.319
0.693
0.833
1.133

Summary: New Jersey City University 2003 A R-Floats

<b>Floating Rate Bond:</b>	
Closing (Dated) Date	5/7/2003
Original Bond Par	47,850,000
Last Day of Initial Auction Period	
First Auction Date	1st bus day of month
Remarket Date Generally	
First Interest Payment Date	
Interest Payment Date Generally	
Initial Remarket Period	
CUSIP No.	64605LCY(2)
Broker Dealer	Merrill Lynch
Auction Agent	Wachovia
Trustee	FGIC
Insurer	None
Liquidity	Act/Act
Interest Calculation	25,000
Units	7
Interest Period Generally	

Swap 1: Fix-Float

Original Swap Amount	22,000,000
Counterparty	Wachovia
Trade Date	5/1/2003
Effective Date	5/22/2003
Termination Date	7/1/2032
Amimended	

Swap 2: CMS

Original Swap Amount	21,910,000
Counterparty	Wachovia
Trade Date	6/9/2006
Effective Date	1/2/2007
Termination Date	7/1/2032
Amimended	Yes

Swap 3: CMS

Original Swap Amount	25,845,000
Counterparty	Merrill Lynch
Trade Date	6/9/2006
Effective Date	1/1/2007
Termination Date	7/1/2032
Amimended	5/22/2007

Recent Bond Resets

Weekly Begin Date	Rate
2/7/2008	4.300
2/14/2008	5.550
2/21/2008	11.450

2003 A		Swap 1 Fix-Float		Swap 2 CMS		Swap 3 CMS		Net	Spread to Fixed
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.87% 5 Yr ISDA	Payment Date	Receive 72.5% 5 Yr ISDA	Pay 78.05% 1M Libor	

1/2/2007	3.399	1/2/2007	3.245	2/1/2007	3.168	2/1/2007	3.703	4.157	3.889	0.644
2/1/2007	3.358	2/1/2007	3.245	3/1/2007	3.226	3/1/2007	3.850	4.152	3.659	0.414
3/1/2007	3.338	3/1/2007	3.245	4/2/2007	3.065	4/2/2007	3.634	4.152	4.051	0.806
4/2/2007	3.353	4/2/2007	3.245	5/1/2007	3.111	5/1/2007	3.605	4.152	4.183	0.938
5/1/2007	3.502	5/1/2007	3.245						3.323	0.078
6/1/2007	3.642	6/1/2007	3.245						3.166	(0.079)
7/2/2007	3.486	7/2/2007	3.245						3.056	(0.189)
8/1/2007	3.376	8/1/2007	3.245						3.134	(0.111)
9/4/2007	3.535	9/4/2007	3.245						3.103	(0.142)
10/1/2007	3.610	10/1/2007	3.245						3.231	(0.014)
11/1/2007	3.367	11/1/2007	3.245						3.454	0.209
12/3/2007	3.370	12/3/2007	3.245						3.750	0.505
1/1/2008	3.886	1/2/2008	3.245						4.292	1.047
2/1/2008	3.856	2/1/2008	3.245							
3/3/2008		3/3/2008								

NO CMS PAYMENTS UNTIL JULY 2008

NO CMS PAYMENTS UNTIL JULY 2008

Summary: New Jersey City University 2005 A ARS

<b>Floating Rate Bond:</b>	
Closing (Dated) Date	1/26/2005
Original Bond Par	21,575,000
<b>Last Day of Initial Auction Period</b>	
First Auction Date	2/8/2005
Auction Date Generally	Tues
First Interest Payment Date	1/0/1900
Interest Payment Date Generally	64605LSY(5)
Initial Auction Period	Morgan Stanley
CUSIP No.	Wachovia
Broker Dealer	Wachovia
Auction Agent	CIFG
Trustee	None
Insurer	Act/360
Liquidity	25,000
Interest Calculation	7
Units	
<b>Interest Period Generally</b>	

<b>Swap 1: Fix-Float</b>	
Original Swap Amount	21,575,000
Counterparty	Morgan Stanley
Trade Date	1/27/2005
Effective Date	2/1/2005
Termination Date	7/1/2035
Ammended	NA

<b>Swap 2: CMS</b>	
Original Swap Amount	21,025,000
Counterparty	Morgan Stanley
Trade Date	6/19/2006
Effective Date	1/2/2007
Termination Date	7/1/2035
Ammended	6/5/2007

<b>Recent Bond Resets</b>	
Auction Date	Rate
2/18/2008	5.458
2/25/2008	5.467

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007	3.355	6/1/2007	3.100
7/3/2007	4.600	7/1/2007	3.355		
7/31/2007	3.500	8/1/2007	3.355		
8/28/2007	3.500	9/4/2007	3.355		
10/2/2007	3.770	10/1/2007	3.355		
10/30/2007	3.588	11/1/2007	3.355		
12/4/2007	3.490	12/3/2007	3.355		
1/1/2008	3.725	1/1/2008	3.355		
2/5/2008	4.388	2/1/2008	3.355		
3/11/2008		3/1/2008			

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007	3.355	6/1/2007	3.100
7/3/2007	4.600	7/1/2007	3.355		
7/31/2007	3.500	8/1/2007	3.355		
8/28/2007	3.500	9/4/2007	3.355		
10/2/2007	3.770	10/1/2007	3.355		
10/30/2007	3.588	11/1/2007	3.355		
12/4/2007	3.490	12/3/2007	3.355		
1/1/2008	3.725	1/1/2008	3.355		
2/5/2008	4.388	2/1/2008	3.355		
3/11/2008		3/1/2008			

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007	3.355	6/1/2007	3.100
7/3/2007	4.600	7/1/2007	3.355		
7/31/2007	3.500	8/1/2007	3.355		
8/28/2007	3.500	9/4/2007	3.355		
10/2/2007	3.770	10/1/2007	3.355		
10/30/2007	3.588	11/1/2007	3.355		
12/4/2007	3.490	12/3/2007	3.355		
1/1/2008	3.725	1/1/2008	3.355		
2/5/2008	4.388	2/1/2008	3.355		
3/11/2008		3/1/2008			

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007	3.355	6/1/2007	3.100
7/3/2007	4.600	7/1/2007	3.355		
7/31/2007	3.500	8/1/2007	3.355		
8/28/2007	3.500	9/4/2007	3.355		
10/2/2007	3.770	10/1/2007	3.355		
10/30/2007	3.588	11/1/2007	3.355		
12/4/2007	3.490	12/3/2007	3.355		
1/1/2008	3.725	1/1/2008	3.355		
2/5/2008	4.388	2/1/2008	3.355		
3/11/2008		3/1/2008			

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007	3.355	6/1/2007	3.100
7/3/2007	4.600	7/1/2007	3.355		
7/31/2007	3.500	8/1/2007	3.355		
8/28/2007	3.500	9/4/2007	3.355		
10/2/2007	3.770	10/1/2007	3.355		
10/30/2007	3.588	11/1/2007	3.355		
12/4/2007	3.490	12/3/2007	3.355		
1/1/2008	3.725	1/1/2008	3.355		
2/5/2008	4.388	2/1/2008	3.355		
3/11/2008		3/1/2008			

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007	3.355	6/1/2007	3.100
7/3/2007	4.600	7/1/2007	3.355		
7/31/2007	3.500	8/1/2007	3.355		
8/28/2007	3.500	9/4/2007	3.355		
10/2/2007	3.770	10/1/2007	3.355		
10/30/2007	3.588	11/1/2007	3.355		
12/4/2007	3.490	12/3/2007	3.355		
1/1/2008	3.725	1/1/2008	3.355		
2/5/2008	4.388	2/1/2008	3.355		
3/11/2008		3/1/2008			

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007	3.355	6/1/2007	3.100
7/3/2007	4.600	7/1/2007	3.355		
7/31/2007	3.500	8/1/2007	3.355		
8/28/2007	3.500	9/4/2007	3.355		
10/2/2007	3.770	10/1/2007	3.355		
10/30/2007	3.588	11/1/2007	3.355		
12/4/2007	3.490	12/3/2007	3.355		
1/1/2008	3.725	1/1/2008	3.355		
2/5/2008	4.388	2/1/2008	3.355		
3/11/2008		3/1/2008			

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007	3.355	6/1/2007	3.100
7/3/2007	4.600	7/1/2007	3.355		
7/31/2007	3.500	8/1/2007	3.355		
8/28/2007	3.500	9/4/2007	3.355		
10/2/2007	3.770	10/1/2007	3.355		
10/30/2007	3.588	11/1/2007	3.355		
12/4/2007	3.490	12/3/2007	3.355		
1/1/2008	3.725	1/1/2008	3.355		
2/5/2008	4.388	2/1/2008	3.355		
3/11/2008		3/1/2008			

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007	3.355	6/1/2007	3.100
7/3/2007	4.600	7/1/2007	3.355		
7/31/2007	3.500	8/1/2007	3.355		
8/28/2007	3.500	9/4/2007	3.355		
10/2/2007	3.770	10/1/2007	3.355		
10/30/2007	3.588	11/1/2007	3.355		
12/4/2007	3.490	12/3/2007	3.355		
1/1/2008	3.725	1/1/2008	3.355		
2/5/2008	4.388	2/1/2008	3.355		
3/11/2008		3/1/2008			

2005 A		Swap 1 Fix-Float		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Payment Date	Receive 61.5% 5 Yr ISDA
2/6/2007	3.390	2/1/2007	3.355	2/1/2007	3.129
3/6/2007	3.375	3/1/2007	3.355	3/1/2007	3.232
4/3/2007	3.300	4/2/2007	3.355	4/2/2007	3.062
5/1/2007	3.563	5/1/2007	3.355	5/1/2007	3.085
5/29/2007	3.725	6/1/2007			



Summary: Seton Hall University 2005 C ARS

**Floating Rate Bond:**

Closing Date	8/18/2005
Original Bond Par	57,750,000
Last Day of Initial Auction Period	8/24/2007
First Auction Date	8/24/2005
Auction Date Generally	Wed
First Interest Payment Date	8/25/2005
Interest Payment Date Generally	Thurs
Initial Auction Period	7
CUSIP No.	64605LYL(6)
Broker Dealer	Citigroup
Auction Agent	Wells Fargo
Trustee	BoNY
Insurer	CIFG
Liquidity	None
Interest Calculation	Act/360
Unit Amounts	25,000
Interest Period Generally	7

**Swap:**

Swap Type	Float to Fixed
Original Swap Amount	28,875,000
Counterparty	Citigroup
Trade Date	8/17/2005
Effective Date	8/18/2005
Termination Date	7/1/2037
Ammended	

**Recent Bond Resets**

Auction Date	Rate
2/7/2008	3.10
2/14/2008	8.00
2/21/2008	8.36

2005 C		Swap			Net	Spread to Fixed
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Receive 69% 1M Libor		
1/4/2007	3.290	1/4/2007	3.435	3.692	3.034	(0.402)
2/8/2007	3.220	2/1/2007	3.435	3.671	2.984	(0.451)
3/8/2007	3.100	3/1/2007	3.435	3.671	2.864	(0.571)
4/12/2007	3.140	4/5/2007	3.435	3.671	2.904	(0.531)
5/10/2007	3.463	5/3/2007	3.435	3.671	3.227	(0.208)
6/7/2007	3.525	6/7/2007	3.435	3.671	3.289	(0.146)
7/12/2007	3.420	7/5/2007	3.435	3.671	3.184	(0.251)
8/9/2007	3.313	8/2/2007	3.435	3.671	3.077	(0.358)
9/13/2007	3.660	9/6/2007	3.435	3.676	3.419	(0.016)
10/11/2007	3.675	10/4/2007	3.435	4.015	3.095	(0.340)
11/8/2007	3.238	11/1/2007	3.435	3.536	3.136	(0.299)
12/6/2007	3.500	12/6/2007	3.435	3.247	3.688	0.253
1/10/2008	3.740	1/3/2008	3.435	3.623	3.553	0.118
2/7/2008	3.300	2/7/2008	3.435	3.230	3.505	0.070
3/6/2008		3/6/2008				

**Summary: Seton Hall University 2006 A ARS**

**Floating Rate Bond:**

Closing (Dated) Date	6/1/2006
Original Bond Par	20,750,000
Last Day of Initial Auction Period	6/7/2006
First Auction Date	6/7/2006
Auction Date Generally	Wed
First Interest Payment Date	6/8/2006
Interest Payment Date Generally	Thurs
Initial Auction Period	7
CUSIP No.	64605LM2(1)
Broker Dealer	Citigroup
Auction Agent	Wells Fargo
Trustee	BoNY
Insurer	CIFG
Liquidity	None
Interest Calculation	Act/360
Unit Amount	25,000
Interest Period Generally	7

**Swap:**

Swap Type	Float to Fix
Original Swap Amount	20,750,000
Counterparty	Citigroup
Trade Date	8/17/2005
Effective Date	6/1/2006
Termination Date	7/1/2019
Ammended	5/18/2006

**Recent Bond Resets**

Auction Date	Rate
2/6/2008	3.100
2/13/2008	8.000
2/20/2008	8.000

2006 A		Swap			Net	Spread to Fixed
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Receive 69% 1M Libor		
2/1/2007	3.238	2/1/2007	3.430	3.671	2.997	(0.433)
3/1/2007	3.202	3/1/2007	3.430	3.671	2.961	(0.469)
3/29/2007	3.113	4/5/2007	3.430	3.671	2.872	(0.558)
5/3/2007	3.300	5/3/2007	3.430	3.671	3.059	(0.371)
5/31/2007	3.500	6/7/2007	3.430	3.671	3.259	(0.171)
7/5/2007	3.400	7/5/2007	3.430	3.671	3.159	(0.271)
8/2/2007	3.350	8/2/2007	3.430	3.671	3.109	(0.321)
8/30/2007	3.438	9/6/2007	3.430	3.676	3.192	(0.238)
10/4/2007	3.600	10/4/2007	3.430	4.015	3.015	(0.415)
11/1/2007	3.313	11/1/2007	3.430	3.536	3.206	(0.224)
12/6/2007	3.370	12/6/2007	3.430	3.247	3.553	0.123
1/3/2008	3.675	1/3/2008	3.430	3.623	3.483	0.053
2/7/2008	3.390	2/7/2008	3.430	3.153	3.667	0.237
3/6/2008		3/6/2008	3.430	2.203		
		4/3/2008				

Summary: Stockton College 2005 C ARS

Floating Rate Bond:

Closing (Dated) Date	3/4/2005
Original Bond Par	31,150,000
Last Day of Initial Auction Period	3/10/2005
First Auction Date	3/10/2005
Auction Date Generally	Each Thursday
First Interest Payment Date	3/11/2005
Interest Payment Date Generally	Each Friday
Initial Auction Period	7 Days
CUSIP No.	64605LSZ(2)
Broker Dealer	JP Morgan
Auction Agent	Wilmington Trust
Trustee	Wachovia
Insurer	XL Capital Assurance
Liquidity	None
Interest Calculation	Act/360
Interest Period Generally	7 Days

Swap 1: Fix-Float

Original Swap Amount	15,550,000
Counterparty	Morgan Stanley
Trade Date	3/11/2005
Effective Date	3/14/2005
Termination Date	7/1/2035
Amended	None

Swap 2: CMS

Original Swap Amount	15,550,000
Counterparty	Morgan Stanley
Trade Date	8/2/2006
Effective Date	7/1/2007
Termination Date	7/1/2035
Amended	None

Recent Bond Resets

Auction Date	Rate
2/14/2008	6.230
2/21/2008	6.260

2005 C		Swap 1		Swap 2 CMS	
Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Receive 70% 1M Libor	Pay 70% 1M Libor
2/2/2007	3.207	2/1/2007	3.710	3.610	
3/2/2007	3.082	3/1/2007	3.710	3.598	
3/30/2007	3.038	4/2/2007	3.710	3.578	
5/4/2007	3.335	5/1/2007	3.710	3.728	
6/1/2007	3.457	6/1/2007	3.710	3.876	
7/6/2007	3.485	7/1/2007	3.710	3.703	
8/3/2007	3.382	8/1/2007	3.710	3.724	
8/31/2007	3.400	9/4/2007	3.710	3.724	
10/5/2007	3.437	10/1/2007	3.710	3.966	
11/2/2007	3.413	11/1/2007	3.710	3.587	
11/30/2007	3.413	12/3/2007	3.710	3.301	
1/4/2008	3.810	1/1/2008	3.710	3.658	
2/1/2008	3.863	2/1/2008	3.710	3.242	
3/7/2008		3/1/2008			

Net	Spread to Fixed
3.307	(0.403)
3.194	(0.516)
3.170	(0.540)
3.318	(0.392)
3.772	0.062
3.850	0.140
3.554	(0.156)
3.670	(0.040)
3.905	0.195
3.874	0.164
3.999	0.289
4.659	0.949
4.633	0.923

Payment Date	Pay Floating Rate	Payment Date	Pay Fixed Rate	Receive 70% 1M Libor	Pay 70% 1M Libor	Net	Spread to Fixed
6/1/2007		6/1/2007		3.242	3.724	3.307	(0.403)
7/2/2007		7/2/2007		3.366	3.724	3.194	(0.516)
8/1/2007		8/1/2007		3.537	3.724	3.170	(0.540)
9/4/2007		9/4/2007		3.440	3.724	3.318	(0.392)
10/1/2007		10/1/2007		3.242	3.966	3.772	0.062
11/1/2007		11/1/2007		3.252	3.589	3.850	0.140
12/3/2007		12/3/2007		3.123	3.301	3.554	(0.156)
1/2/2008		1/2/2008		2.861	3.658	3.670	(0.040)
2/1/2008		2/1/2008		2.939	3.242	3.905	0.195
3/3/2008		3/3/2008				3.874	0.164

**Summary: The College of New Jersey 1999 A VRDB**

**Floating Rate Bond:**

Closing (Dated) Date	4/26/1999
Original Series Bond Par	146,455,000
<b>Last Day of Initial Auction Period</b>	
First Auction Date	
Remarket Date Generally	
First Interest Payment Date	5/1/1999
Interest Payment Date Generally	1st of Each Month
<b>Initial Remarket Period</b>	
<b>CUSIP No.</b>	
Broker Dealer	Prudential --> Wachovia
Remarketing Agent	Wachovia
Trustee	BoNY
Insurer	Ambac
Liquidity	Nova Scotia Bank
Interest Calculation	Act/Act
Units	
Interest Period Generally	7

**Swap:**

Swap Type	Fix to Float
Original Swap Amount	146,455,000
Counterparty	Ambac
Trade Date	
Effective Date	4/26/1999
Termination Date	
Amended	None

**Recent Bond Resets**

Weekly Int Begin Date	Rate
2/7/2008	4.630
2/14/2008	5.100
2/21/2008	6.150

1999 A	
Payment Date	Pay Floating Rate

Swap		
Payment Date	Pay Fixed Rate	Receive 96% SIFMA

Net
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Spread to Fixed
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1/3/2006	3.098	1/3/2006	4.600	2.979	4.719	0.119
2/1/2006	2.992	2/1/2006	4.600	2.925	4.667	0.067
3/1/2006	3.089	3/1/2006	4.600	2.992	4.697	0.097
4/3/2006	3.075	4/3/2006	4.600	2.976	4.699	0.099
5/1/2006	3.399	5/1/2006	4.600	3.278	4.720	0.120
6/1/2006	3.518	6/1/2006	4.600	3.401	4.718	0.118
7/3/2006	3.651	7/3/2006	4.600	3.513	4.738	0.138
8/1/2006	3.581	8/1/2006	4.600	3.489	4.692	0.092
9/1/2006	3.506	9/1/2006	4.600	3.385	4.720	0.120
10/2/2006	3.511	10/2/2006	4.600	3.393	4.718	0.118
11/1/2006	3.494	11/1/2006	4.600	3.390	4.704	0.104
12/1/2006	3.557	12/1/2006	4.600	3.433	4.724	0.124
1/2/2007	3.609	1/2/2007	4.600	3.489	4.720	0.120
2/1/2007	3.577	2/1/2007	4.600	3.465	4.711	0.111
3/1/2007	3.570	3/1/2007	4.600	3.454	4.716	0.116
4/2/2007	3.557	4/2/2007	4.600	3.435	4.722	0.122
5/1/2007	3.721	5/1/2007	4.600	3.579	4.742	0.142
6/1/2007	3.868	6/1/2007	4.600	3.721	4.746	0.146
7/2/2007	3.664	7/1/2007	4.600	3.555	4.709	0.109
8/1/2007	3.579	8/1/2007	4.600	3.472	4.708	0.108
9/4/2007	3.665	9/4/2007	4.600	3.524	4.741	0.141
10/1/2007	3.764	10/1/2007	4.600	3.666	4.698	0.098
11/1/2007	3.510	11/1/2007	4.600	3.398	4.712	0.112
12/3/2007	3.433	12/3/2007	4.600	3.318	4.715	0.115
1/1/2008	3.234	1/1/2008	4.600	3.176	4.659	0.059
2/1/2008	2.997	2/1/2008	4.600	2.836	4.761	0.161
3/3/2008		3/1/2008				





Assembly Higher Education Committee - 2/25/08

Testimony of

Roger L. Anderson, Executive Director  
New Jersey Educational Facilities Authority

Contact: Sheryl Stitt  
Director of Communications  
NJEF  
609-987-0880  
sstitt@njefa.com

Thank you, Mr. Chairman and Members of the Committee. I'm Roger Anderson, Executive Director of the New Jersey Educational Facilities Authority. I appreciate the opportunity to be here today.

I believe you already have copies of our detailed response to the SCI report, so I won't focus on that today. Instead, I am here to urge the SCI to do a more thorough and open analysis of public colleges' debt. No analysis can be complete unless it considers first, why the colleges have incurred their debt; second, how they have used that debt; and third, what are the competitive forces affecting their issuance of debt.

First, the colleges have had to incur debt simply because the State has not provided sufficient capital funds for campus projects. It's been 20 years since the last State general obligation bond issue for higher education. According to Moody's, "High debt and low capital support are really two sides of the same coin."<sup>1</sup> Since the last State bond issue for higher education, enrollment at New Jersey's public colleges has increased by more than 30%.<sup>2</sup> The residential population at the public colleges has increased by almost 1/3 over just the last 10 years.<sup>3</sup> Still, capacity is insufficient. New Jersey ranks 46th among the 50 states in enrollment capacity at public colleges on a per capita basis.<sup>4</sup> Moody's has also said that:

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<sup>1</sup> NJEFA Building Futures Newsletter, "Credit strengths and challenges of NJ public institutions: Interview with John Nelson, Moody's Investors Service." December 2007, Vol. 6, No. 2.

<sup>2</sup> NJ Commission on Higher Education, Statistical Tables, [www.state.nj.us/highereducation/](http://www.state.nj.us/highereducation/).

<sup>3</sup> NJ Association of State Colleges and Universities.

<sup>4</sup> NJ Association of State Colleges and Universities calculation based on The Chronicle of Higher Education, Almanac Issue 2007-8.

Public colleges and universities in the State face an intense need to renovate, upgrade and expand facilities in order to accommodate changing student tastes and the growing population of high school graduates seeking admission. . . . The lack of state funding for capital projects has left most colleges and universities highly leveraged, since they have had to borrow for academic as well as auxiliary facilities.<sup>5</sup>

More and more students want to go to college because a college education is essential for success in today's economy, both for the individual and society. The Bureau of Labor Statistics estimates that nearly half of all job growth in the U.S. in the next 10 years will be in positions requiring college degrees.<sup>6</sup> At present, about 1/3 of adults in New Jersey have at least a bachelor's degree.<sup>7</sup>

When the Authority was created, Governor Hughes said, "Our state's economic and social potential are bound closely to a well educated vigorous citizenry."<sup>8</sup> Exhibit A to my prepared testimony illustrates that college graduates on average earn significantly more than do those without higher education. Their success is not just a private benefit; it is a public benefit too. College graduates tend to raise the earnings of less well educated workers in their surroundings. They contribute more in taxes, and they use fewer public assistance programs. They are

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<sup>5</sup> Moody's Investors Service, "New Jersey Public College and Universities: Outlook Remains Cautiously Stable Despite Recent Downgrade of State of New Jersey's Rating." 2004.

<sup>6</sup> Lumina Foundation, *Hitting Home: Quality, Cost, and Access Challenges Confronting Higher Education Today*. 2007.

<sup>7</sup> The Chronicle of Higher Education, Almanac Issue 2007-8.

<sup>8</sup> Hughes, Governor Richard J., "Special Message on Higher Education to the Legislature." May 25, 1966.



more likely to vote, to volunteer, and to donate blood and less likely to smoke.<sup>9</sup> World-class higher education is therefore one of the six priorities in the State's Economic Growth Strategy.

Second, the colleges have used the debt to invest in campuses for 21<sup>st</sup> century educations. Mr. Edwards recently called New Jersey's colleges and universities, "A state treasure if ever there was one."<sup>10</sup> It is the investments financed in part by debt that have made that possible. The State's Economic Growth Strategy says, "[T]he state's universities and colleges . . . require state-of-the-art equipment, buildings, libraries and distance-learning capacity."<sup>11</sup> The results show the investments have paid off. Since the last State bond issue for higher education, the number of degrees and certificates awarded each year has grown by almost 60%.<sup>12</sup>

Third, Moody's has noted that, as appropriations across the country to higher education have decreased, shown in Exhibit B, higher education costs have been shifted to students, donors and corporate sponsors. In the process, colleges have become even more market-oriented. Public colleges are not like most of State government, in that they are competitive institutions. They have to compete for students, professors and donations. Accordingly, they have to put themselves in the best possible position to attract students, faculty and gifts.

Students and their parents are very discriminating customers. A New Jersey high school graduate has more college choices within reasonable driving distance

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<sup>9</sup> The College Board, *Education Pays 2007: The Benefits of Higher Education for Individuals and Society*.

<sup>10</sup> Edwards, W. Cary., "Boost Oversight of Public Schools." *The Record*, November 25, 2007.

<sup>11</sup> Economic Growth Strategy for the State of New Jersey 2007.

<sup>12</sup> New Jersey Commission on Higher Education, Statistical Tables, [www.state.nj.us/highereducation/](http://www.state.nj.us/highereducation/).

than just about any other student in the country. The colleges must therefore have the programs and facilities to attract students, while at the same time keeping tuition competitive.

When a college considers borrowing to finance a project, it must balance the benefits of the borrowing—in terms of added programs or facilities—against the costs. I submit that the colleges, who are closest to the students and who understand their missions best, are in the best position to strike that balance.

Then, when a college decides to borrow money, it must convince investors of its creditworthiness—that the money will be repaid. It must also show that the project meets the requirements of both state law and the federal tax law. The financing review process is very thorough. The Authority has a well deserved reputation of being very hands'-on—of helping each college evaluate its options and creating a financing package uniquely designed for that college.

I'd like to close by looking at the public colleges' creditworthiness. The SCI noted that many New Jersey colleges are among the most leveraged in the country. As Exhibits C and D show, however, increased college borrowing is a national trend. Higher education's share of the U.S. municipal bond market has doubled over the last 15 years.<sup>13</sup>

My final chart, Exhibit E, compares New Jersey's public colleges with their national peers. They are smaller than the national average, and they are more selective—the result of insufficient capacity. In addition, while they are generally

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<sup>13</sup> Moody's Investors Service; Thomson Financial.

more leveraged, they have also shown better operating results. Except for UMDNJ, all the rated public colleges are rated A or better. Moody's has said that these operating results, along with the demand for college, have allowed the colleges to keep their strong ratings.<sup>14</sup>

The U.S. is one of only two industrialized countries whose older population is more educated than its younger.<sup>15</sup> Since job growth will be in areas that require college education, the country is at risk of not having enough qualified people to replace retiring workers. The State's economic future depends on getting more students into and through college. NJEFA is dedicated to helping the colleges prepare the students necessary for our economic future, and we stand ready to help this committee and the SCI evaluate these very complicated challenges.

Thank you.

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<sup>14</sup> NJEFA Building Futures Newsletter, "Credit strengths and challenges of NJ public institutions: Interview with John Nelson, Moody's Investors Service." December 2007, Vol. 6, No. 2.

<sup>15</sup> Lumina Foundation, *Hitting Home: Quality, Cost, and Access Challenges Confronting Higher Education Today*. 2007.

# Rising "Return" on Higher Education Investment Keeps Driving Student Demand Higher Despite Rising Costs

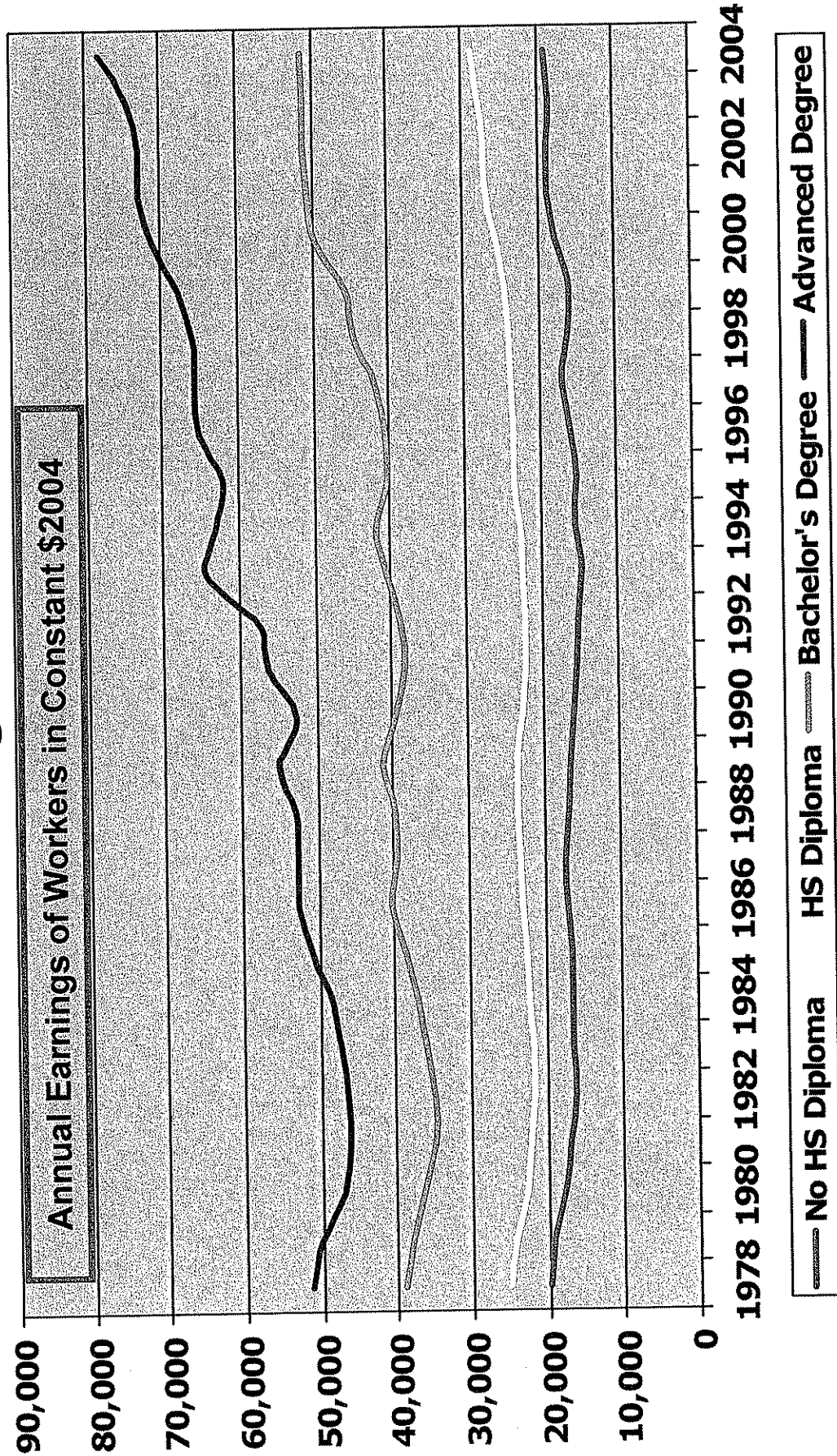
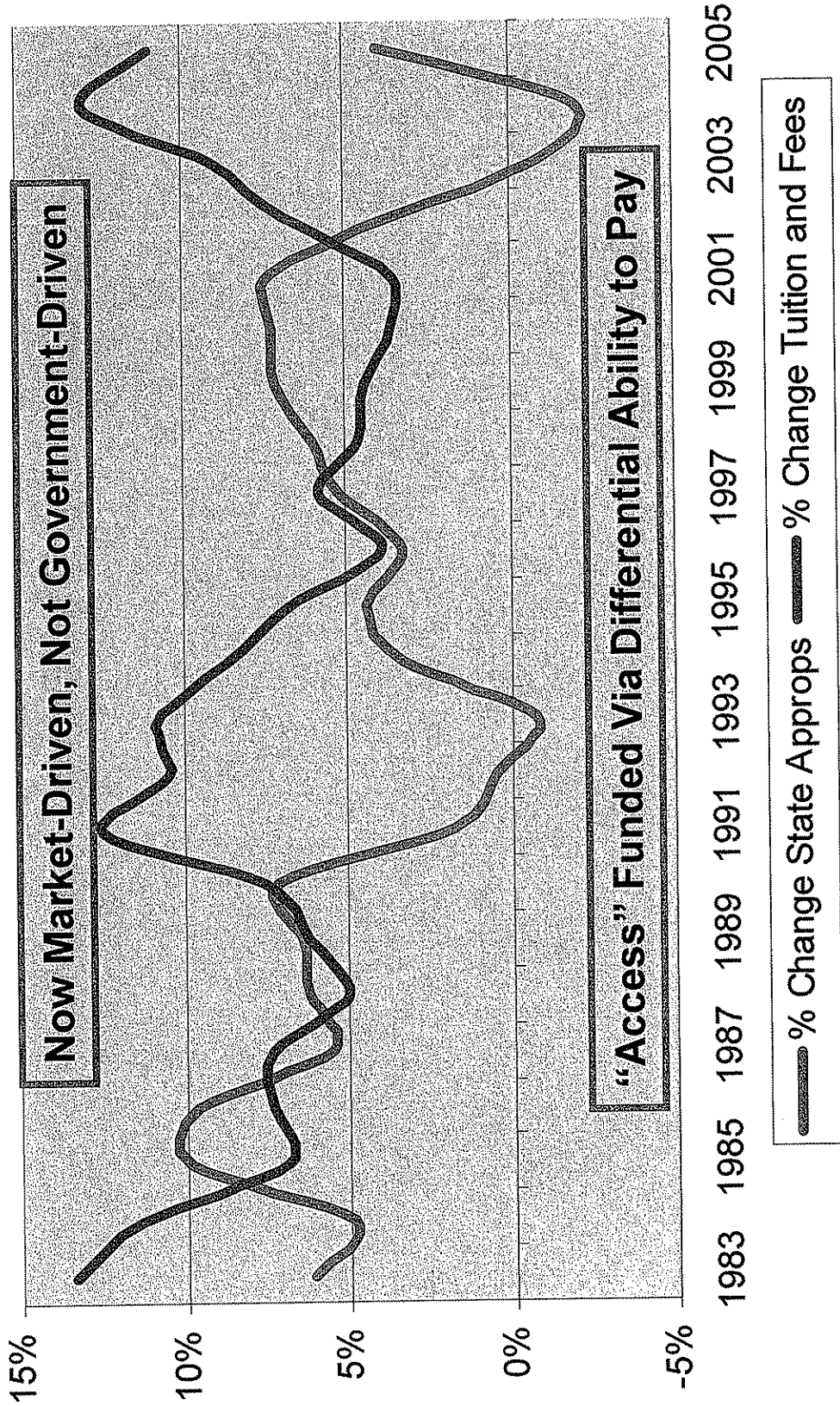


Exhibit B

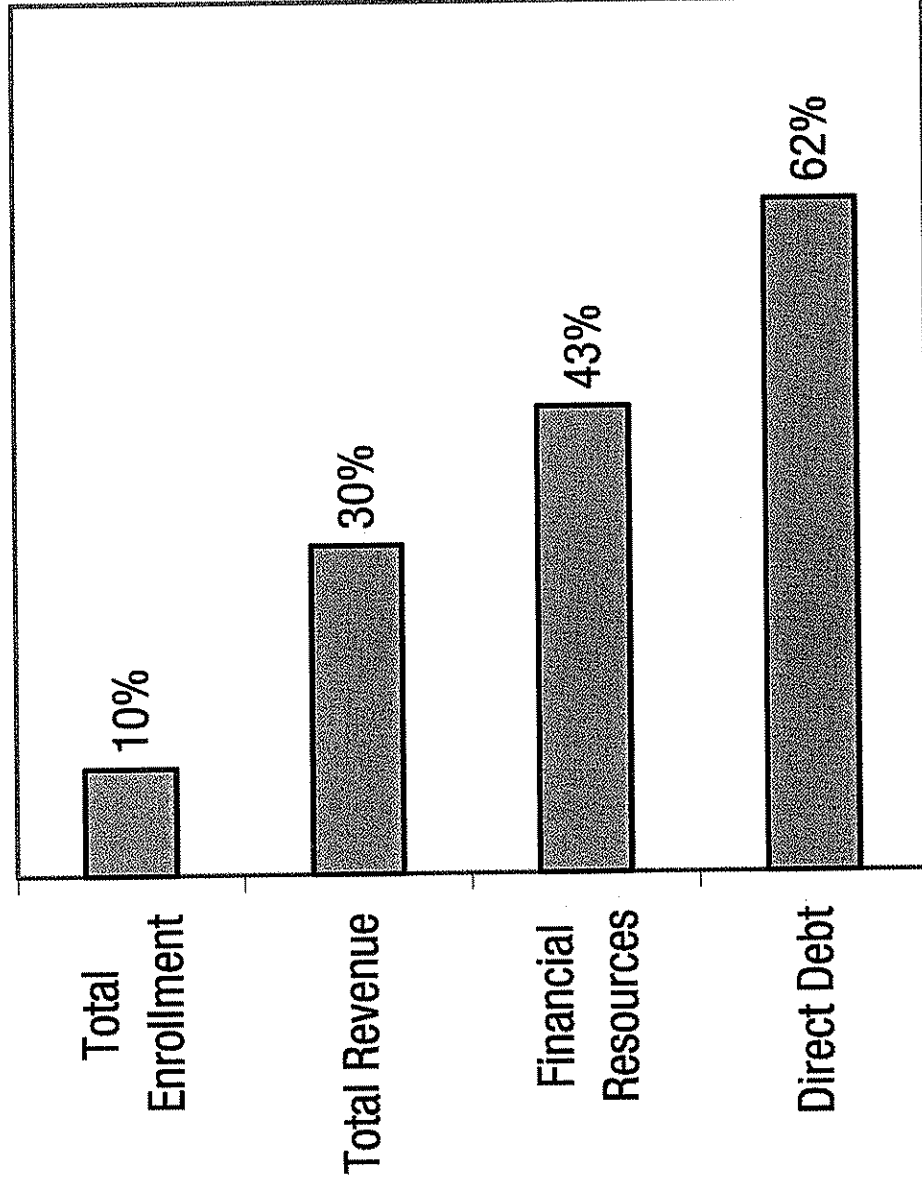
# States Keep De-Funding Public Universities Because They Have to Shift Costs... Tensions Rise as Economics Change Ahead of Governance



Source: Moody's Investors Service; Center for the Study of Education Policy, Illinois State University; The College Board

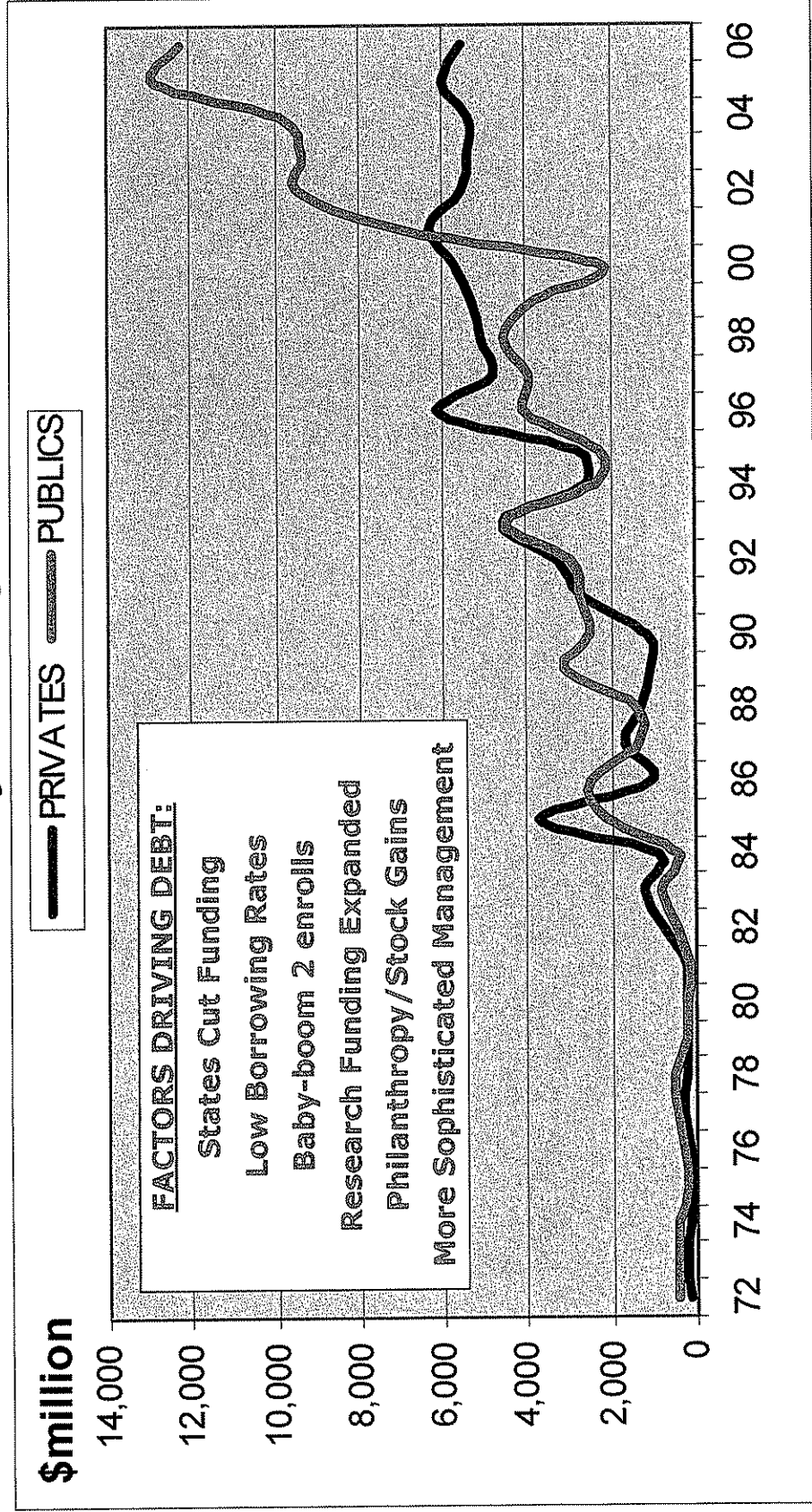
# Debt Growth Has Outpaced Resource and Revenue Growth

(% increase from FY 2002-FY2006 for entire sector)



\* Moody's rated public institutions

# Capital Investment Soars as Universities Compete in Marketplace U.S. Higher Education Debt (\$million) Rated By Moodys



# Public Institutions

2006                      2005                      2004

	NJ Publics	All Publics	NJ Publics	All Publics	NJ Publics	All Publics
Median FTE Enrollment (number may be estimated)	6,896	13,788	6,745	13,570	6,558	13,756
Primary Selectivity (%)	53.2	72.8	50	75.3	50.8	74.5
Expendable Resources to Direct Debt	.4	.9	.3	1	.4	1
Expendable Resources to Operations	.37	.41	.41	.4	.41	.4
Annual Operating Margin (%)	3.4	1.9	6.5	2.2	6.5	2



News From The Senate Democrats

**BUONO: COLLAPSE OF THE AUCTION-RATE BOND MARKET  
COULD HAVE SERIOUS LONG-TERM CONSEQUENCES FOR OUR STATE**

TRENTON -- Senator Barbara Buono, chair of the Senate Budget and Appropriations Committee, is requesting a complete summary and inventory of all outstanding auction-rate debt currently held by all state departments in a letter to acting State Treasurer David Rousseau.

"Other states have begun to take action to mitigate the collapse of the auction rate securities market. I would also like to know what strategic plan you and Governor Corzine have for addressing the additional financial burdens that have been placed upon the state and local governments by the failure of so many auctions," stated Senator Buono in her letter.

Following is a copy of the letter to acting State Treasurer David Rousseau:

February 21, 2008

Acting Treasurer David Rousseau  
New Jersey Department of the Treasury  
P. O. Box 002  
Trenton, NJ 08625-0002

Dear Treasurer Rousseau:

As you are no doubt aware, 80% of all auction rate securities auctions failed on February 13, sending the municipal bond market into a tailspin. Unquestionably, the collapse of the auction-rate bond market could have serious long-term consequences for our state. Already bond issuers are paying significantly higher interest rates on current bonds. I have serious concerns that local and state bond and credit ratings could be significantly harmed if the market continues to suffer.

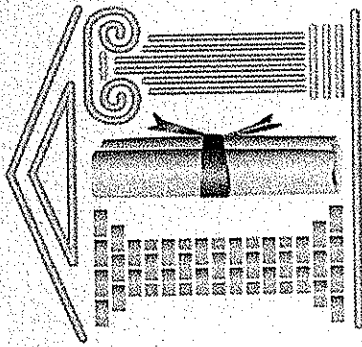
Other states have begun to take action to mitigate the impact of the failure of the auction rate securities market. California has converted \$1.25 billion in auction-rate bonds into traditional debt. Wisconsin is looking to do the same with \$100 million in pension debts. Additionally, state officials in Massachusetts and Ohio are investigating why so many auctions have failed recently.

In light of this recent collapse of the auction-rate securities market, I am requesting on behalf of the Senate Budget and Appropriations Committee a complete summary and inventory of all outstanding auction-rate debt currently held by all state departments, agencies and authorities. I would also like to know what strategic plan you and Governor Corzine have for addressing the additional financial burdens that have been placed upon the state and local governments by the failure of so many auctions.

Your prompt attention to this matter would be greatly appreciated. The Committee looks forward to your report.

Sincerely,

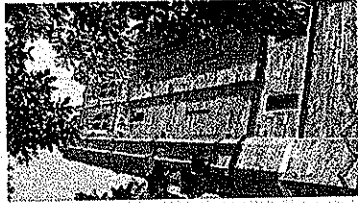
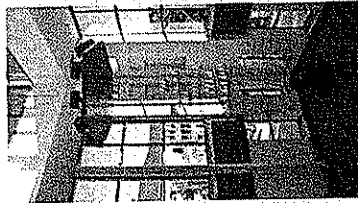
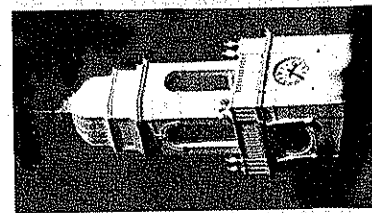
Barbara Buono  
State Senator



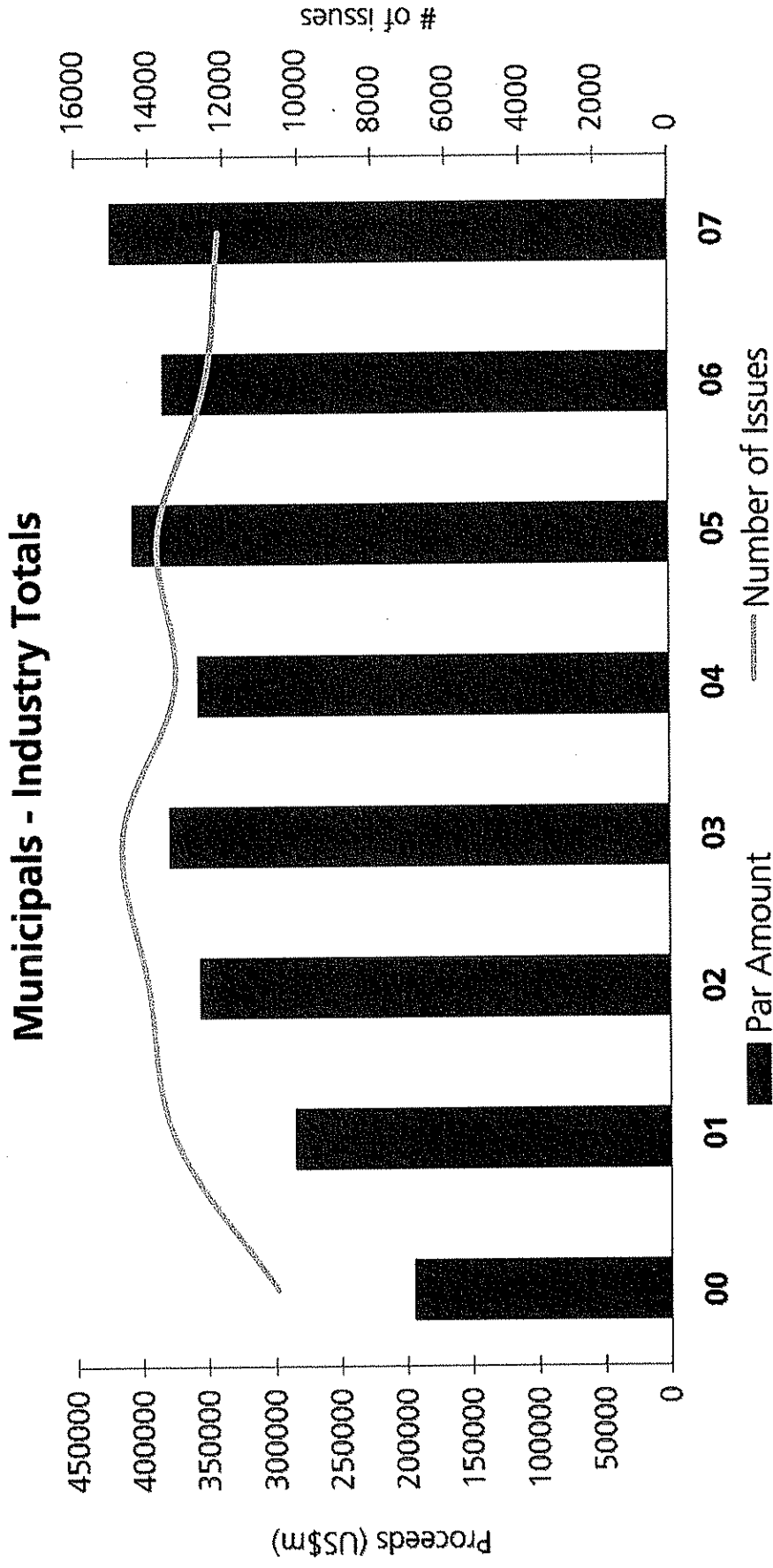
**NJEFA**  
NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY

# 2007 Year In Review

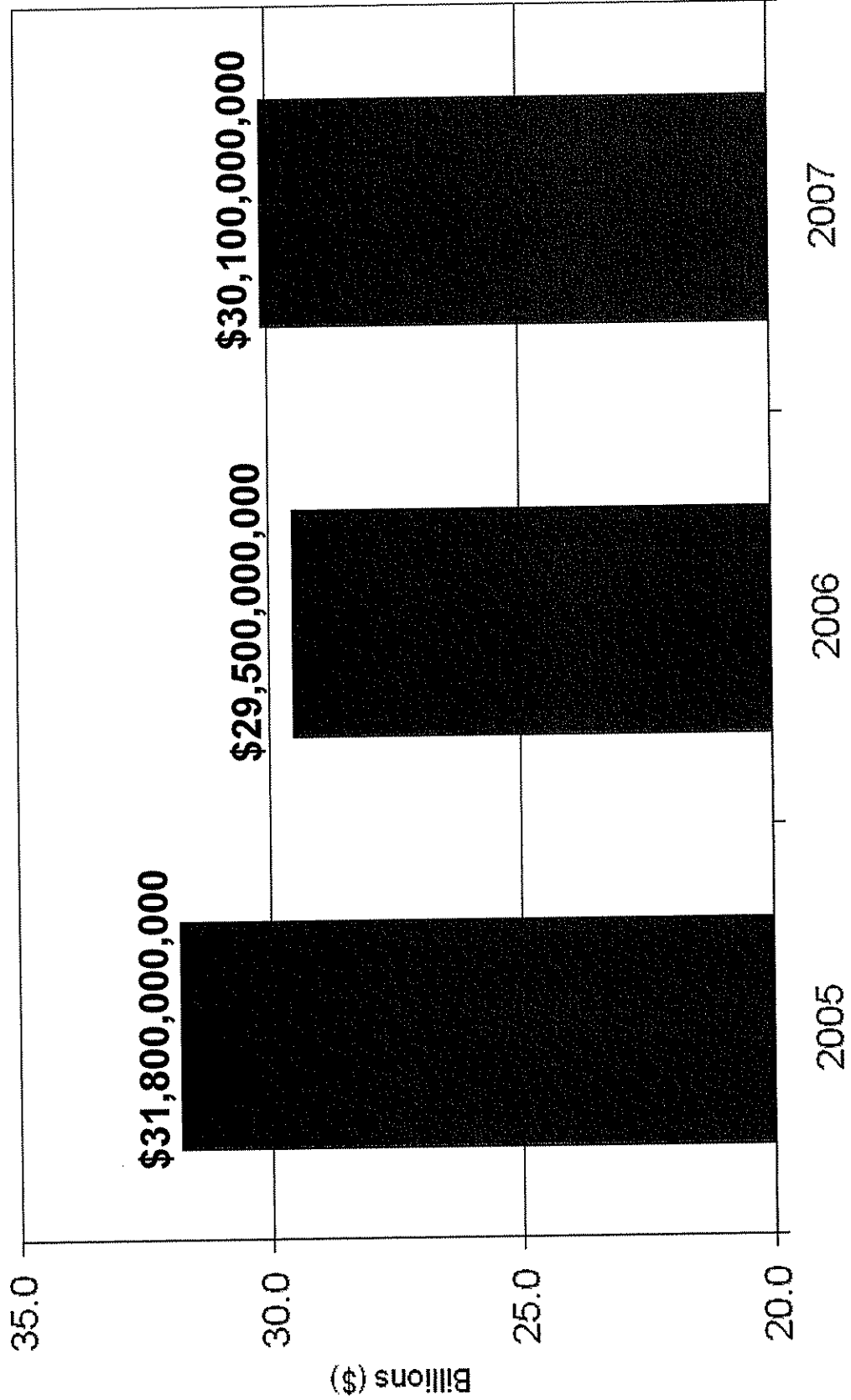
February 27, 2008



# National Municipal Bond Volume 2000-2007

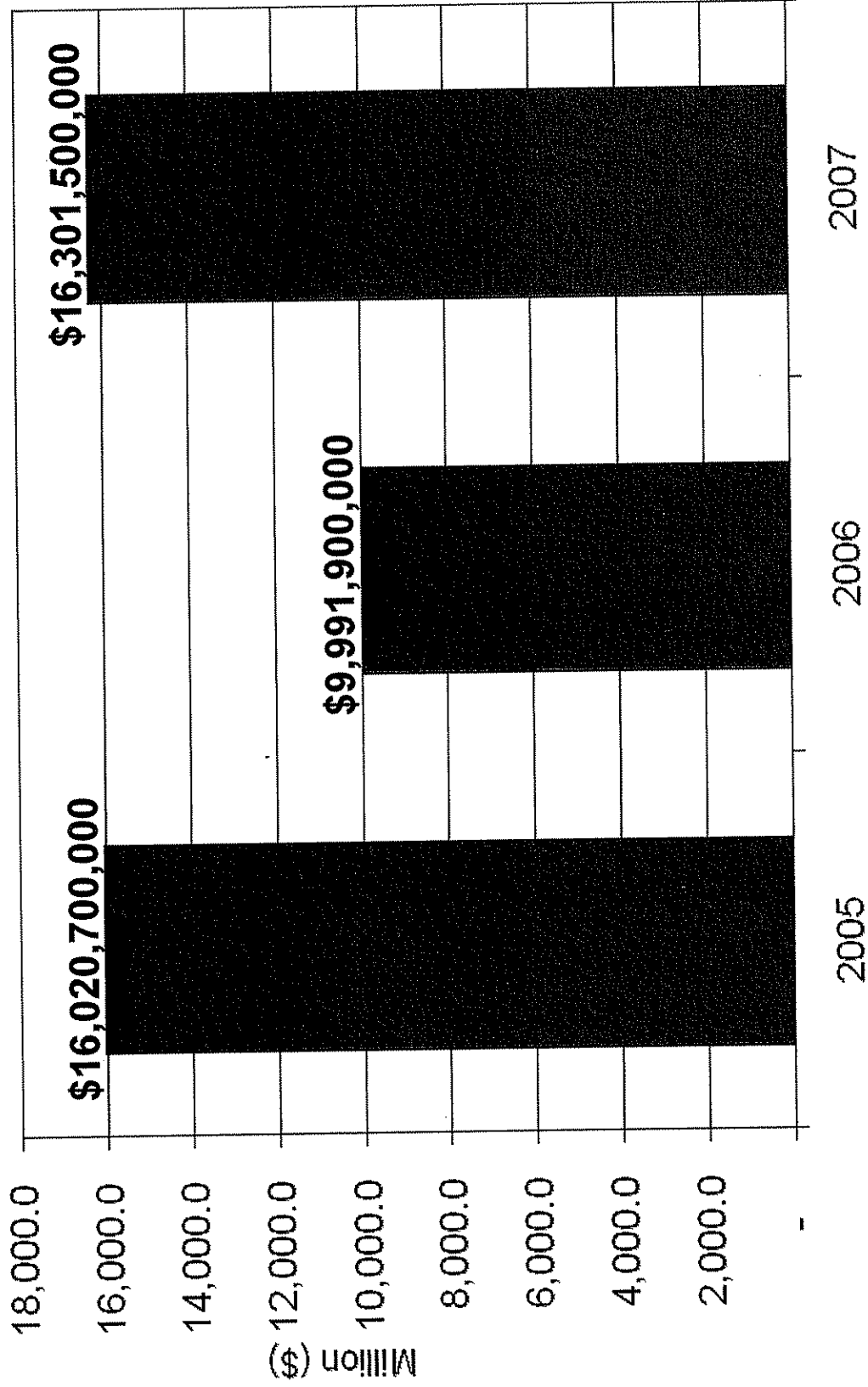


# National Higher Education Volume

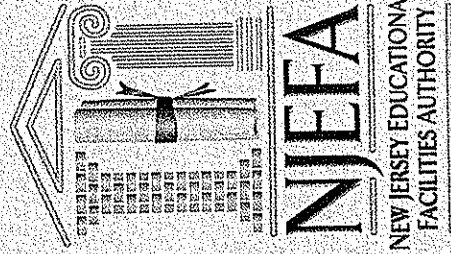


Sources: Public Financial Management, Inc.; SDC (Years 2005 & 2006); Ipreo: Muni Data and Analytics System (Year 2007)

# NJ Annual Bond Volume

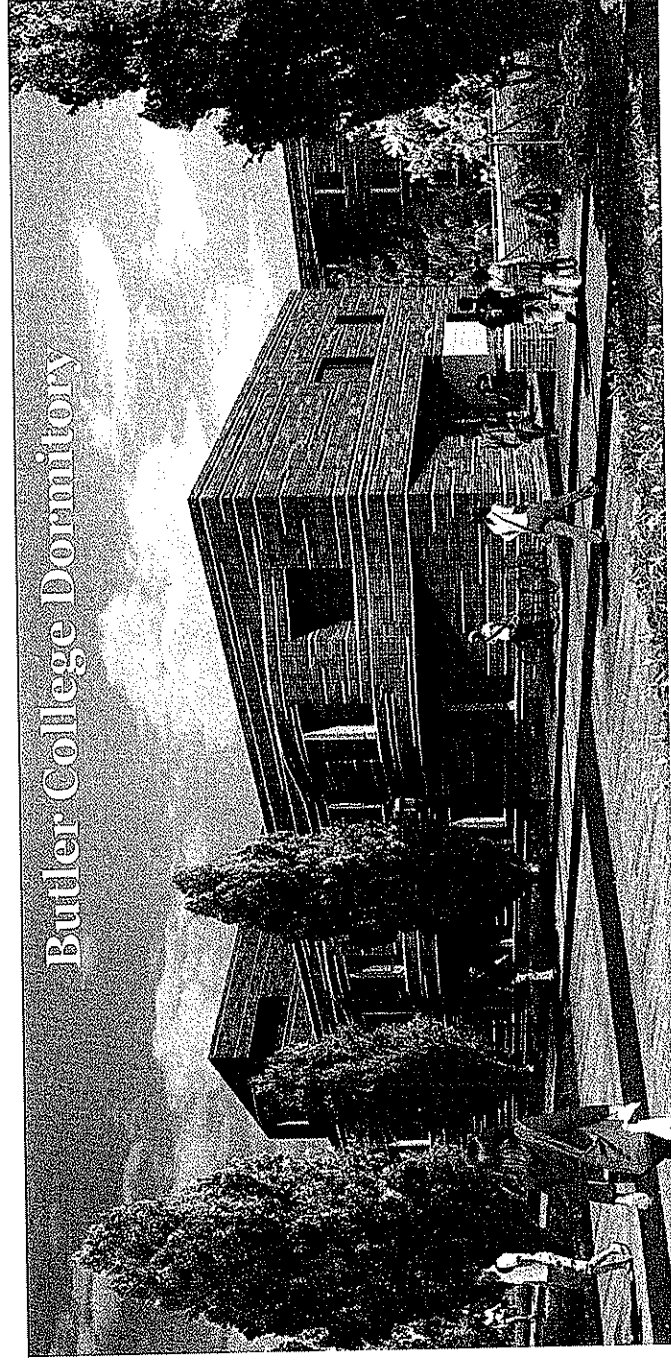
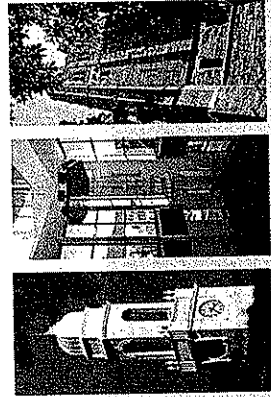
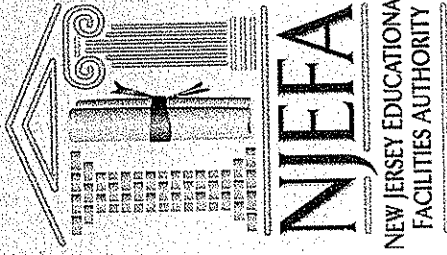


# 2007 Transactions



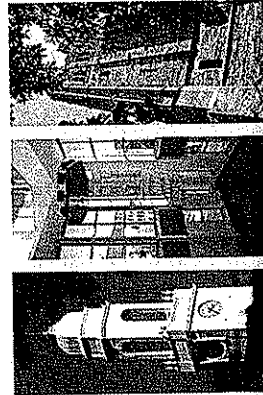
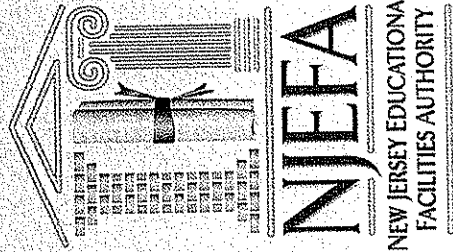
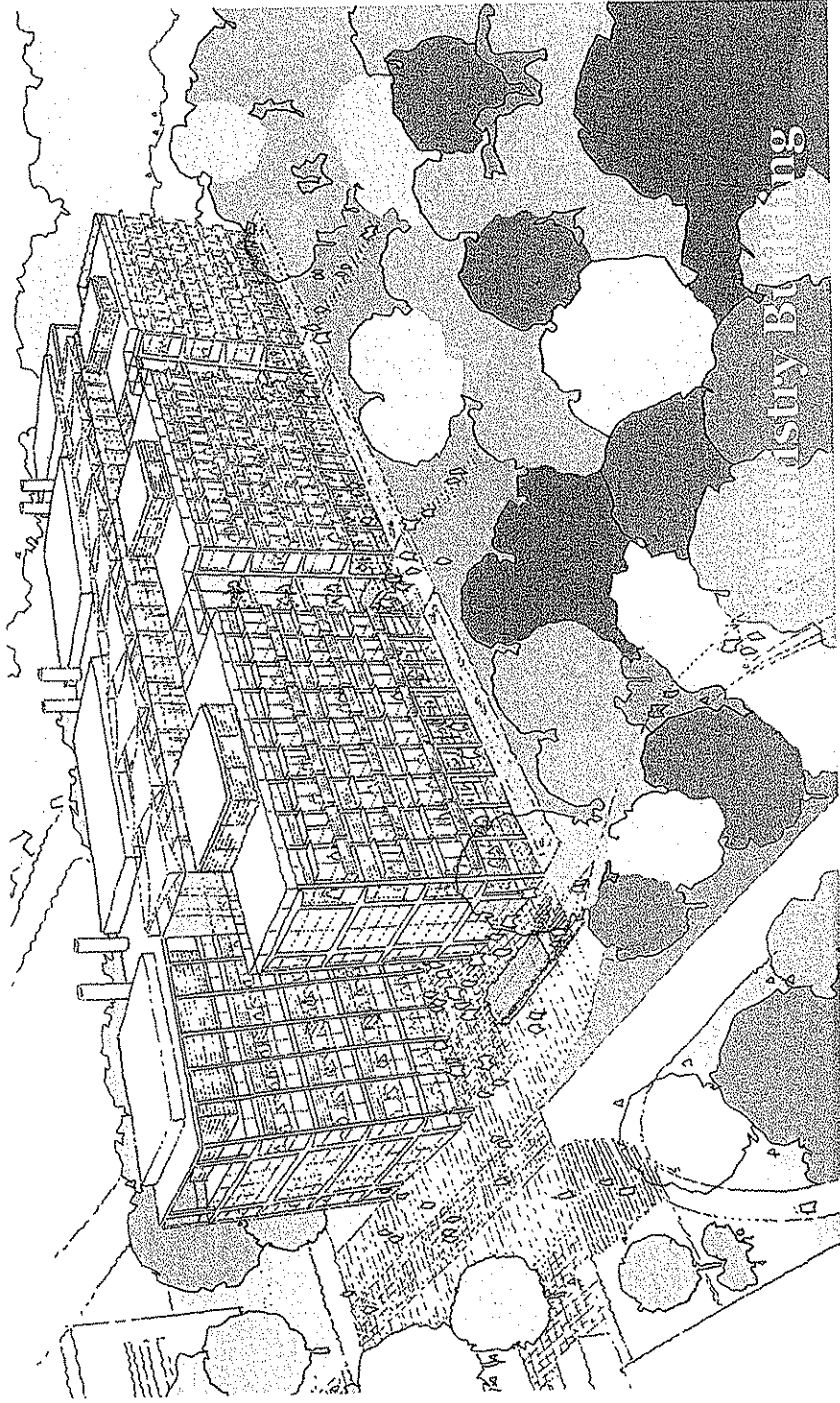
<u>Public Institutions</u>	<u>Project</u>	<u>Amount</u>
Montclair State University	Refunding	\$ 6,150,000
New Jersey City University	Refunding	\$ 17,910,000
Rowan University	Refunding	\$ 121,355,000
Kean University (three issues)	2 residence halls; parking deck; refunding; lease purchase	\$ 274,951,666
Thomas Edison State College	Lease purchase	\$ 2,700,000
The Richard Stockton College of NJ	Various Capital Projects	\$ 40,250,000
<u>Private Institutions</u>	<u>Project</u>	<u>Amount</u>
Centenary College	Refunding of a bank loan; capital improvements	\$ 4,784,617
Institute for Advanced Study	Academic building addition; network and utility upgrades; renovations to academic buildings	\$ 20,000,000
Drew University	Residence hall; renovations to existing dorms; capital improvements; equipment	\$ 29,135,000
Princeton University (two issues)	Refunding; capital improvements	\$ 392,620,000
Rider University	Residence hall; parking facility; infrastructure improvements	\$ 22,000,000
Georgian Court University (two issues)	Wellness center; refunding; office space	\$ 28,030,000
Stevens Institute of Technology	Refunding	\$ 71,060,000
Saint Peter's College (two issues)	Refunding	\$ 39,901,926
<b>Grand Total:</b>		<b>\$ 1,070,848,209</b>

# Princeton University



Butler College Dormitory

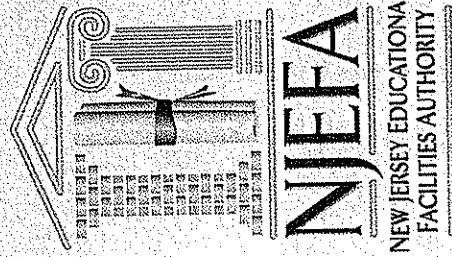
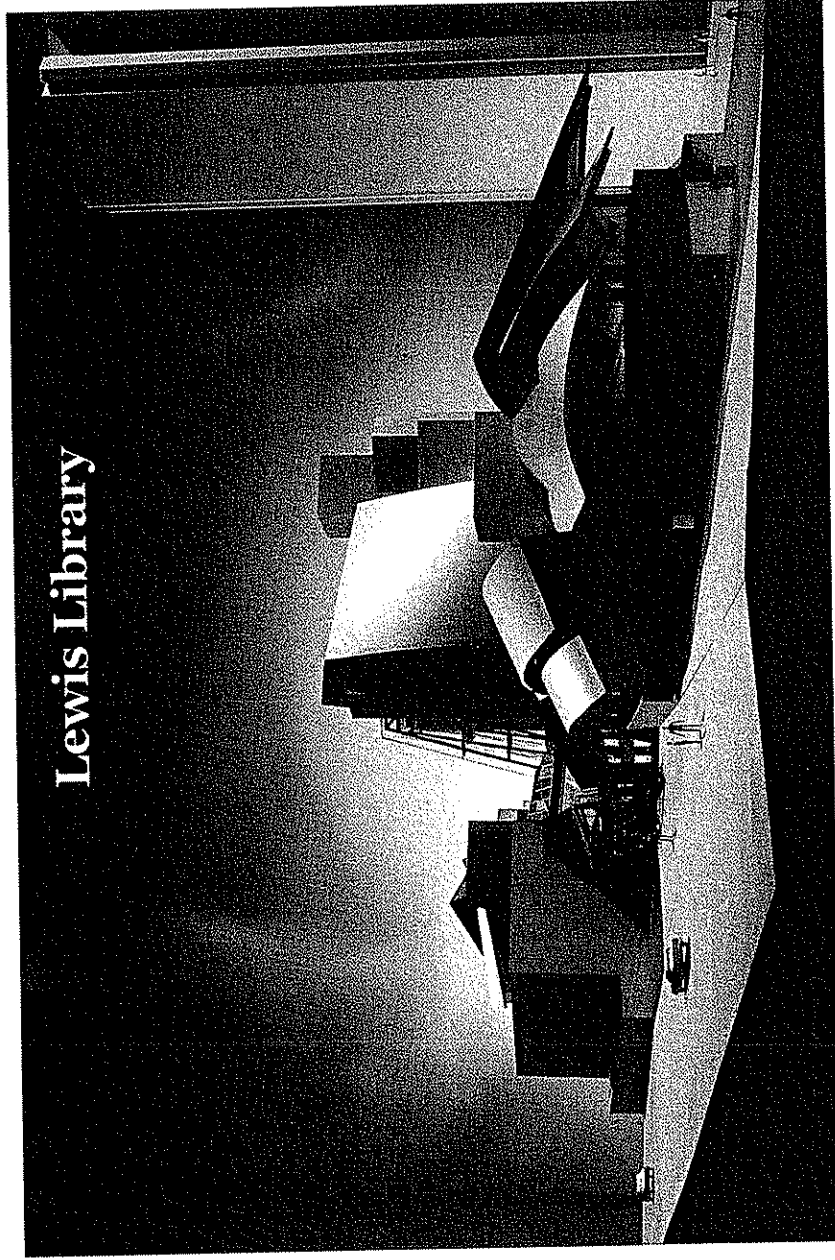
# Princeton University



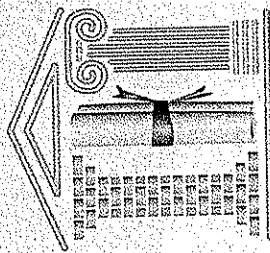
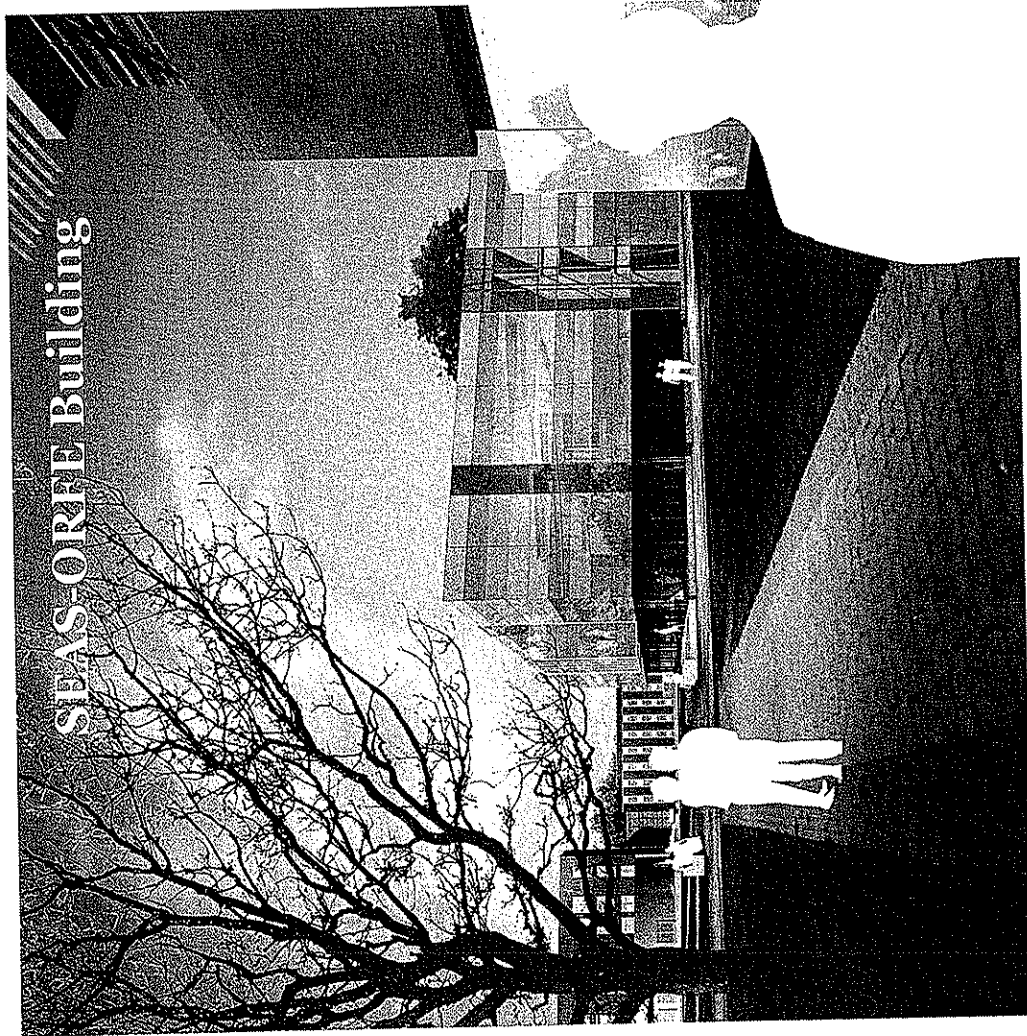


# Princeton University

## Lewis Library



# Princeton University

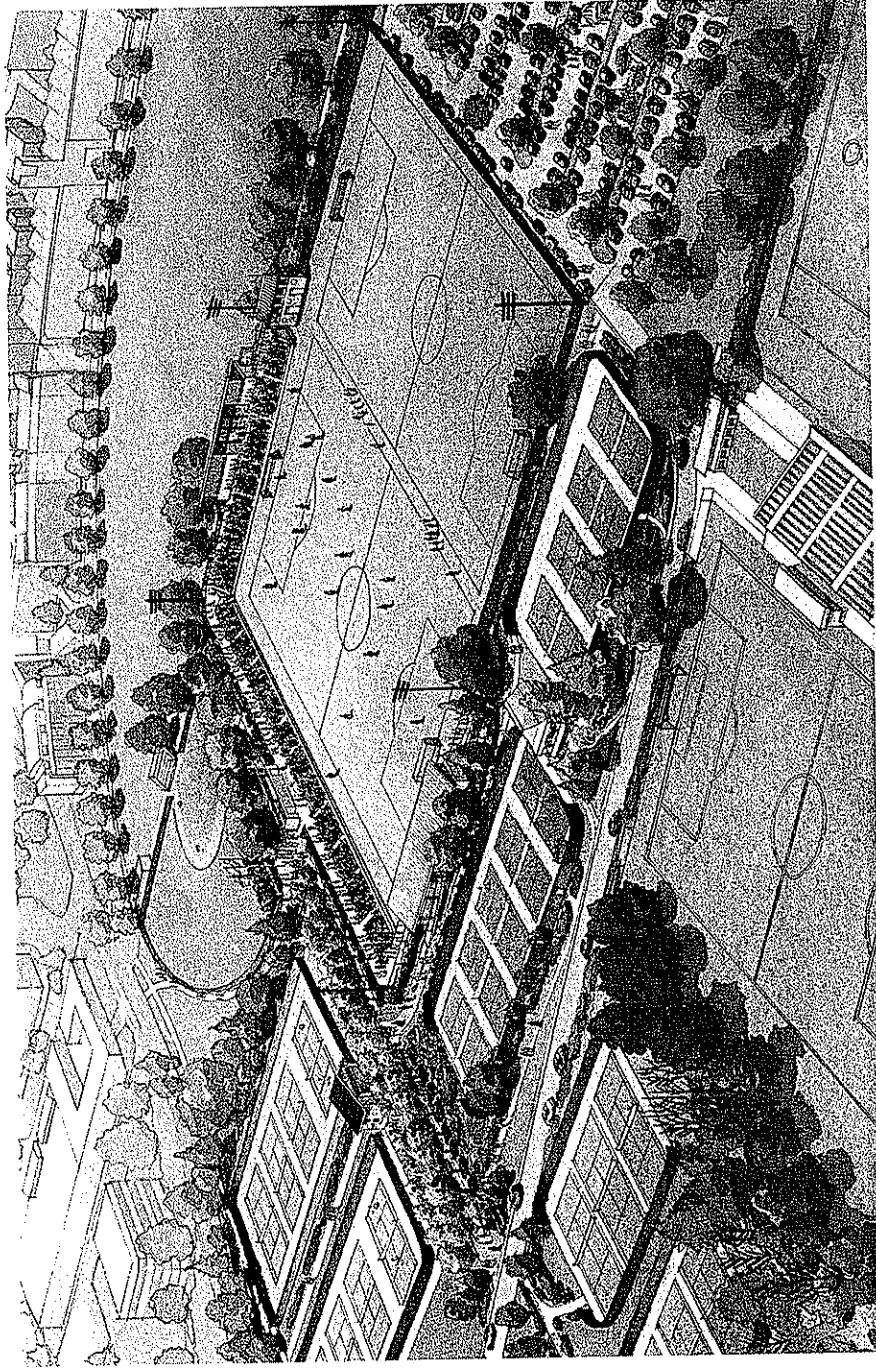


**NJEFA**

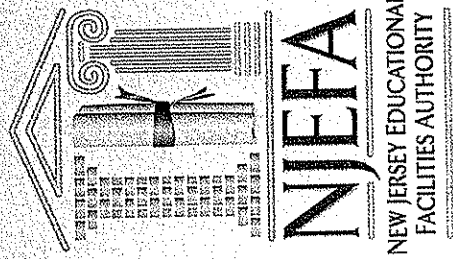
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FACILITIES AUTHORITY



# Princeton University

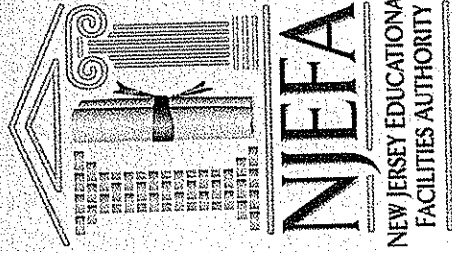
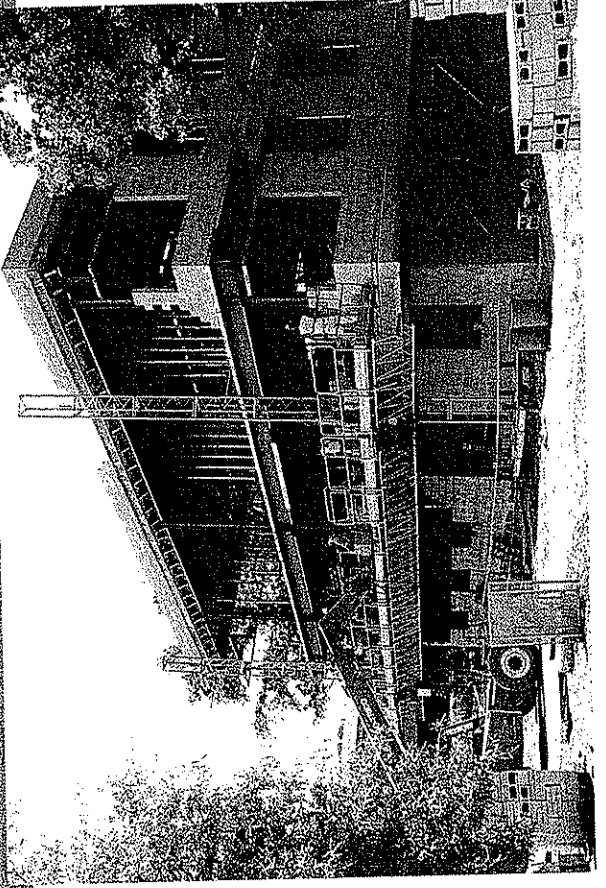
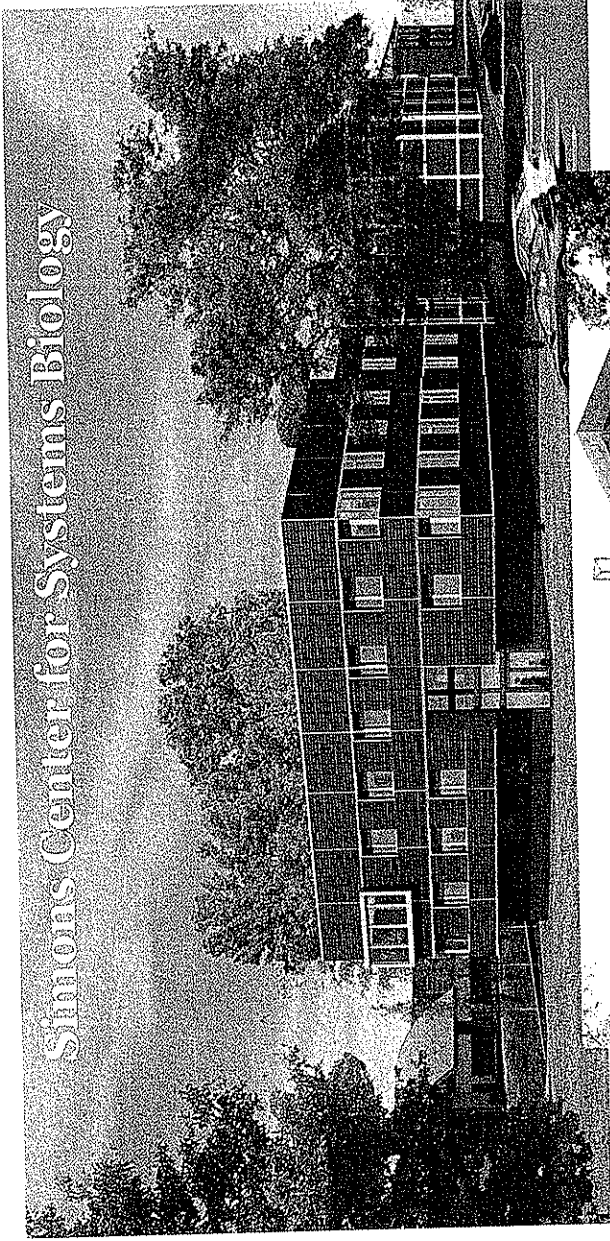


Soccer Stadium



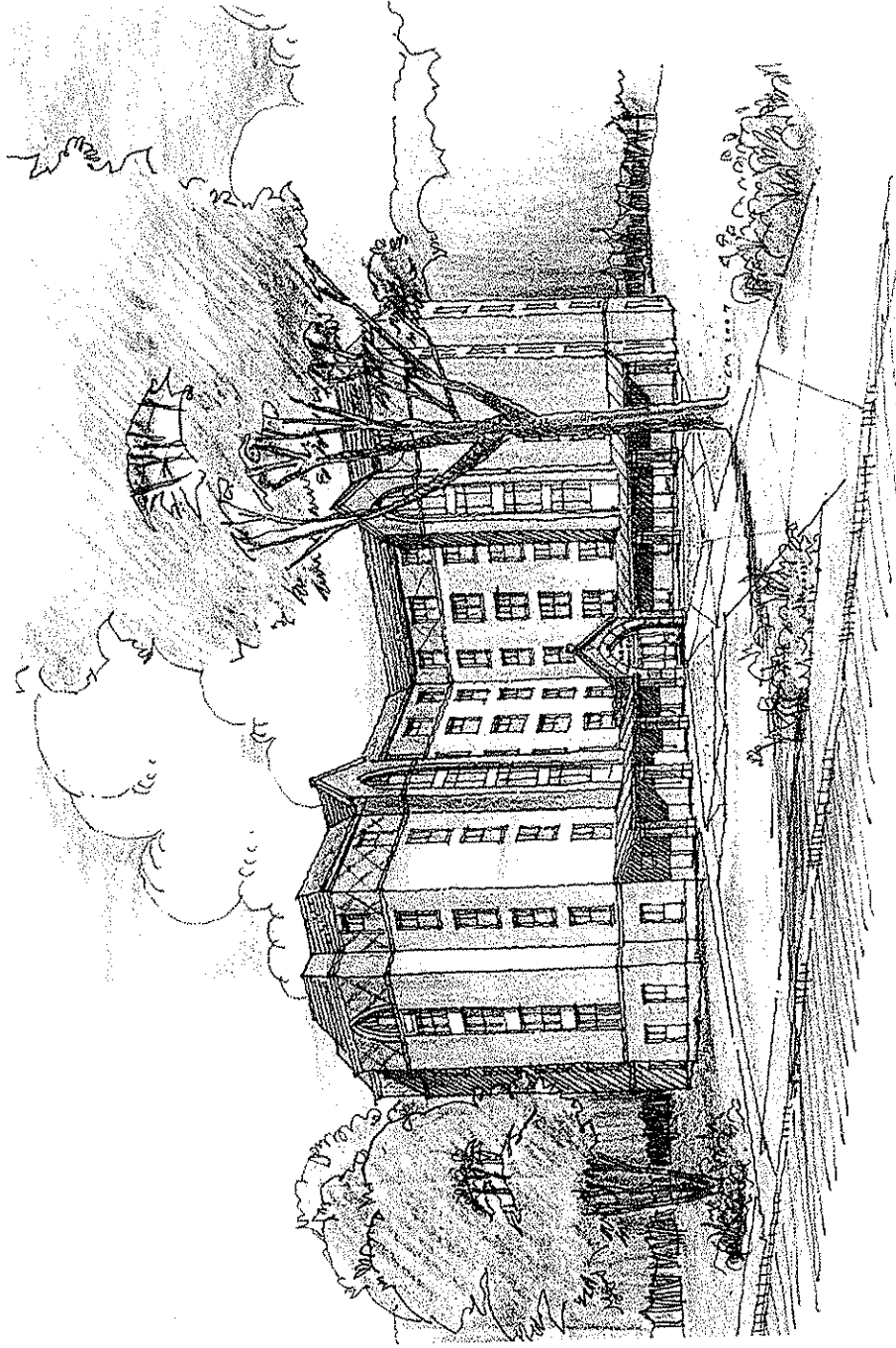
# Institute for Advanced Study

Simons Center for Systems Biology

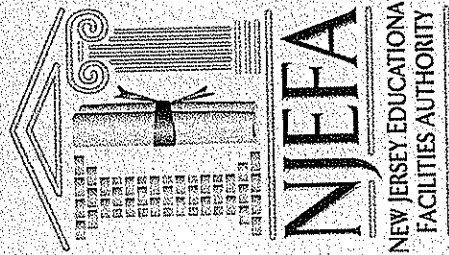




# Drew University

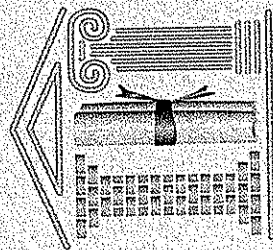


## New Student Housing



# Kean University

## New Residence Halls and Dining

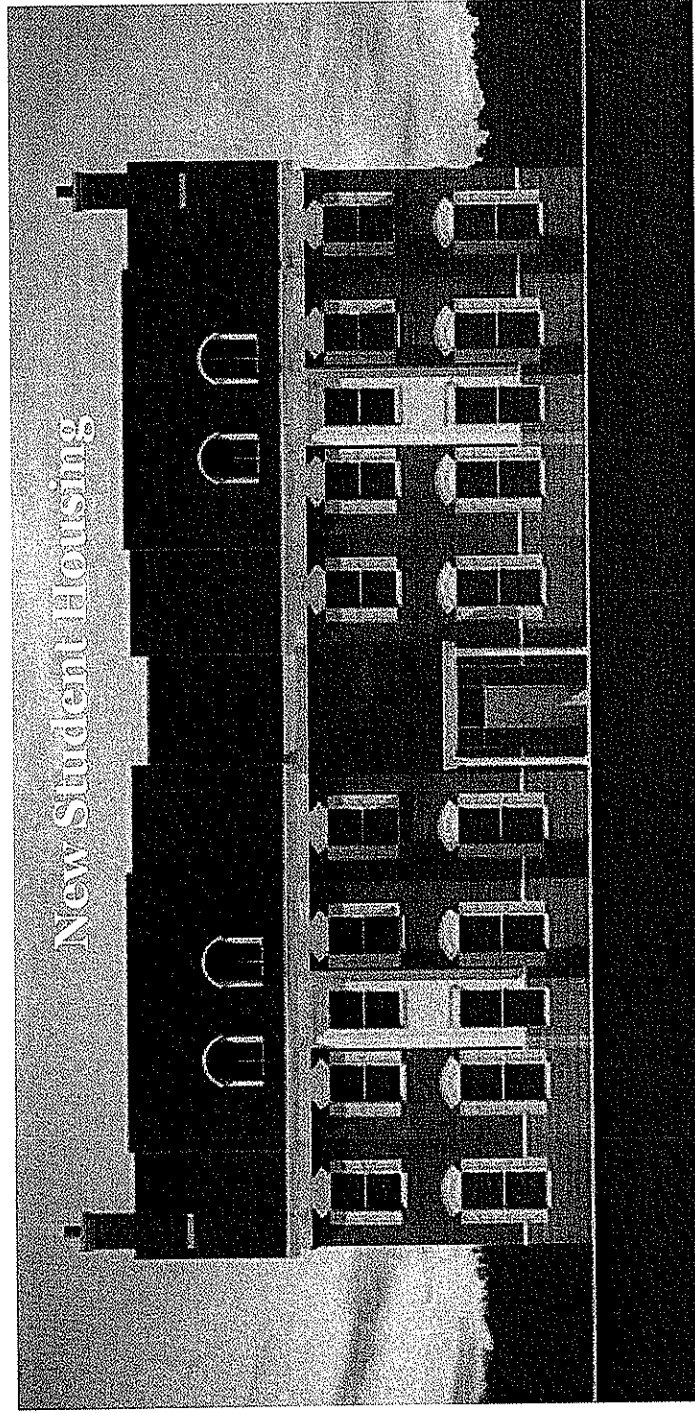
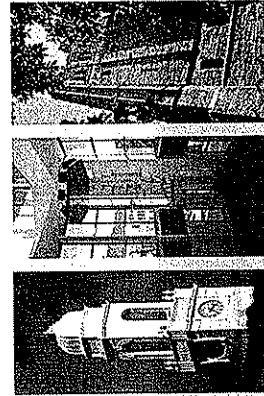
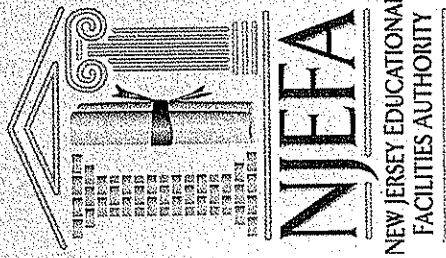


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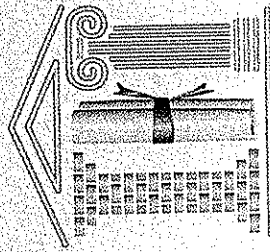
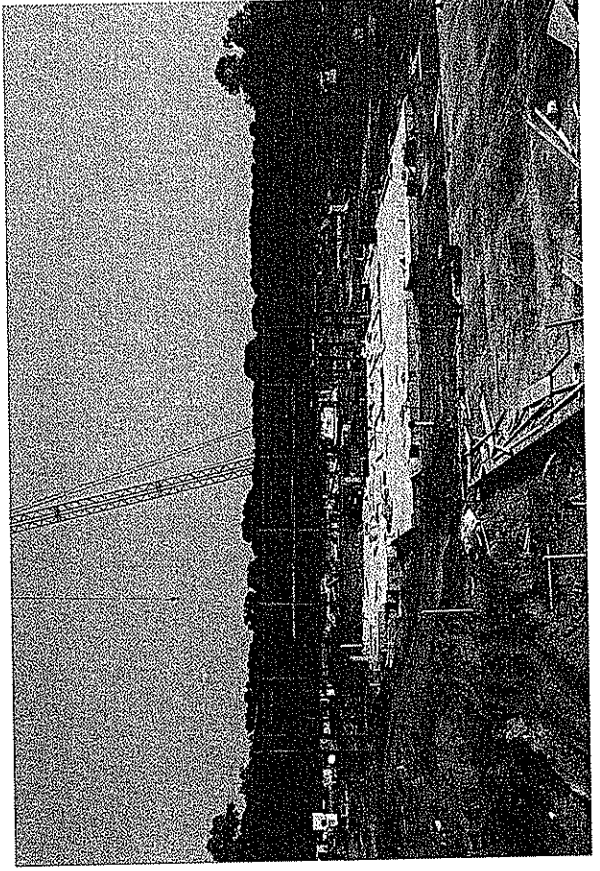
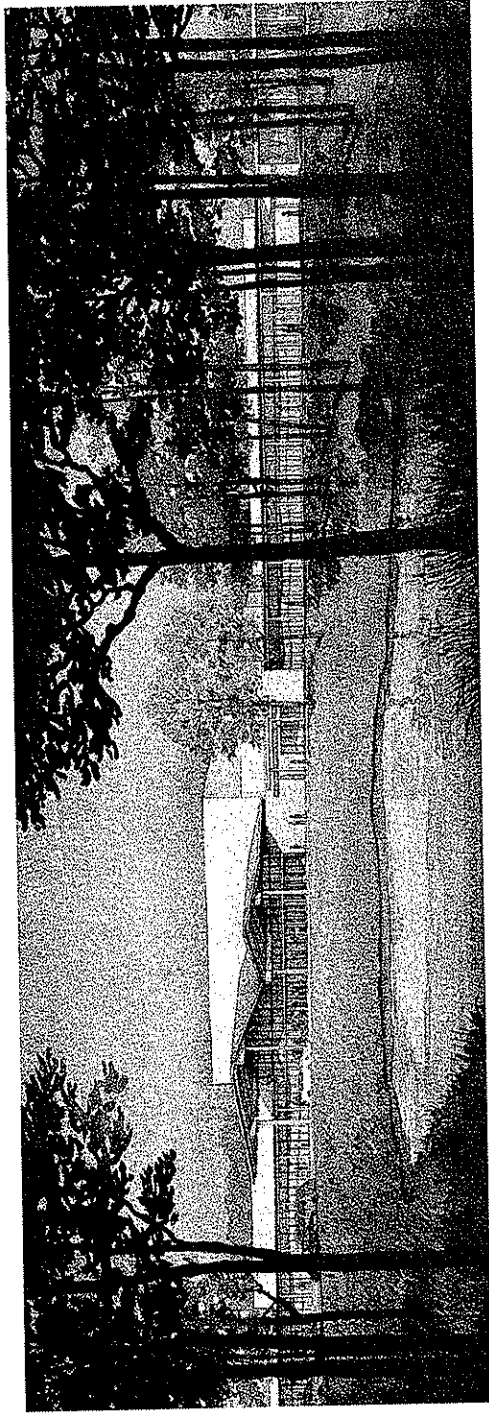


# Rider University



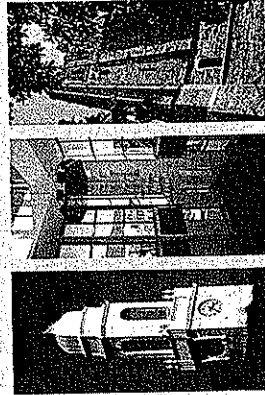
# Georgian Court University

## Wellness Center



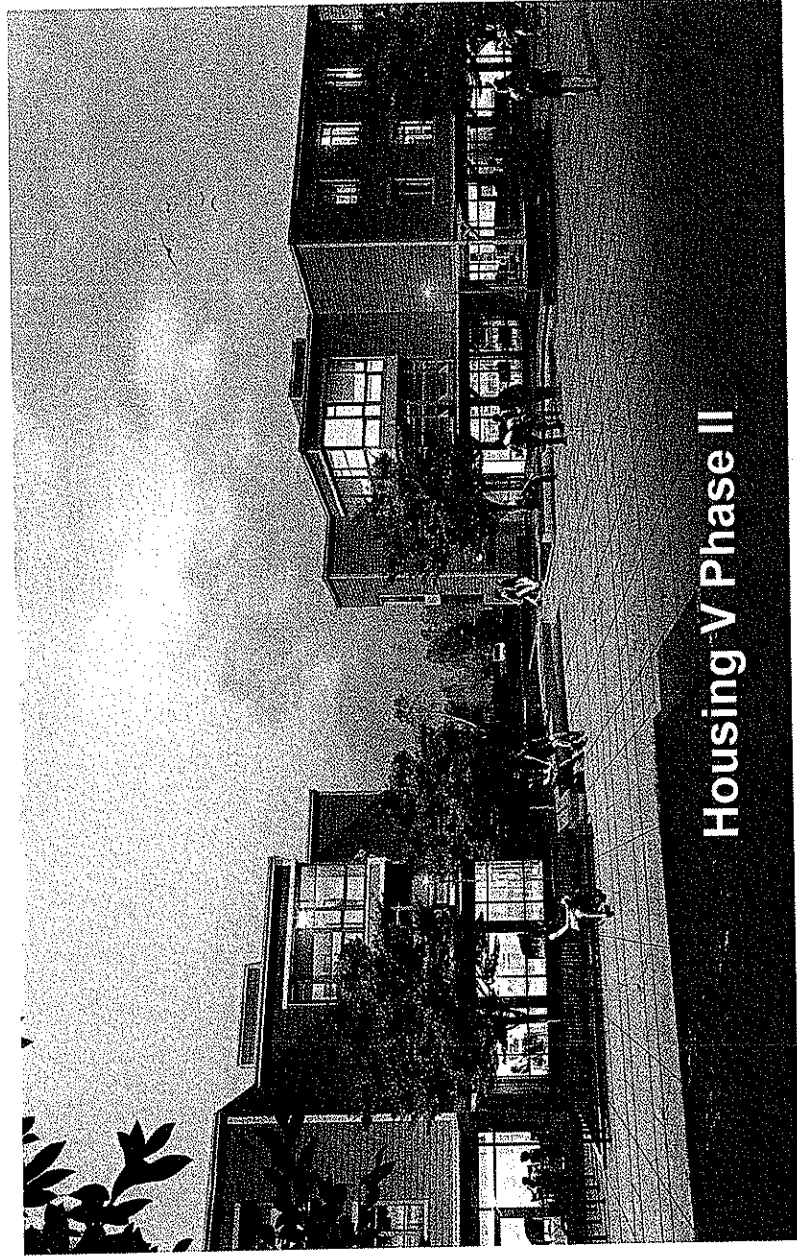
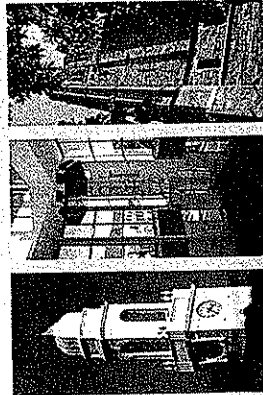
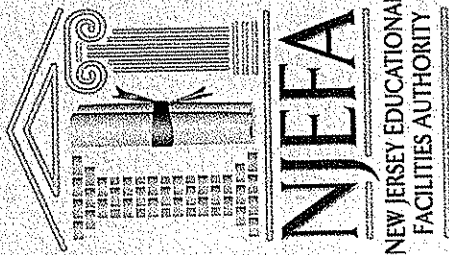
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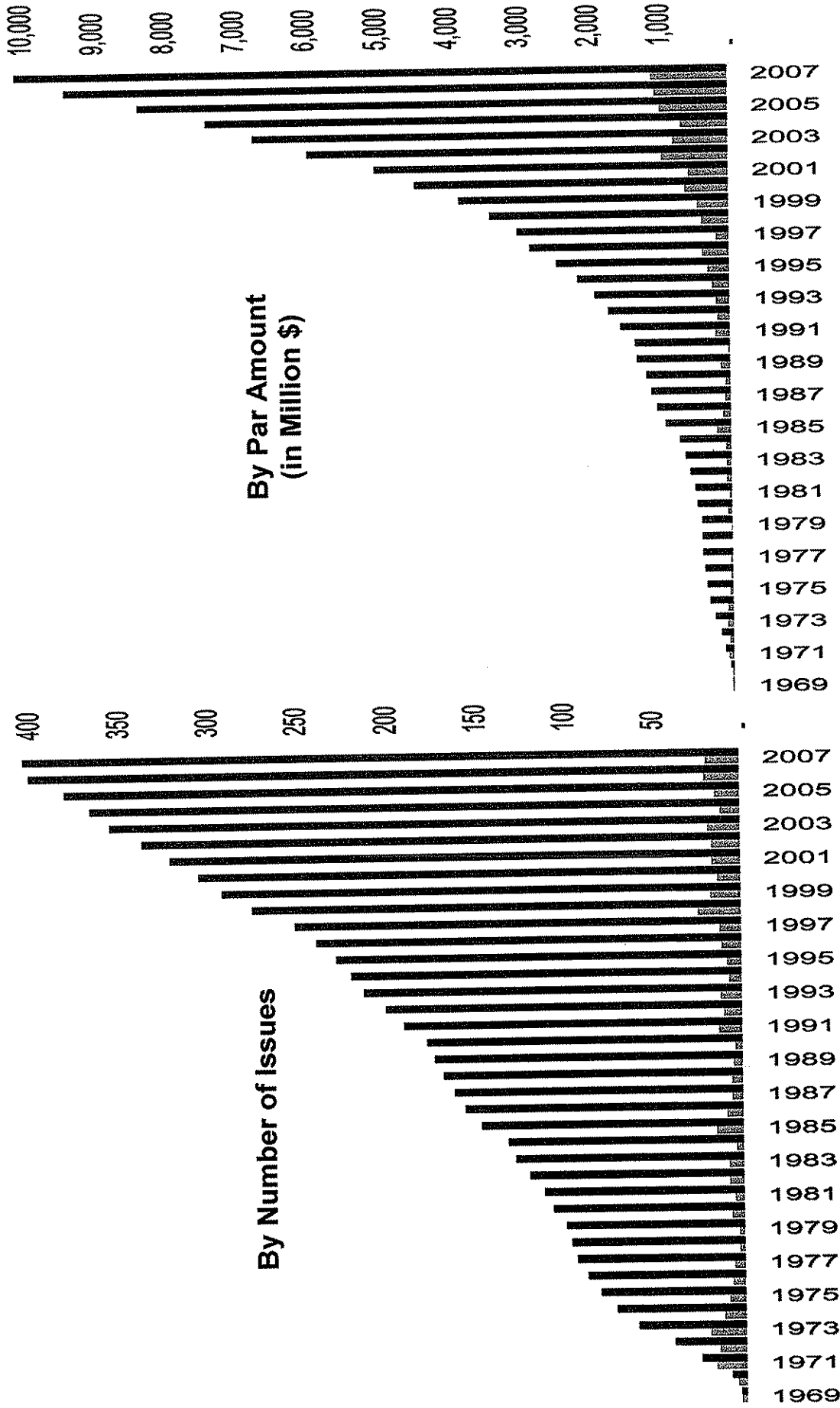


# The Richard Stockton College of New Jersey



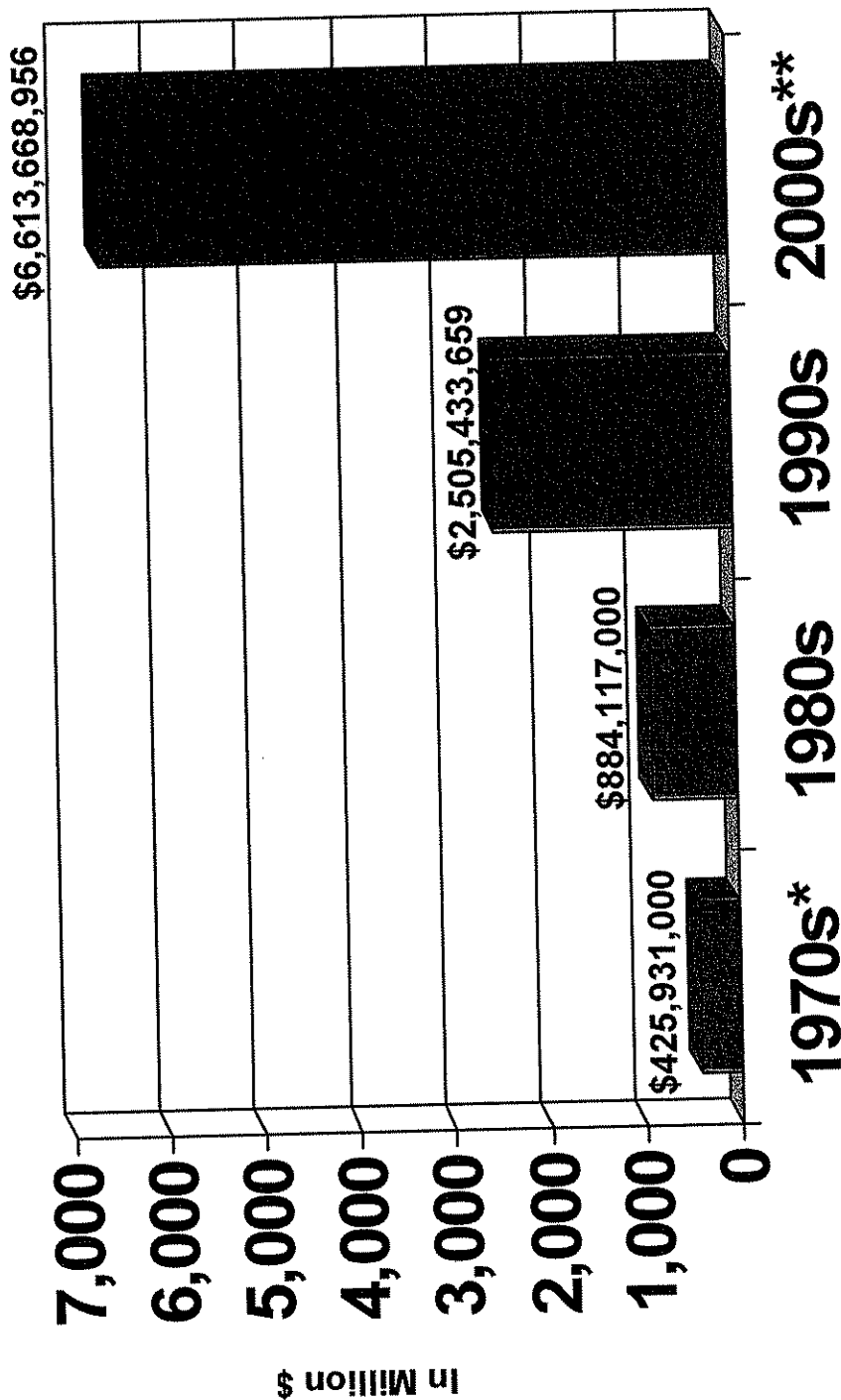
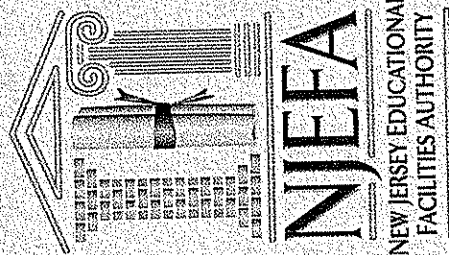
Housing V Phase II

# NJEFA Issuance Overview



Source: NJEFA

# NJEFA Bonds Issued by Decade vs. Last 8 Years



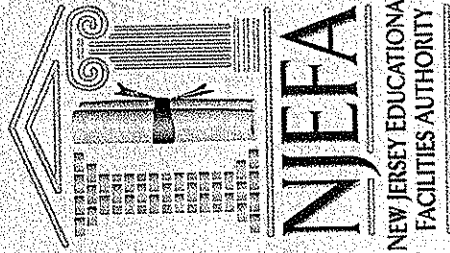
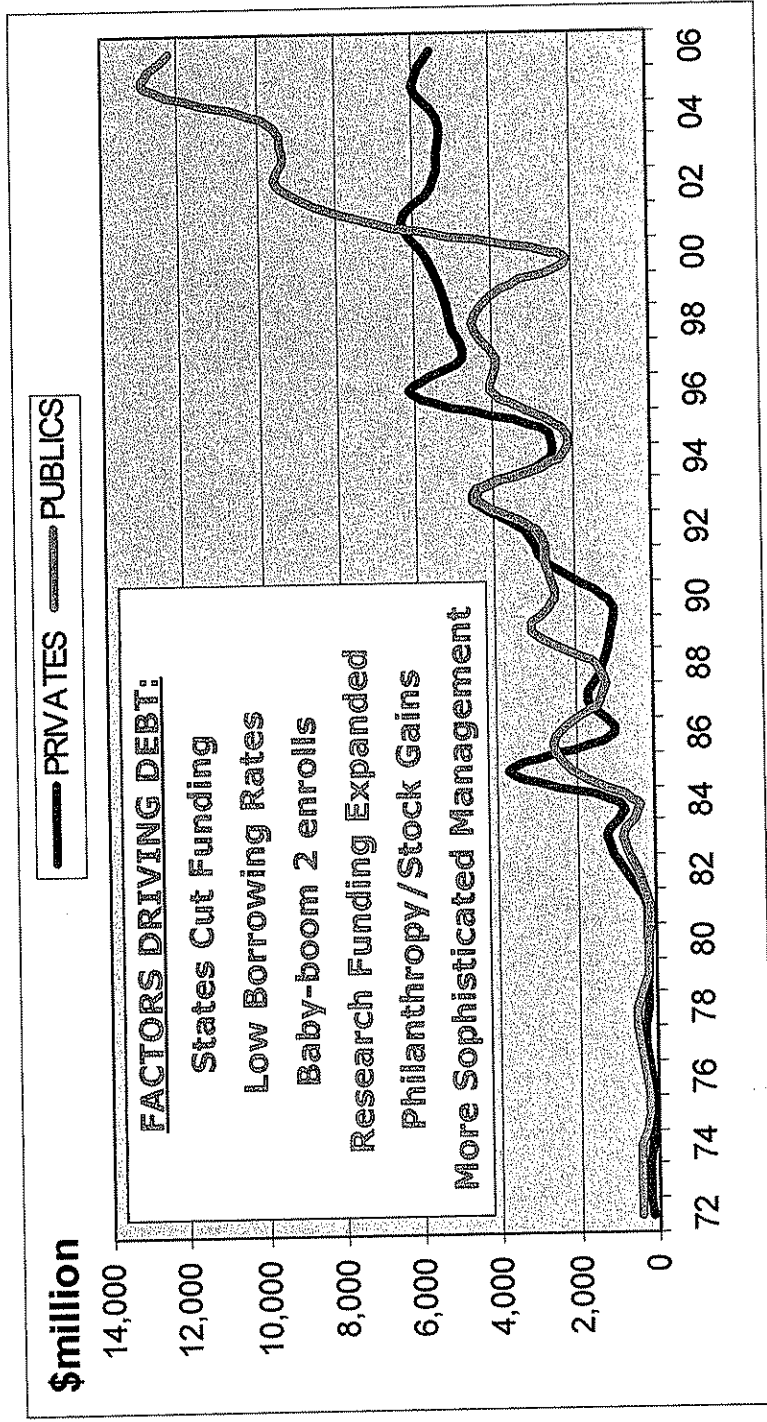
\* Includes par amount issued in 1969

\*\* Includes total par amount issued in 2007

# Capital Investment Soars as Universities Compete in Marketplace

## U.S. Higher Education Debt (\$million)

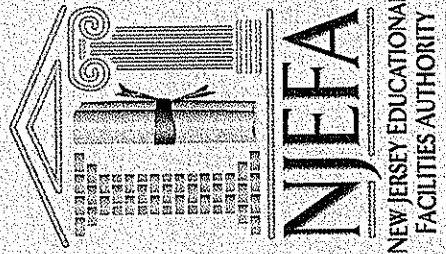
### Rated By Moodys



# NJ Enrollment: Degrees Conferred 2000-2006

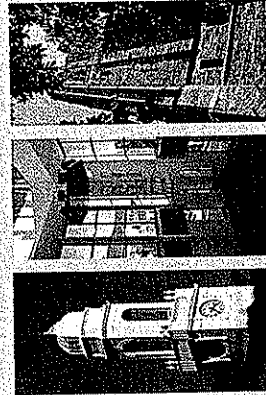
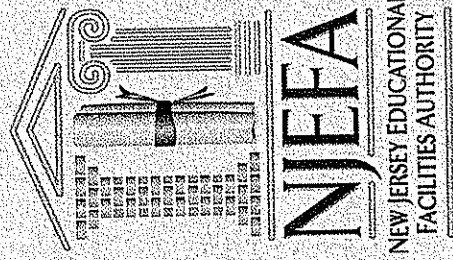
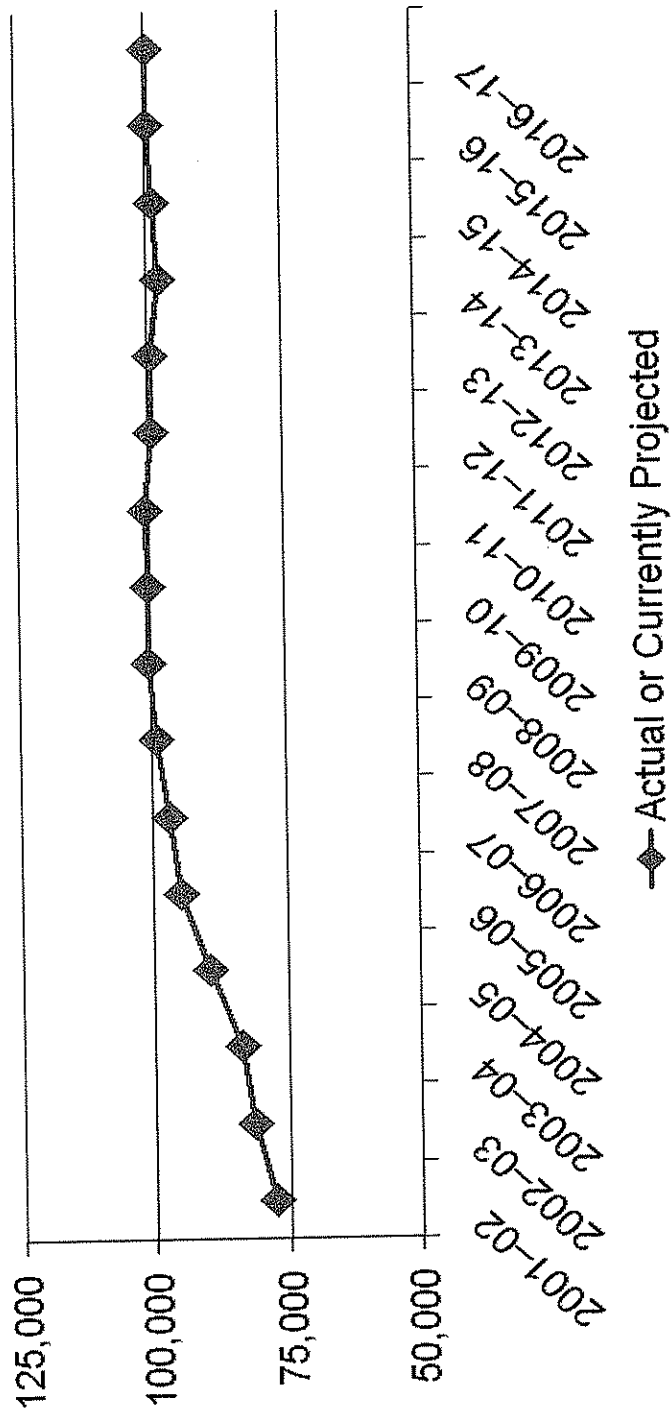
	Total Enrollments	Total Degrees/ Certificates
<b>2000</b>	335,930	52,579
<b>2001</b>	346,277	53,205
<b>2002</b>	361,757	55,866
<b>2003</b>	372,696	58,277
<b>2004</b>	379,447	61,428
<b>2005</b>	379,686	64,007
<b>2006</b>	385,612	65,105
<b>Cumulative Increase</b>	<b>49,682 (14.79%)</b>	<b>12,526 (23.82%)</b>

Source: New Jersey Commission on Higher Education

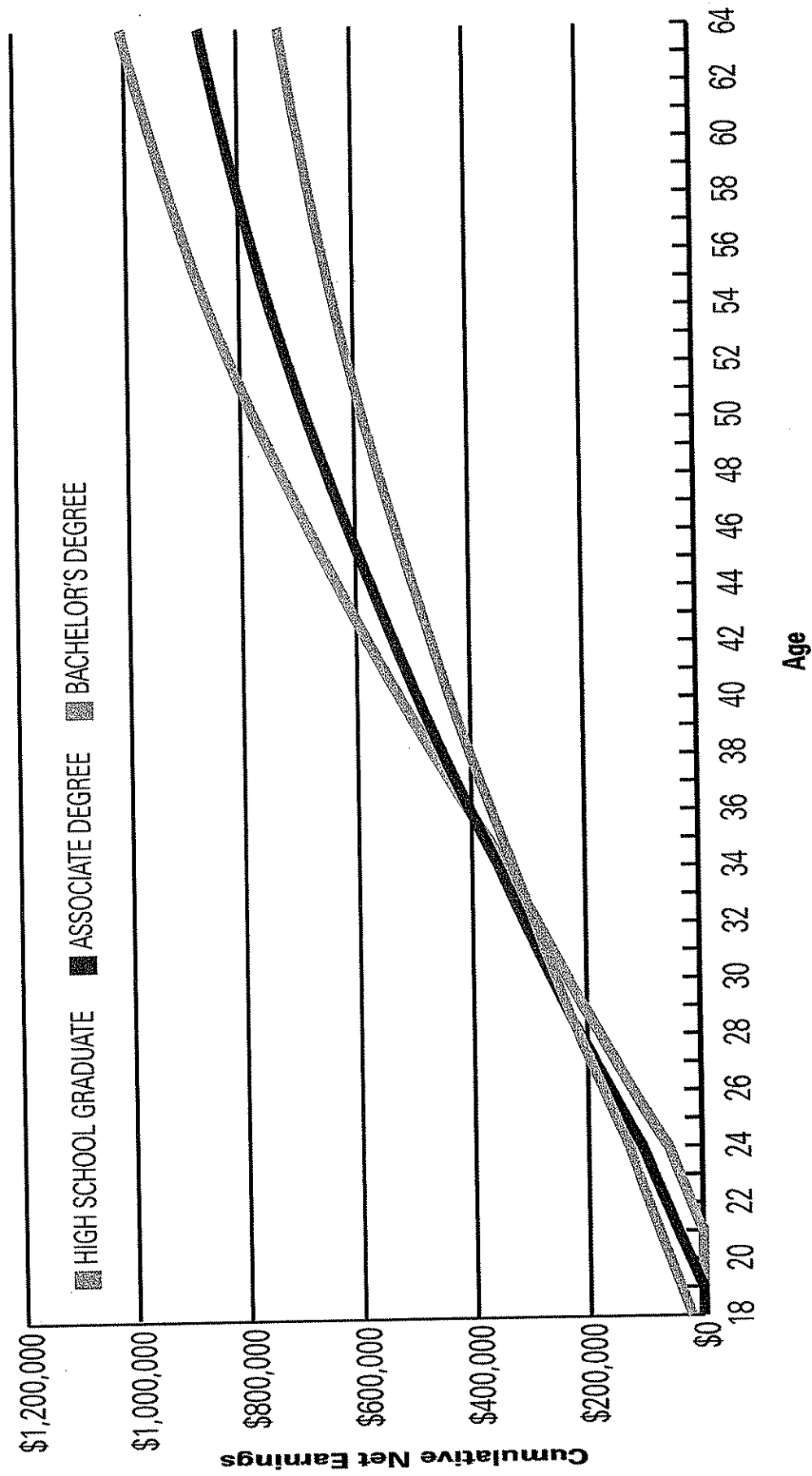


# Steady Demand for College

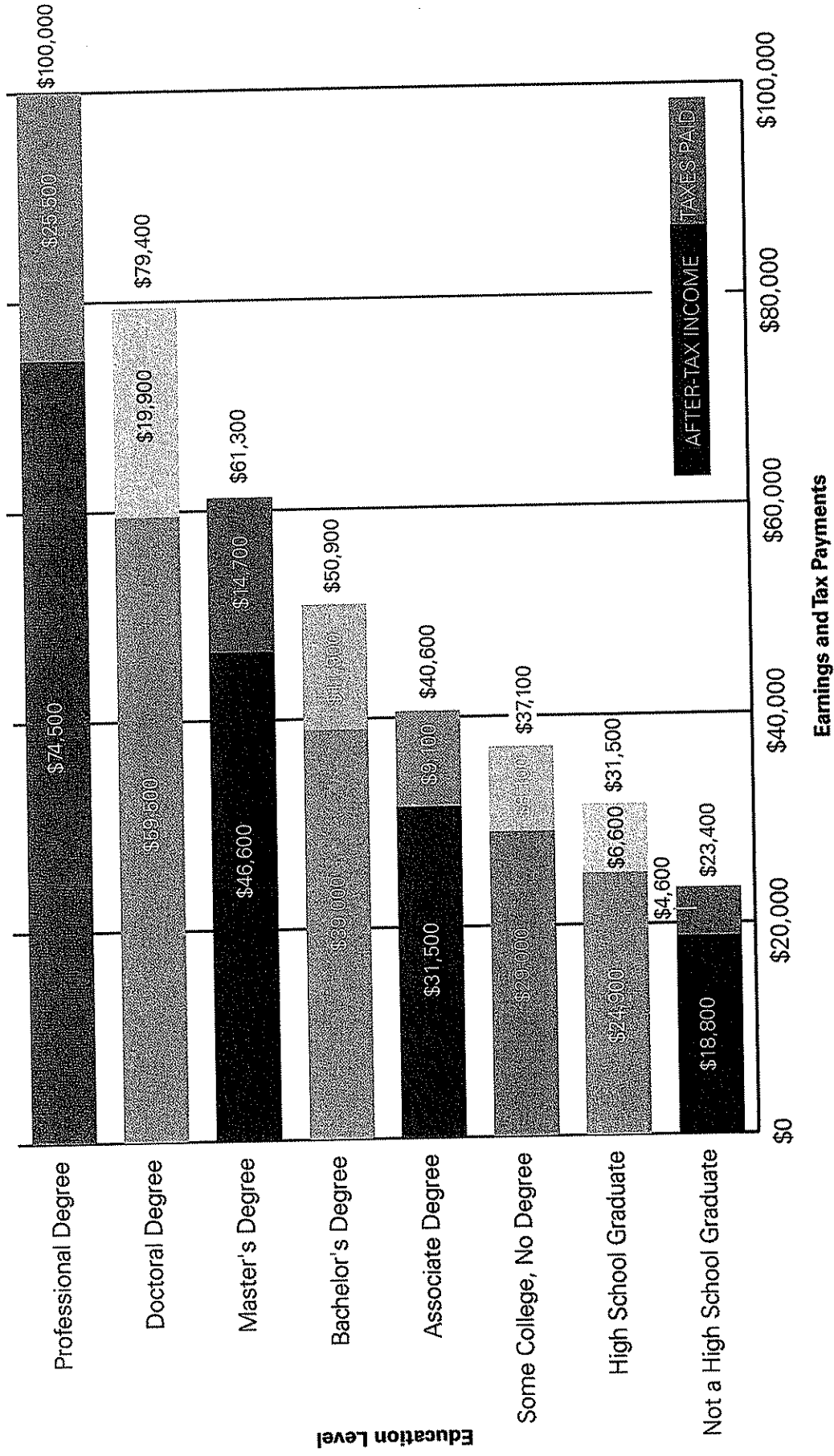
## Actual and Projected Number of NJ Public High School Graduates 2001-02 through 2016-17



# Earnings Premium Relative to Price of Education



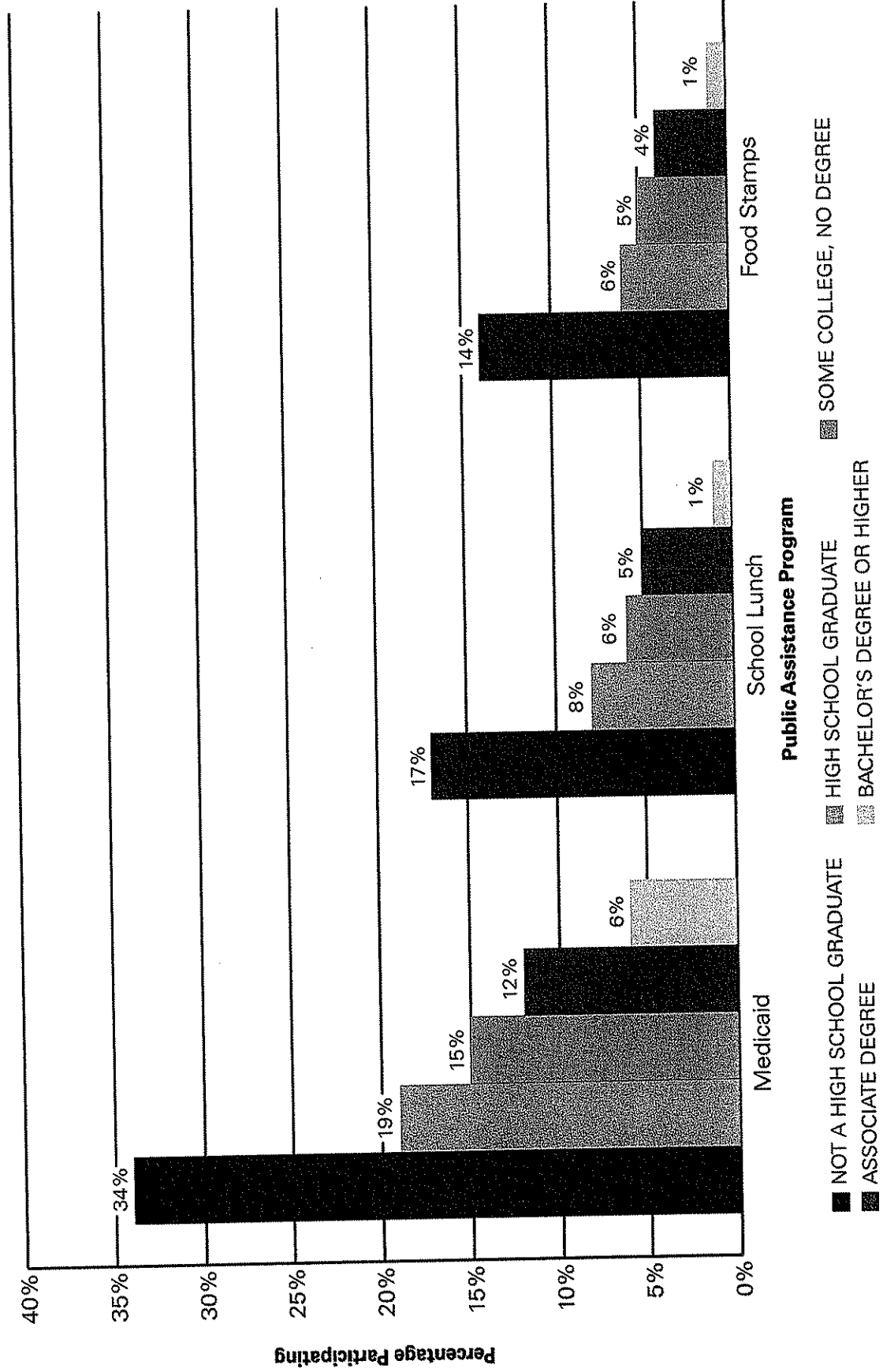
# Education, Earnings and Tax Payments



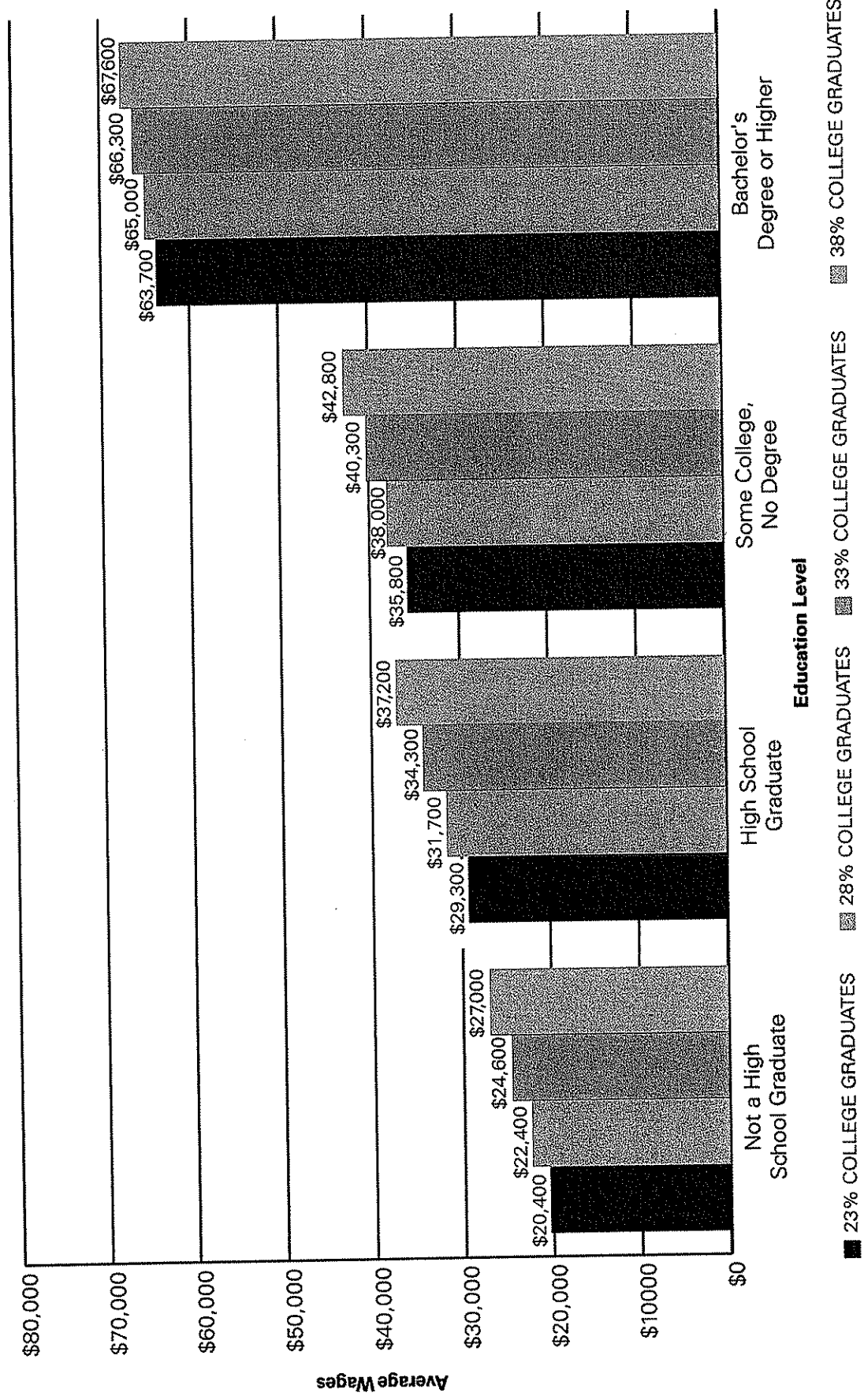
Sources: The College Board; U.S. Census Bureau, 2006; Internal Revenue Service, 2006; McIntyre et al., 2003



# Public Assistance Programs

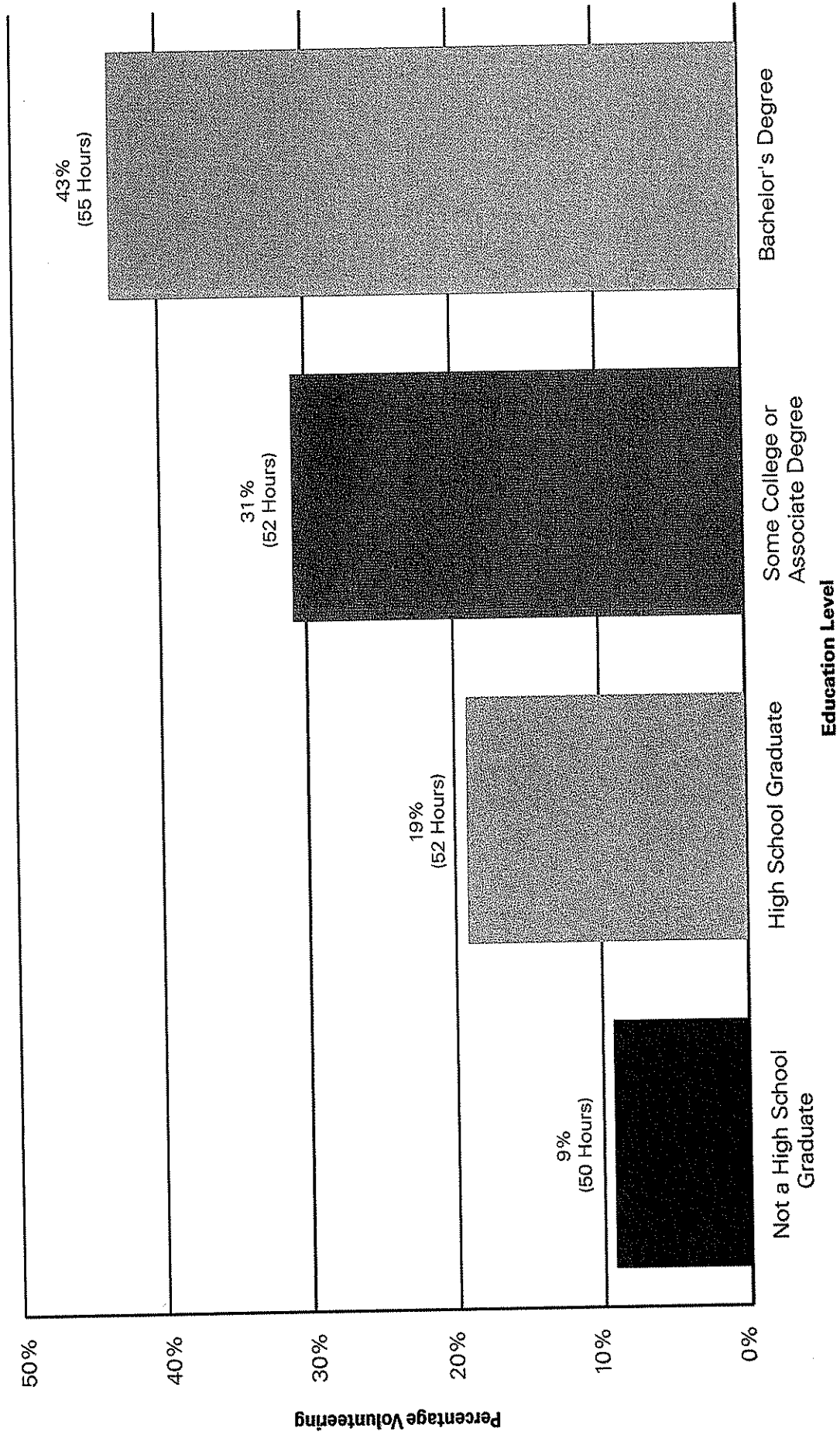


# Economic Benefits to Others



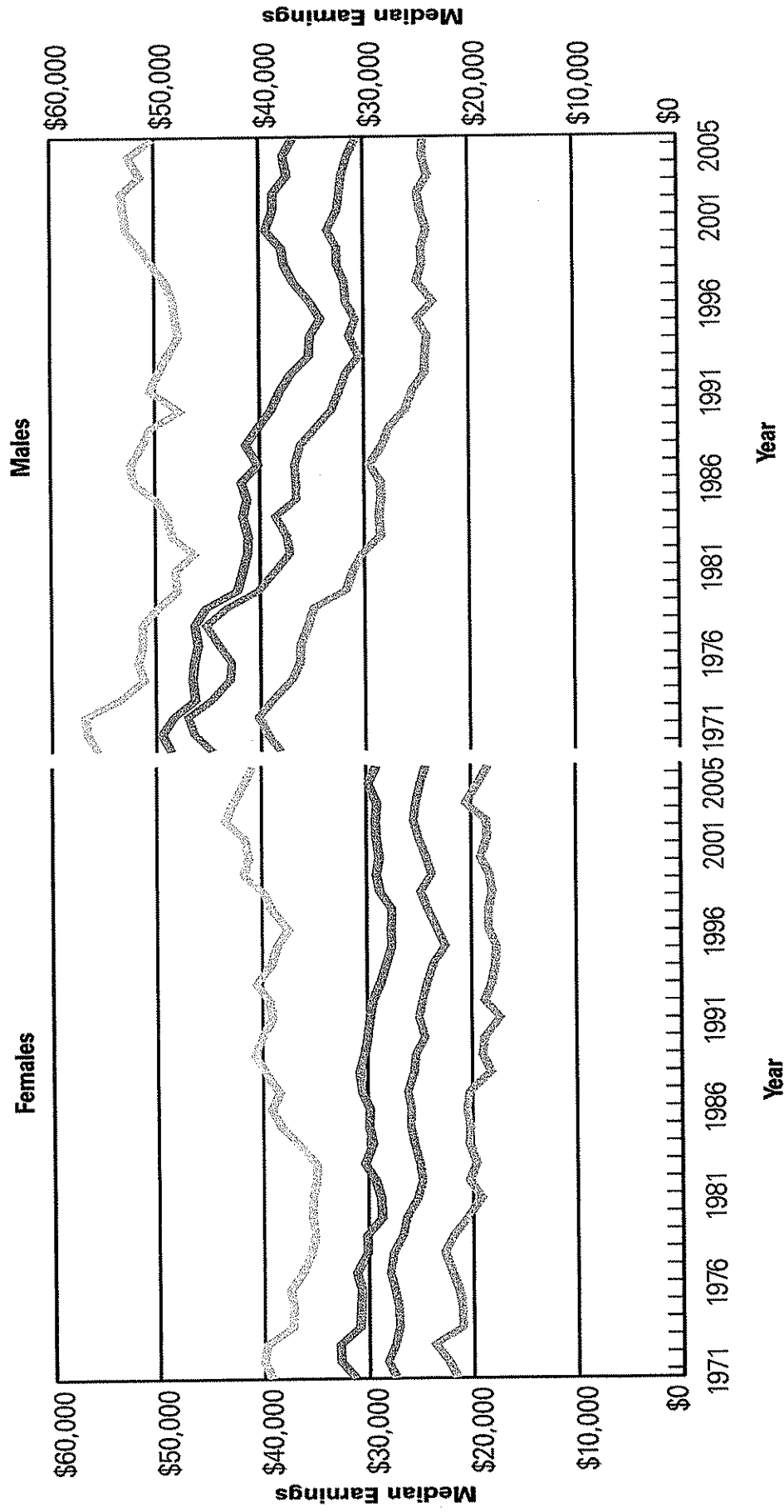
Sources: The College Board; Moretti, 2004

# Volunteerism



Sources: The College Board; Bureau of Labor Statistics, 2007

# Earnings Over Time by Education Level and Gender



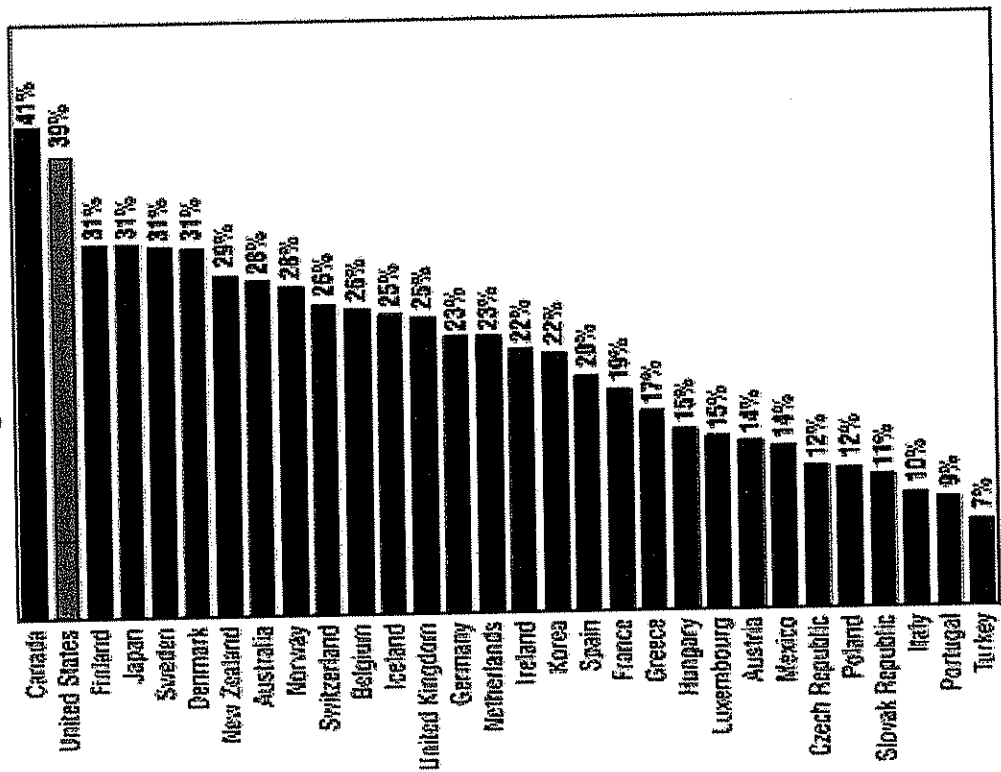
GRADES 9-11
  HIGH SCHOOL GRADUATE
  SOME COLLEGE, NO DEGREE
  BACHELOR'S DEGREE OR HIGHER

Sources: The College Board; National Center for Education Statistics (NCES), 2007, Indicator 20

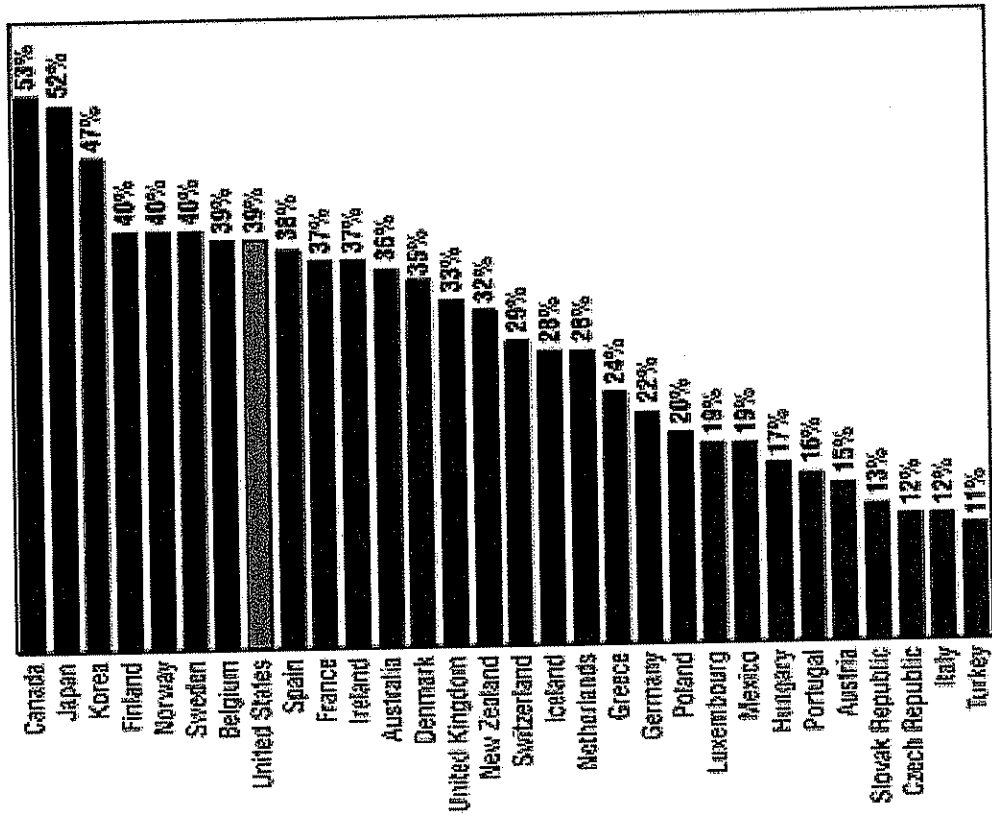
# Measuring Up 2006

Adults holding a college degree

Ages 35-64



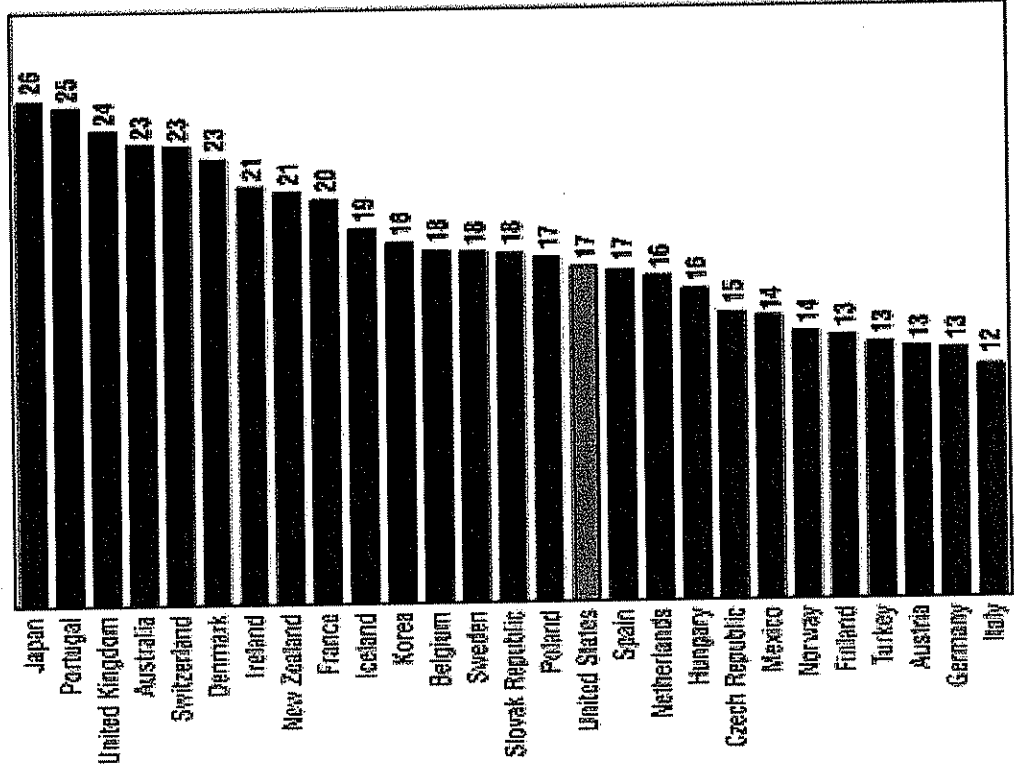
Ages 25-34



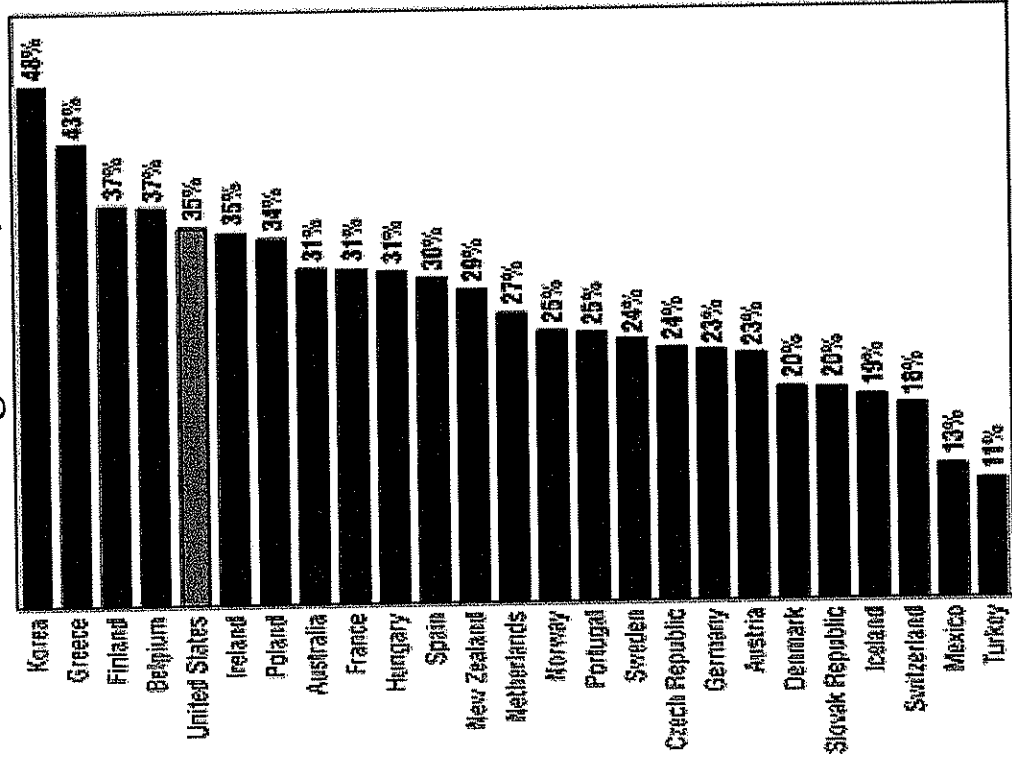
Sources: "Measuring Up - 2006" - The National Center for Public Policy and Higher Education; Organisation of Economic Co-operation and Development (OECD). Data represent the percentage of adults with an Associate's degree or higher in 2003

# Measuring Up 2006

## College Completion

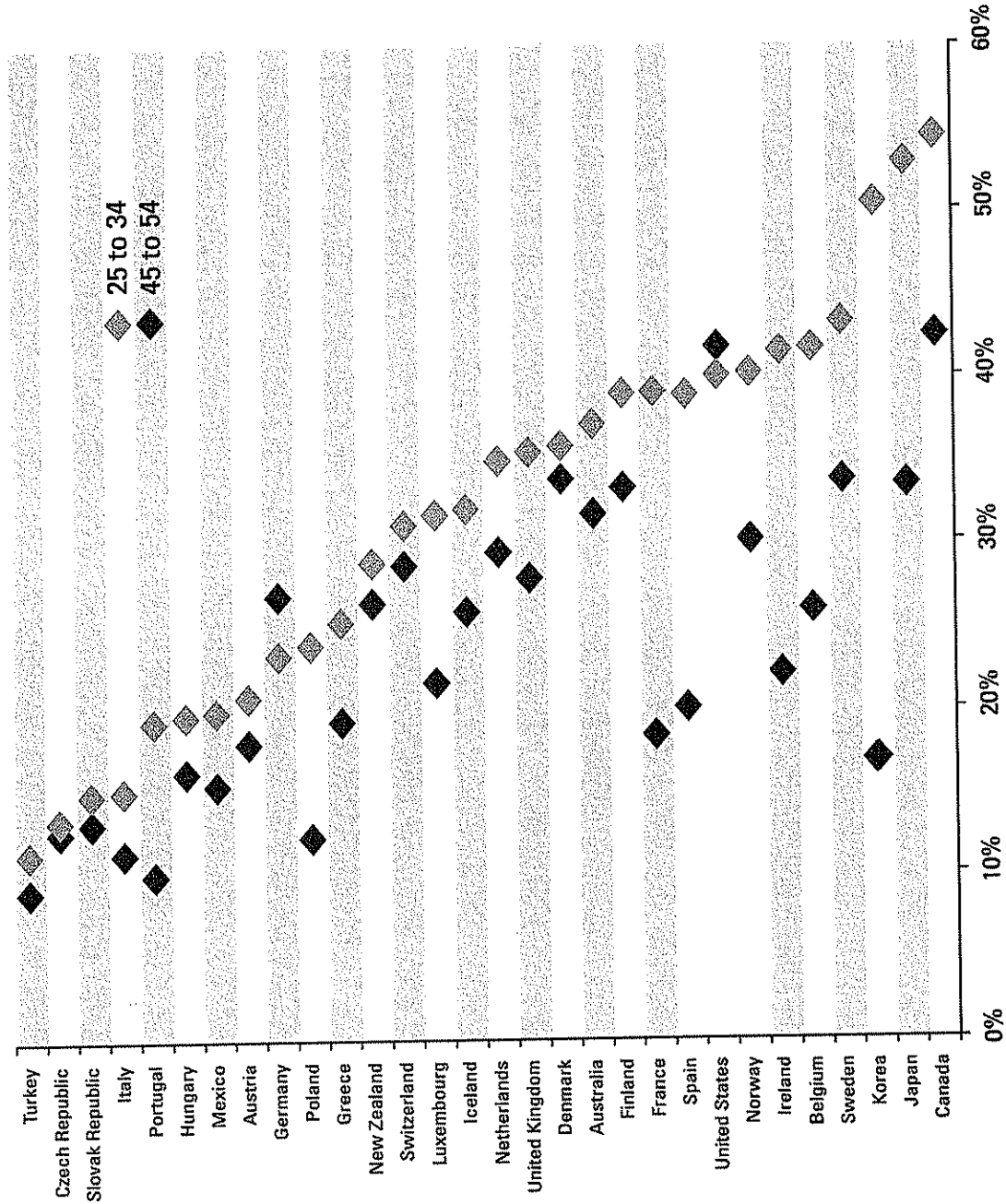


## College Participation Ages 18-24

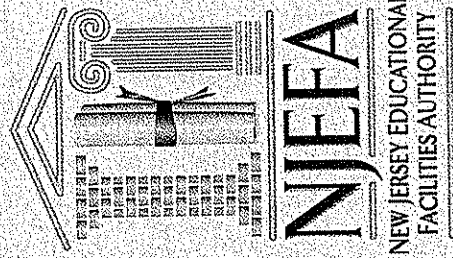


Sources: "Measuring Up -- 2006" -- The National Center for Public Policy and Higher Education; Organisation of Economic Co-operation and Development (OECD). Data are for 2003.

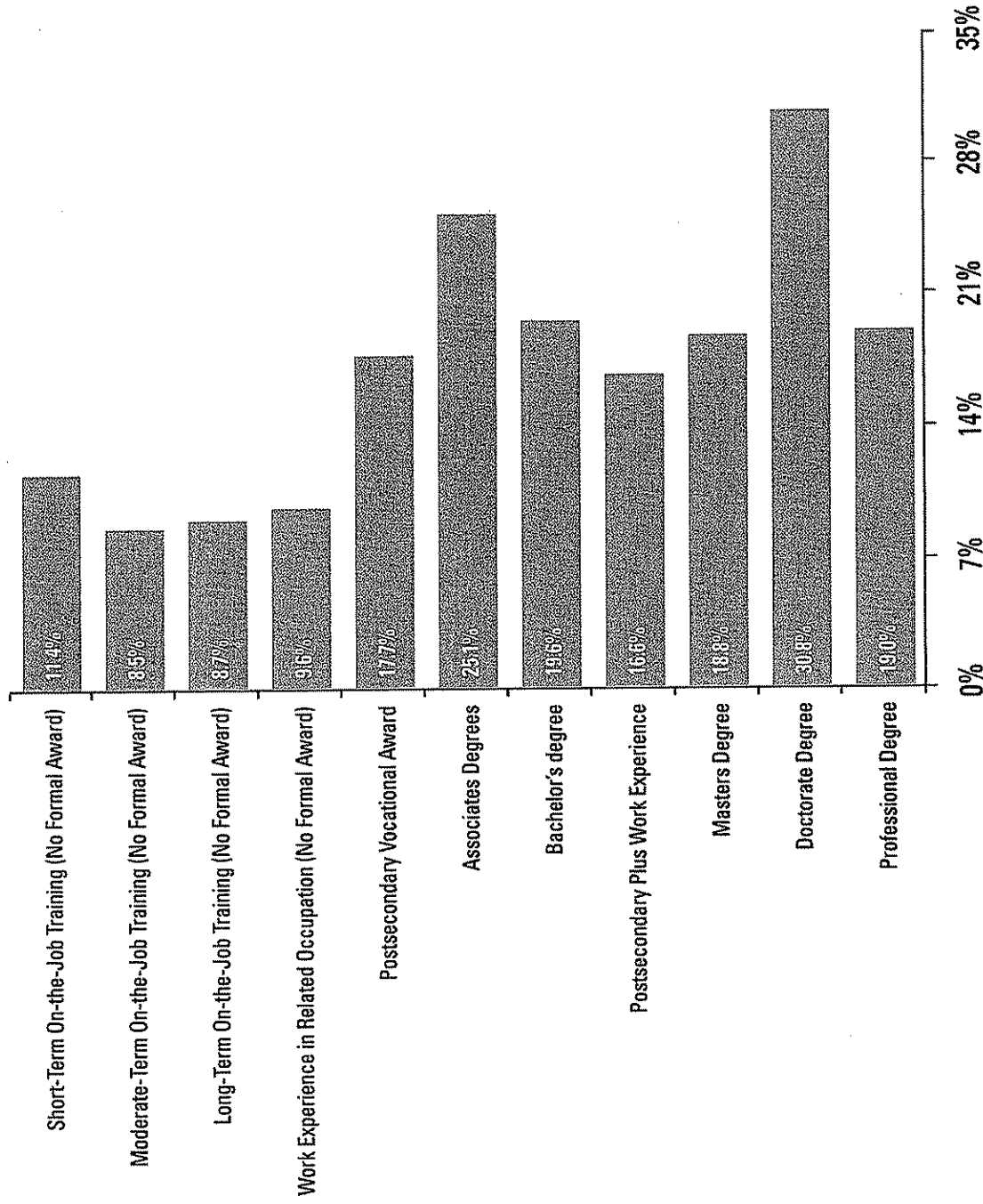
# Differences in College Attainment



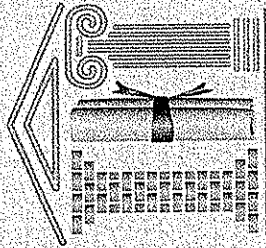
Sources: Jobs for the Future, Organisation of Economic Co-operation and Development (OECD), Education at a Glance 2006; Data were analyzed by the National Center for Higher Education Management Systems and the Delta Project on Postsecondary Costs for Making Opportunity Affordable, an initiative supported by Lumina Foundation for Education



# Changing Workforce Needs



Sources: Jobs for the Future; U.S. Bureau of Labor Statistics; Data were analyzed by the National Center for Higher Education Management Systems and the Delta Project on Postsecondary Costs for Making Opportunity Affordable, an initiative supported by Lumina Foundation for Education

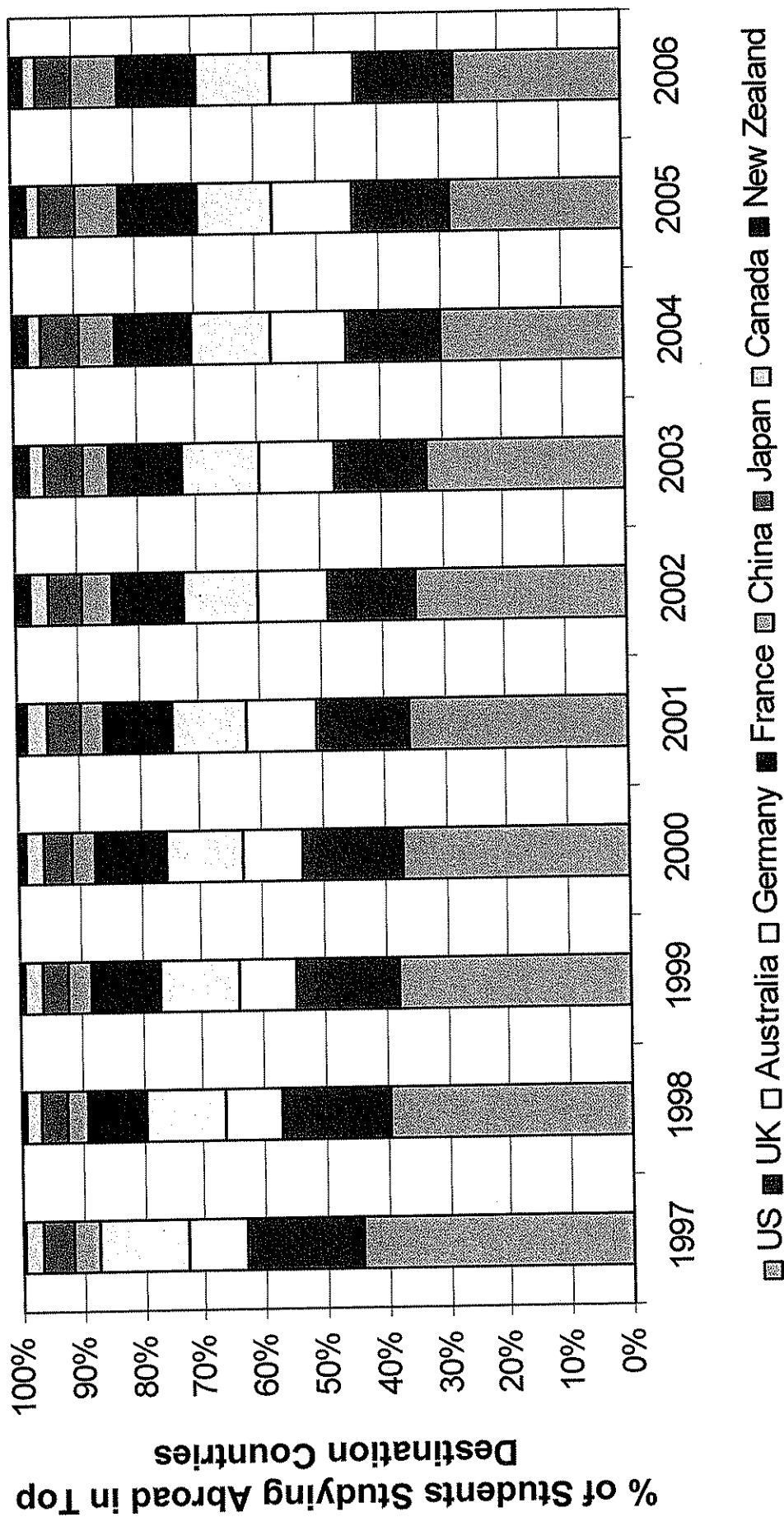


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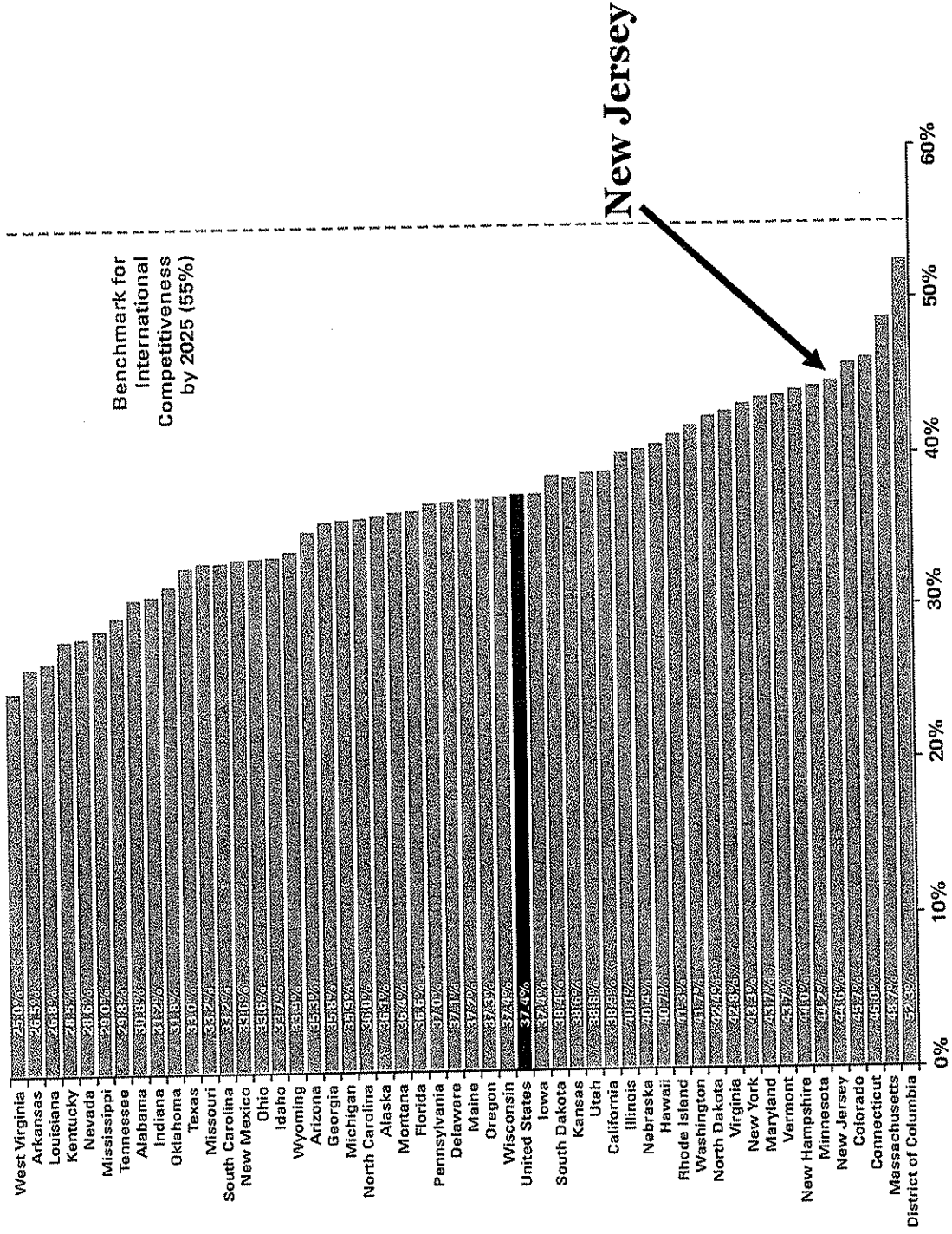


# US Losing Role as Leading Destination for Foreign Students

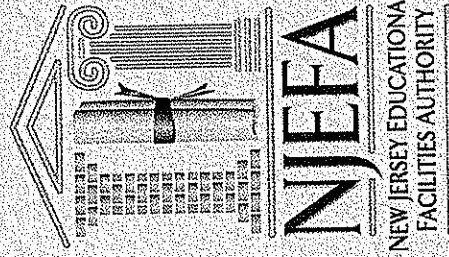


Sources: Moody's Investors Service, 2008 Higher Education Outlook; "International Student Mobility: Patterns and Trends" as published by The Observatory on Borderless Higher Education in September 2007

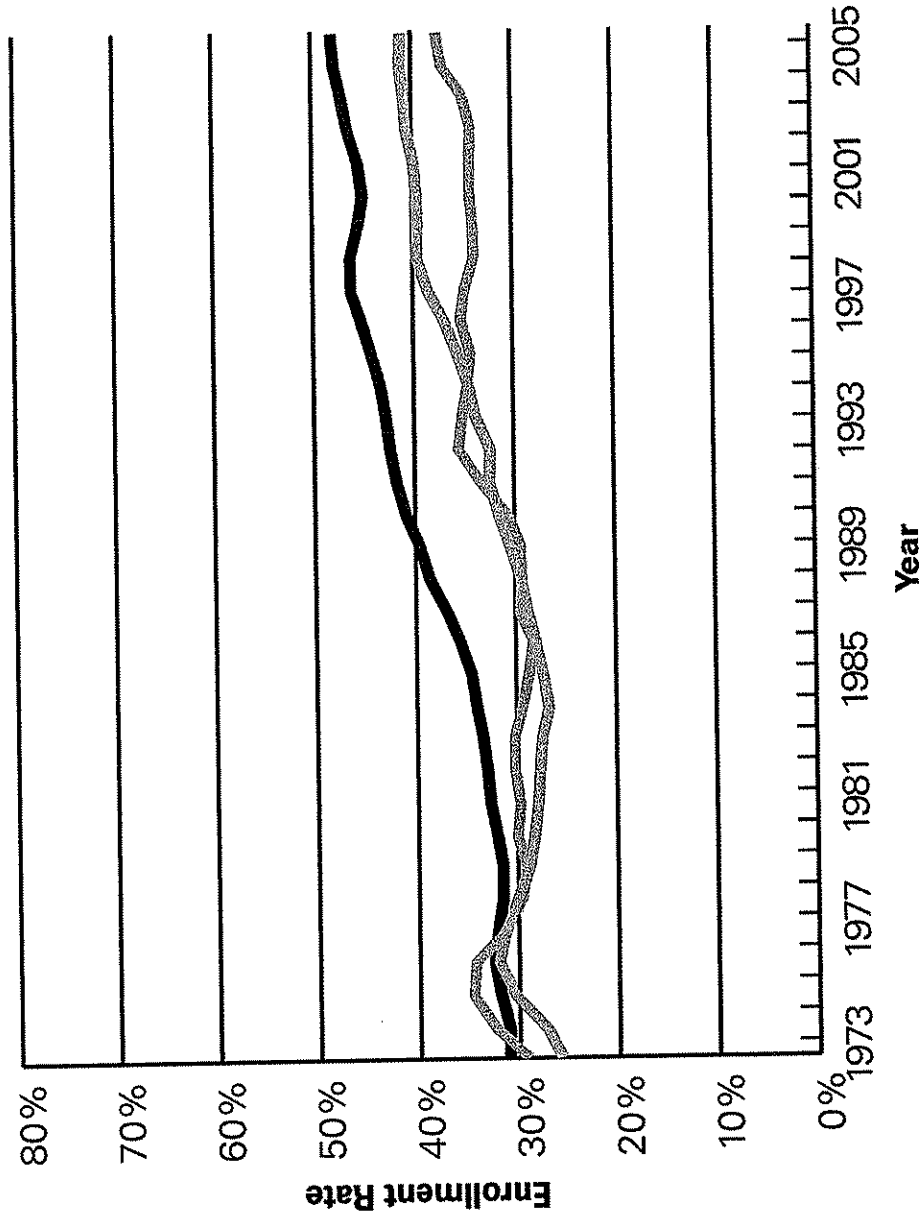
# The Degree Gap



Sources: Jobs for the Future; U.S. Census Bureau; 2005 American Community Survey; Data were analyzed by the National Center for Higher Education Management Systems and the Delta Project on Postsecondary Costs for Making Opportunity Affordable, an initiative supported by Lumina Foundation for Education

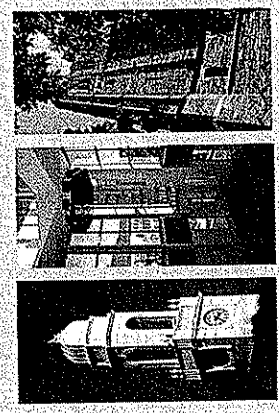
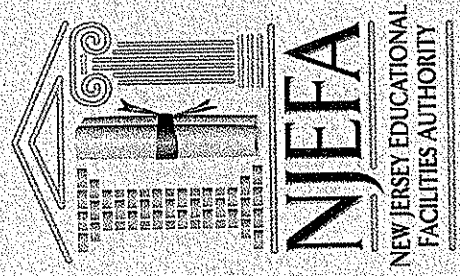


# College Enrollment by Race/Ethnicity



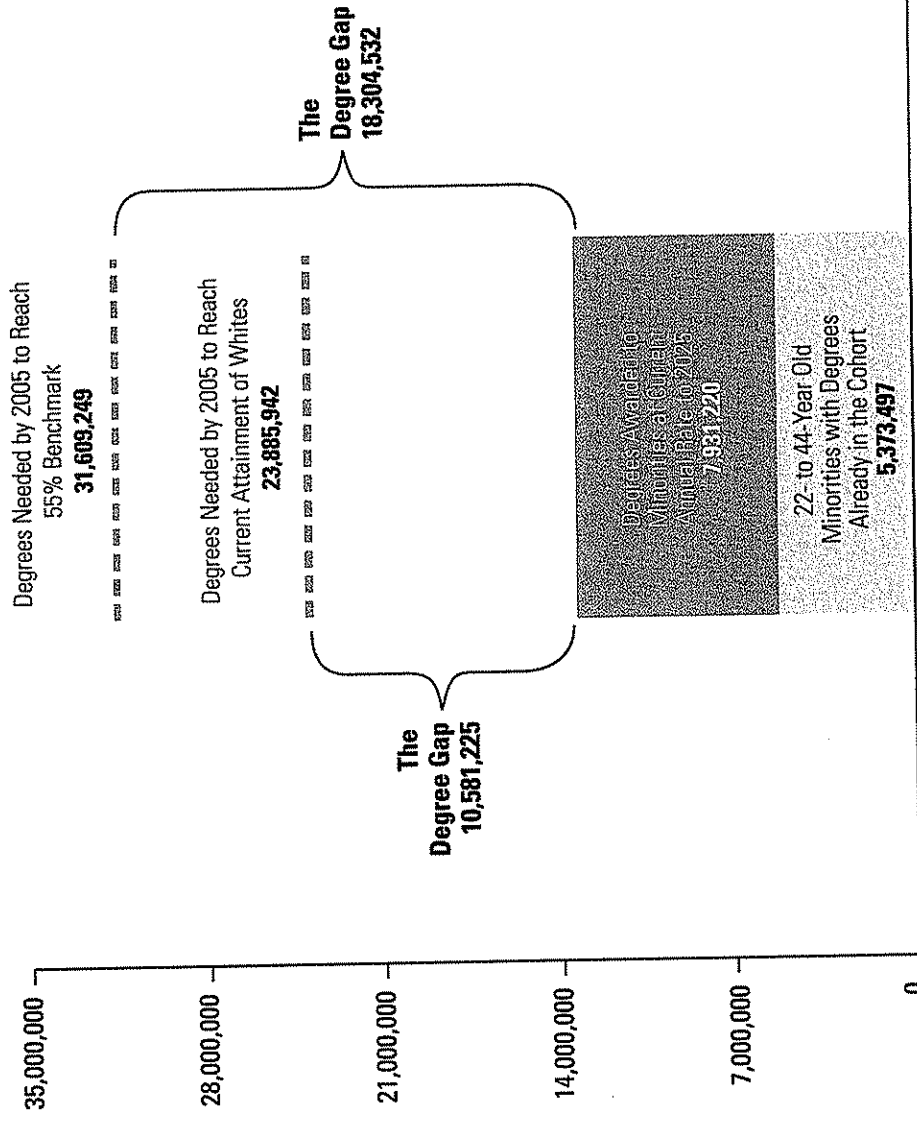
BLACK
  HISPANIC
  WHITE, NON-HISPANIC

Sources: The College Board; Snyder et al., 2006; U.S. Census Bureau, 2005

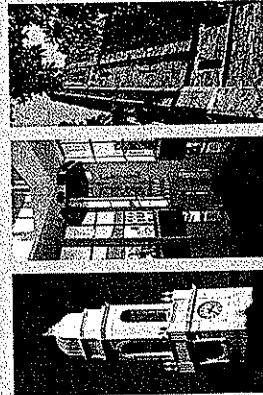
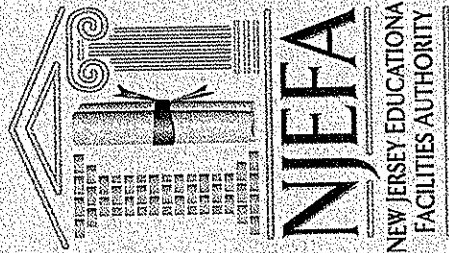


# The Degree Gap

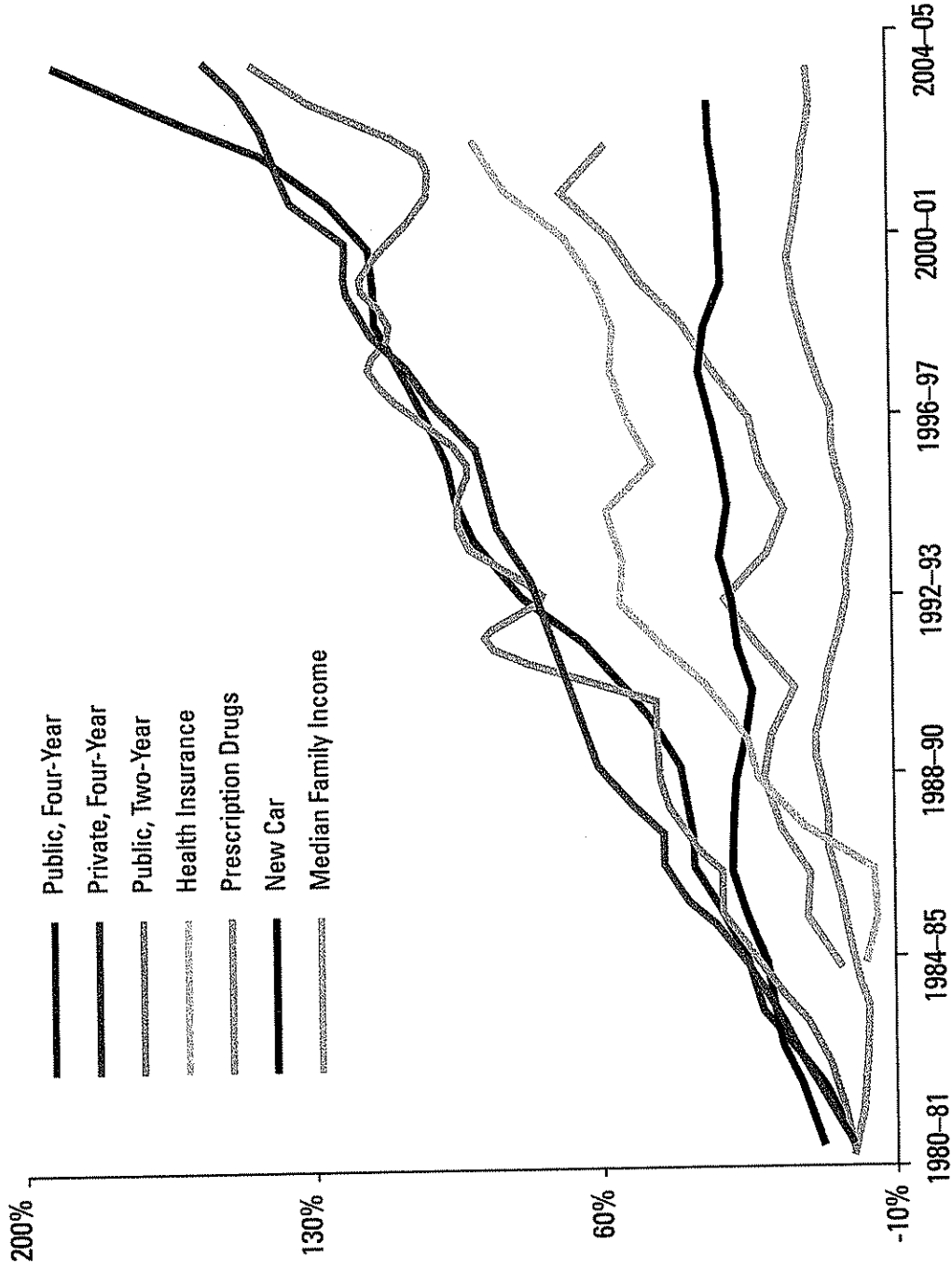
Minorities = African Americans, Hispanics/Latinos, and Native Americans



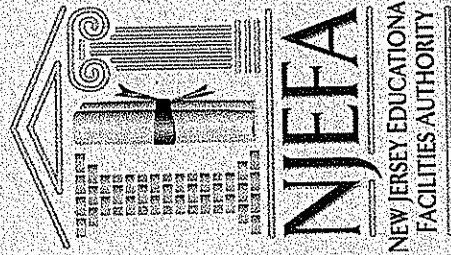
Sources: Jobs for the Future; U.S. Census Bureau 2005 ACS, Population Projections, NCES, IPEDS Completions Survey; Data were analyzed by the National Center for Higher Education Management Systems and the Delta Project on Postsecondary Costs for Making Opportunity Affordable, an initiative supported by Lumina Foundation for Education



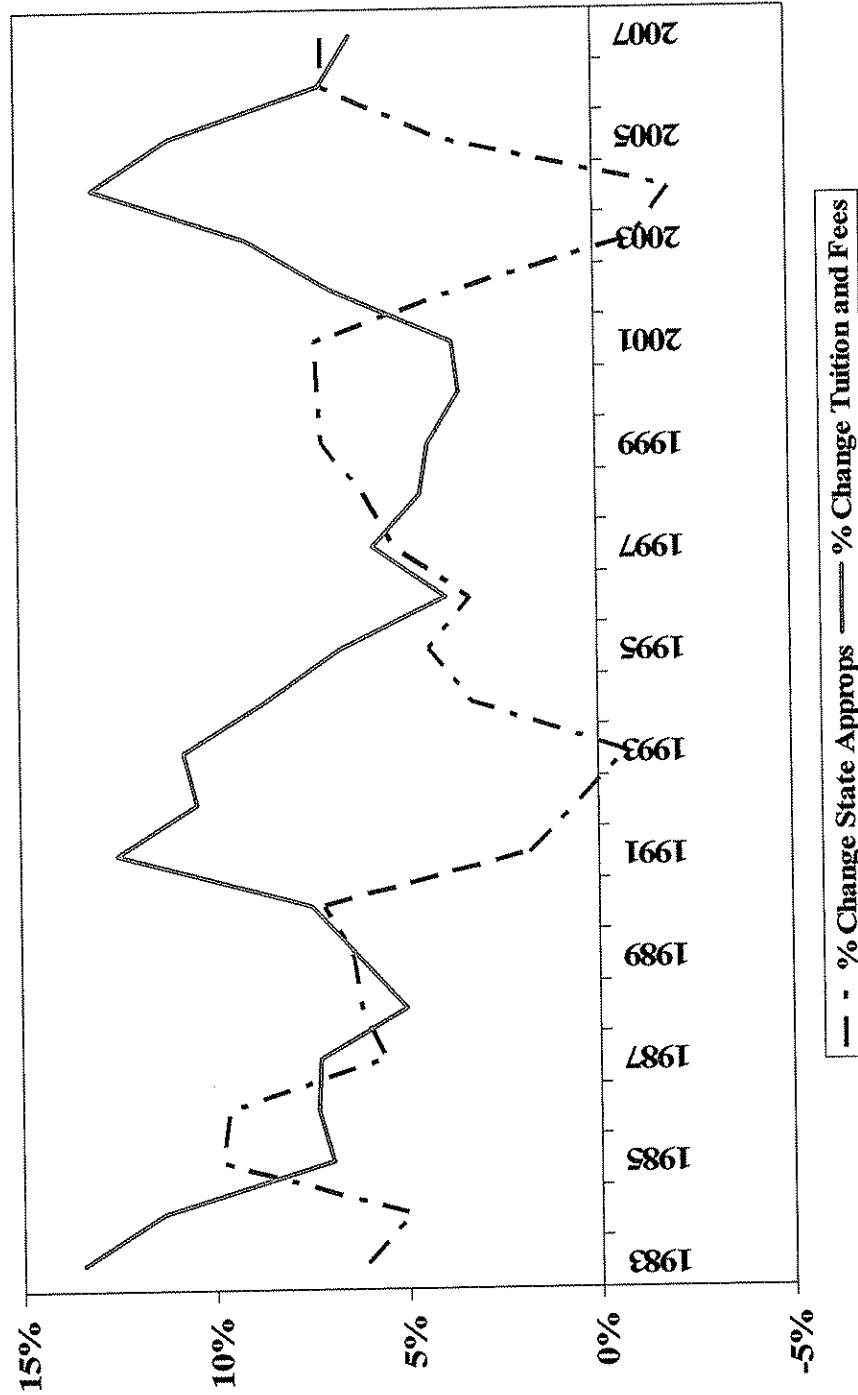
# The Price of College is Going Up



Sources: Jobs for the Future; U.S. Bureau of Labor Statistics; The College Board; Data were analyzed by the National Center for Higher Education Management Systems and the Delta Project on Postsecondary Costs for Making Opportunity Affordable, an initiative supported by Lumina Foundation for Education

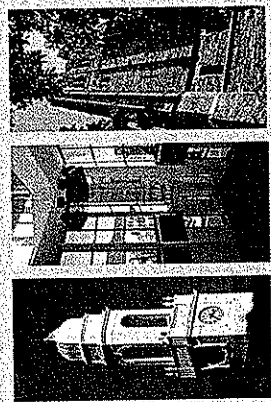
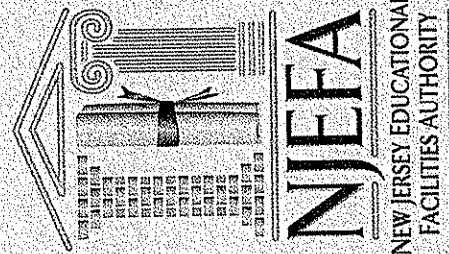


# Tuition Increases Compared to Changes in State Appropriations



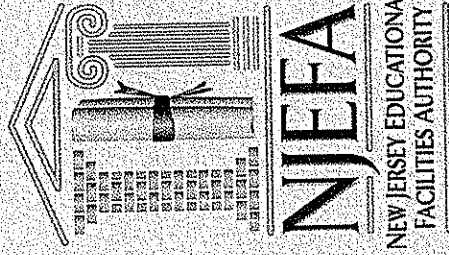
\* Moody's rated public institutions

Sources: Moody's Investors Service; Center for the Study of Education Policy, Illinois State University; The College Board



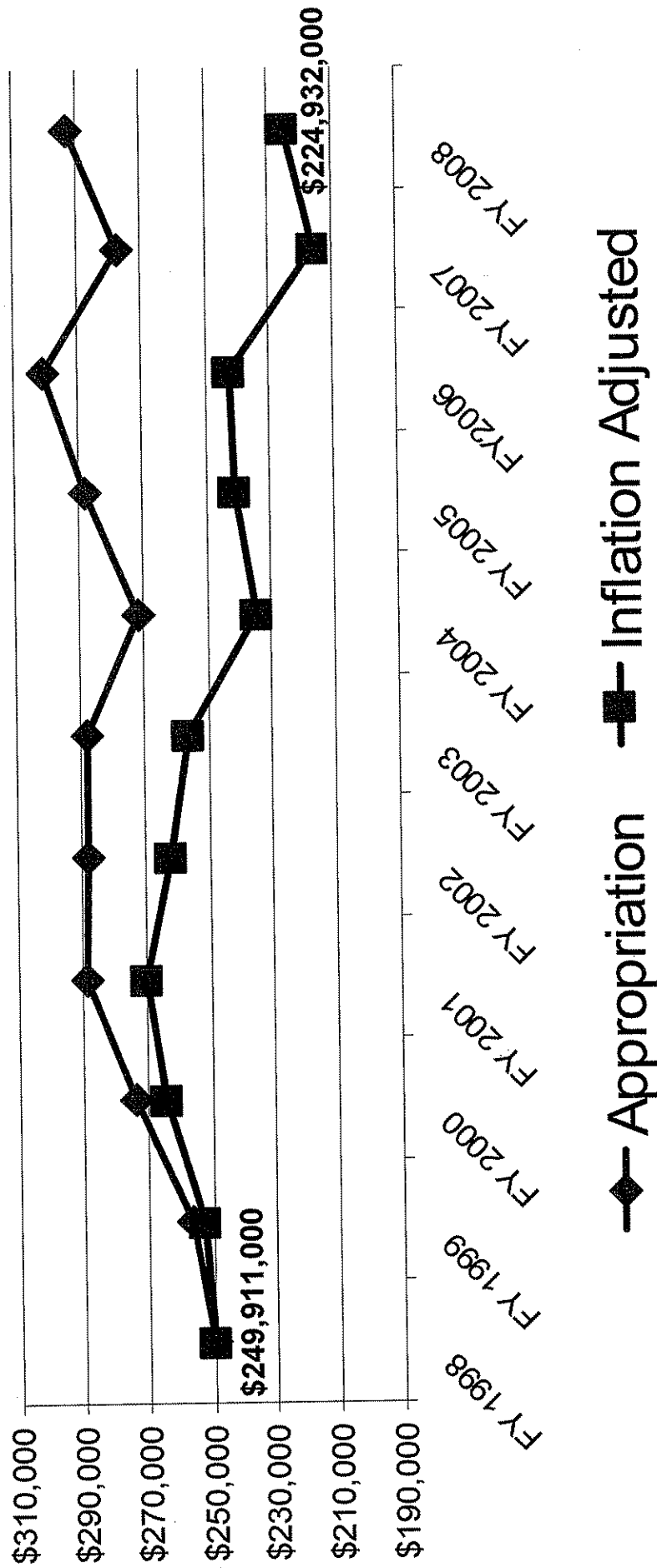
# New Jersey Higher Education Spending

- FY 2007 - \$1.97 billion - operating expenses
- FY 2006 - \$401 million - student aid
- FY 2005 - \$867 million - research and development



# State Support is Declining

## Direct State Appropriations Adjusted for Inflation





# Private Institutions

2006                      2005                      2004

	NJ Privates	All Privates	NJ Privates	All Privates	NJ Privates	All Privates
Median FTE Enrollment (number may be estimated)	4,164	2,845	3,892	2,806	3,772	2,802
Primary Selectivity (%)	70	58	76	62	67	63
Expendable Resources to Direct Debt	1.56	1.67	1.43	1.52	1.35	1.52
Expendable Resources to Operations	.89	1.17	.87	1.11	.71	1.02
Annual Operating Margin (%)	1.9	3.7	5.6	3.1	2.6	3.1

# Public Institutions

2006                      2005                      2004

	NJ Publics	All Publics	NJ Publics	All Publics	NJ Publics	All Publics
Median FTE Enrollment (number may be estimated)	6,896	13,788	6,745	13,570	6,558	13,756
Primary Selectivity (%)	53.2	72.8	50	75.3	50.8	74.5
Expendable Resources to Direct Debt	.4	.9	.3	1	.4	1
Expendable Resources to Operations	.37	.41	.41	.4	.41	.4
Annual Operating Margin (%)	3.4	1.9	6.5	2.2	6.5	2

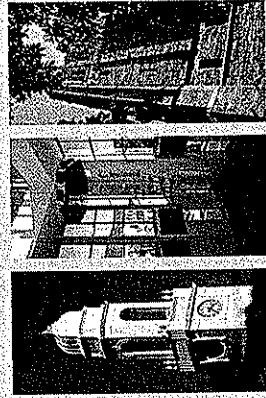
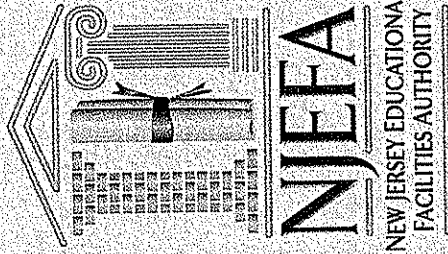
# Moody's 2008 Outlook - Stable

## Strengths

- Strong financial performance
- Stable to growing enrollments
- Strong investment returns
- Balanced operating performance
- Philanthropic support

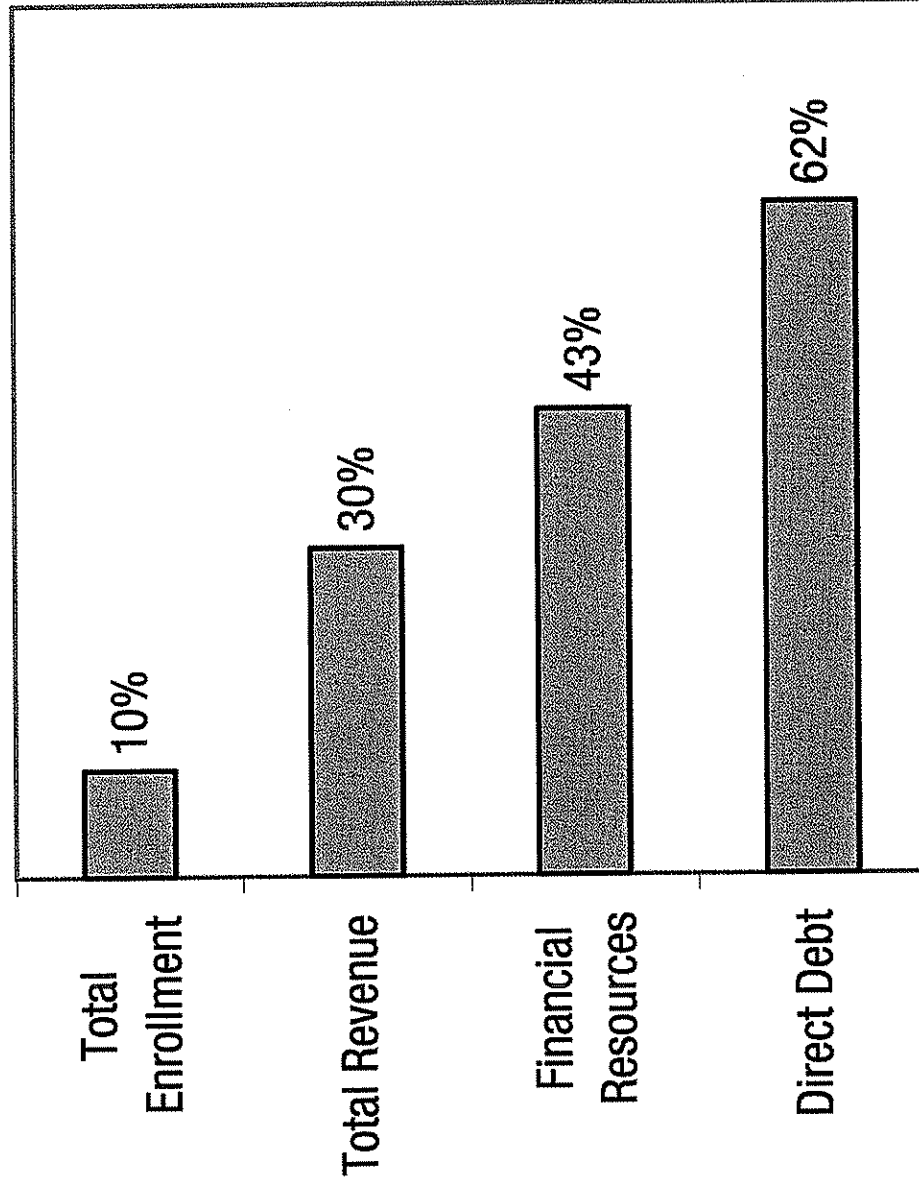
## Challenges

- Regional demographic shifts
- Increased governmental scrutiny focused on accountability, affordability and transparency
- Restricted/declining governmental support for operations and research
- Growing competition



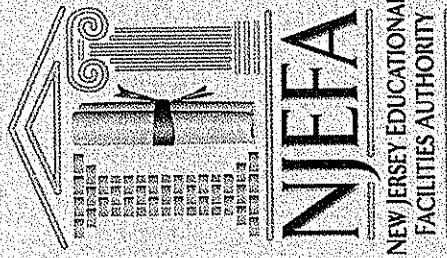
# Debt Growth Has Outpaced Resource and Revenue Growth

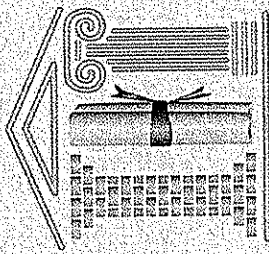
(% increase from FY 2002-FY2006 for entire sector)



\* Moody's rated public institutions

Source: Moody's Investors Service





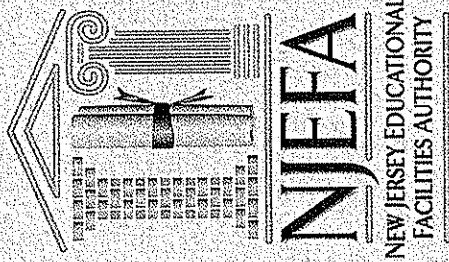
**NJFEA**  
NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY



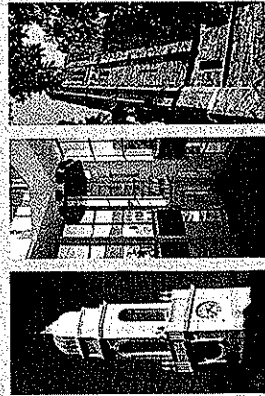
**“One Ph.D. will generate  
employment of 10 engineers.  
Ten engineers will generate  
employment for 150 technicians  
and skilled workers.”**

Jesse Hobson,  
Former President of the Armour Research Foundation and  
the Stanford Research Institute

Quoted in A Call to Action by The Citizens Committee for Higher Education in New Jersey,  
Princeton, New Jersey, January 1966



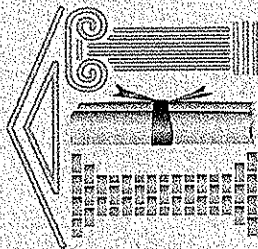
“The key strategic resource  
necessary for prosperity has  
become knowledge itself in the  
form of educated people and  
their ideas.”



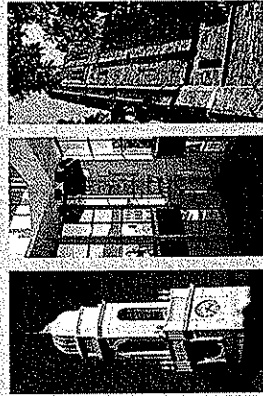
**J.J. Duderstadt and F.W. Womack**

Beyond the Crossroads: The Future of the Public University in America

Quoted in Rising Above the Gathering Storm: Energizing and Employing America for a  
Brighter Economic Future, by National Academy of Sciences, National Academy of  
Engineering, and Institute of Medicine of the National Academies, 2007



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# Thank You