



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

June 29, 2011

VIA HAND DELIVERY

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

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

Dear Governor Christie:

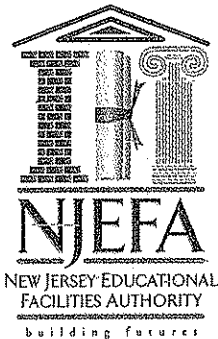
Enclosed please find an original and one copy of the minutes of the meeting of the New Jersey Educational Facilities Authority held on Tuesday, June 28, 2011.

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

Sincerely,

James Poole
Secretary

Enclosures



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
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**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, JUNE 28, 2011**

The meeting was called to order at 9:05 a.m. by Chairman Jacobs. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 10, 2011, to The Star Ledger, The Times and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Roger B. Jacobs, Esq., Chairman
Ridgeley Hutchinson, Vice Chairman
Joshua Hodes, Treasurer
Andrew P. Sidamon-Eristoff, State Treasurer (represented by Steven Petrecca)

AUTHORITY MEMBERS ABSENT:

Steven D. Weinstein, Chair, Comm. on Higher Education

STAFF PRESENT:

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

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Special Meeting of May 13, 2011

The minutes of the special meeting of May 13, 2011 were hand delivered to Governor Chris Christie under the date of May 13, 2011. Mr. Hutchinson moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Petrecca and passed unanimously.

2. Approval of the Minutes of the Meeting of May 24, 2011

The minutes of the meeting of May 24, 2011 were hand delivered to Governor Chris Christie under the date of May 25, 2011. Mr. Jacobs noted, for the record, that a portion of the minutes had been vetoed by Governor Christie. Mr. Petrecca moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Hutchinson and passed unanimously.

3. Amending Resolution for Provisions of Solar Energy Services at The Richard Stockton College of New Jersey

Ms. Newell reported that the Members had recently approved a solar power and related agreements between The Richard Stockton College of New Jersey and Soltage Stockton, LLC in April 2011 but that the College was unwilling to agree to certain terms insisted upon by Soltage. She reported that the College subsequently entered the agreement with Stockton Blue Sky Power, LLC and that the agreements contain terms necessary for the Authority and that the resolution consents to the substitution of Blue Sky Power, LLC and ratifies and confirms the agreements. Joseph Darby, manager of the project, represented the College by phone.

Mr. Hodes asked for an explanation of the process engaged in by the College to select a vendor. Mr. Darby indicated that Stockton distributed an RFP and initially selected Soltage as the lowest bidder and when Soltage insisted on unacceptable terms, the College turned to Blue Sky Power which had submitted the next acceptable proposal.

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

AMENDING RESOLUTION FOR THE PROVISION OF SOLAR ENERGY SERVICES AT THE RICHARD STOCKTON COLLEGE OF NEW JERSEY

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

The adopted resolution is appended as Exhibit I.

4. Release and Conveyance of Certain Real Property on the Campus of Montclair State University

Ms. Paterson reported that the resolution would authorize the Authority to release and convey a portion of certain property that the Authority holds title to on the campus of Montclair State University and would also authorize an amendment to the lease and agreement to reflect the release. She advised that the property being considered for the release was deeded to the Authority as part of a financing in 1982 and that the lease and agreements the Authority currently had expressly authorized the Authority to consider and agree to a release of property, if the property is determined not necessary for the construction or the use of the project. Ms. Paterson reported that the University would provide the Authority with a

certification that the property is not being used and that after the release of the property, the remaining property, subject to the lease, would be sufficient for the use and operation of the project. She reported that the Authority would also obtain a bond counsel legal opinion if the release is permitted under the document and that there would be no adverse effect on the tax-exempt status of the bonds.

Mr. Hodes asked for clarity on what the Members were being asked to vote on today. Ms. Paterson responded that the Authority was requesting approval to release and obtain bond counsel and to amend the agreement to affect the release. Mr. Hodes asked if it would not make more sense to get a legal opinion before releasing the land and Mr. Roncs advised that that was not generally the practice. Ms. Newell explained that the resolution could be conditioned on obtaining a satisfactory bond counsel opinion so that the Members could act on the resolution at today's meeting and be assured that the Authority would get a satisfactory bond counsel opinion before the release is affected and would make sure that the University understood the circumstances.

Mr. Jacobs asked Mr. Roncs if he thought it was more logical to get the legal opinion first and then take action. Mr. Roncs said he thought it would be more logical to authorize it now.

Mr. Poole questioned why the Authority takes mortgages and if the Authority should continue to do so in the future. He questioned why if the Authority has a loan or lease agreement with the institutions and the institutions are paying the Authority, why a mortgage is needed also and that if the property is not needed, why not give it back to the institution. Ms. Newell explained that with MSU, a public college, the Authority's statute authorizes the Authority and the public College to enter into leases between the Authority and the College in connection with the issuance of bonds and that the lease serves as evidence of the obligation of the College to repay the debt service on the bonds. She explained that the private colleges' mortgages were sometimes assigned to the bond trustees but that the Authority needs to have some property that is subject to a lease in order for the lease to be enforceable.

Mr. Jacobs asked Mr. Poole to examine the Authority's obligations and lease holdings and provide a report to the Members at a later meeting in order to take a more systemic approach.

Mr. Jacobs asked when the Members could expect an opinion by bond counsel that the aforementioned action was acceptable and staff advised within one week. Mr. Jacobs requested a motion approving the amended resolution to include that the Authority had received legal opinion of bond counsel within ten days.

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

RESOLUTION AUTHORIZING THE RELEASE AND CONVEYANCE OF CERTAIN
REAL PROPERTY ON THE CAMPUS OF MONTCLAIR STATE UNIVERSITY

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

The adopted resolution is appended as Exhibit II.

Robert English, Senior Vice President of Willis of New Jersey, Inc., joined the meeting following the MSU vote.

5. Resolution Approving Procurement of Insurance Coverage

Ms. Mueller reported that at the June 22, 2010 meeting the members appointed Willis of New Jersey, Inc. as the Authority's insurance broker for a term of three years from July 1, 2010 through June 30, 2013 with an optional one-year renewal.

Ms. Mueller advised that the Authority's insurance was up for renewal on July 1, 2011 and that Willis of New Jersey had recommended insurance carriers for the current annual renewal. She reported that staff had determined that it was in the Authority's best interest to accept the brokers' recommendation set forth in the term sheets and recommended procurement of insurance for the period July 1, 2011 through June 30, 2012 with the insurance carriers listed.

Robert English of Willis of New Jersey described the term sheets. Mr. Jacobs questioned the Authority's need for \$7 million in liability insurance. Mr. English explained that he had looked at the Authority's by-laws and that there was no indemnification for the Members included in the by-laws. Mr. English stated that \$5 million coverage was established years ago but because of the growth of the Authority the amount had been increased. Mr. Jacobs suggested that perhaps it would be less expensive to amend the by-laws since the Authority had not filed any claims. Mr. English advised that in addition to coverage from professional malpractice the insurance also covered Employment Practice Liability, such as wrongful termination, discrimination and sexual harassment.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING PROCUREMENT OF INSURANCE COVERAGE

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

The renewal term sheets and exhibits are appended as Exhibit III.

6. Report on Operating Statements

Ms. Mueller reviewed the Results of Operations and Budget Variance for May 31, 2011.

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

The reports are appended as Exhibit IV.

7. Resolution Approving the Authority's Annual Report for 2010

Ms. Stitt reported that the resolution would approve and adopt the Authority's 2010 Annual Report in accordance with E.O. 37. She reported that the Annual Report represented the comprehensive annual report of the Authority's operations for 2010 and includes the Authority's financial statements which were adopted at the March 2011 meeting. Ms. Stitt stated that the Annual Report sets forth a discussion of the degree of success of the Authority in promoting the States' economic growth policies and provides a certification by the Executive Director that the Authority followed all the standard procedures and internal controls for the year.

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

RESOLUTION APPROVING THE AUTHORITY'S 2010 ANNUAL REPORT

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

The adopted resolution is appended as Exhibit V.

8. Report on Recent Bond Sales

Ms. Soyka reported that the Authority priced the Series 2011-C bonds on behalf of Rowan University in the amount of \$30,045,000 on May 11, 2011. The negotiated, fixed rate transaction had net present value savings of \$3,831,495 with a true interest cost of 3.70% and a final maturity of July 1, 2025. The issue closed on May 25, 2011.

Ms. Soyka reported that the Authority also priced the 2011 Series-A bonds on behalf of Seton Hall University in the amount of \$35,470,000 on June 1, 2011. The negotiated, fixed rate transaction had net present value savings of \$2,898,600 with a true interest cost of 2.99% and a final maturity of July 1, 2026. The issue closed on June 10, 2011.

Copies of the Bond Sale Summaries are appended as Exhibit VI.

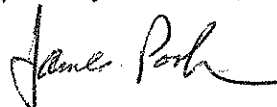
9. Next Meeting Date

Chairman Jacobs advised Mr. Poole that he wanted to discuss, along with counsel, how to amend the Authority's by-laws with regard to the Authority's insurance. He also reported that he had given a presentation to the Association of Independent Colleges and Universities in New Jersey on June 6, 2011 in Lambertville, New Jersey. Mr. Poole reported that he had given a presentation to the Alliance for Action on June 16th.

Chairman Jacobs announced that the next meeting would be on Tuesday, July 26, 2011 at the Authority's office and requested a motion to adjourn.

Mr. Hutchinson moved that the meeting be adjourned at 9:44 a.m.; the motion was seconded by Mr. Petrecca and passed unanimously.

Respectfully submitted,



James Poole
Secretary

**AMENDING RESOLUTION FOR THE PROVISION OF SOLAR
ENERGY SERVICES AT THE RICHARD STOCKTON COLLEGE OF
NEW JERSEY**

June 28, 2011

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

WHEREAS, as authorized pursuant to the Act, the Authority assisted The Richard Stockton College of New Jersey (the "College") in financing and refinancing the construction of various housing facilities and parking in the area referred to herein as the North Residential Complex through the issuance of various bonds including the Authority's outstanding Revenue Bonds, The Richard Stockton College of New Jersey Issues, Series 1988 A, Series 2005 F, Series 2006 F, Series 2007 G and Series 2008 A (collectively, the "Authority Bonds"); and

WHEREAS, as security for repayment by the College of the Authority Bonds, the Authority has title to certain parcels of the North Residential Complex and leases the North Residential Complex to the College pursuant to Lease and Agreements by and between the Authority and the College dated as of April 1, 1988, October 1, 2005, September 1, 2006, December 1, 2007 and August 1, 2008; and

WHEREAS, by resolution of the Authority adopted on April 26, 2011 (the "Prior Resolution") the Authority approved entry by the College into a Power Purchase Agreement and Sub-Lease and Access Agreement for provision of electricity for the North Residential Complex through solar power by Soltage Stockton, LLC, as Provider; and

WHEREAS, the College subsequently determined to enter into such agreements with Stockton Blue Sky Power, LLC, as Provider instead of Soltage Stockton, LLC; and

WHEREAS, the terms of the Power Purchase Agreement and the Sub-Lease and Access Agreement with Stockton Blue Sky Power are substantially the same as those in the Agreements expected to be entered with Soltage Stockton, LLC; and

WHEREAS, the staff of the Authority has advised the Members that the terms necessary to protect the interests of the Authority are unchanged; and

WHEREAS, the College has requested the Authority to acknowledge and accept Stockton Blue Sky Power, LLC, as the Provider pursuant to the Power Purchase Agreement and the Sub-Lease and Access Agreement and the Authority has determined that it is advisable to do so;

NOW, THEREFORE, BE IT RESOLVED:

1. The Authority hereby acknowledges and accepts Stockton Blue Sky Power, LLC as the Provider pursuant to the Power Purchase Agreement and the Sub-Lease and Access Agreement and hereby amends the Prior Resolution by substituting Stockton Blue Sky Power, LLC for Soltage Stockton, LLC as Provider and confirms and ratifies the Prior Resolution as so amended.
2. Any and all prior actions taken by the Authority in connection with the entry into the Power Purchase Agreement and the Sub-Lease by the Authority pursuant to the Prior Resolution as hereby amended are ratified and confirmed.
3. This Resolution shall take effect in accordance with the provisions of the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: Steven D. Weinstein

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

**RESOLUTION AUTHORIZING THE RELEASE AND
CONVEYANCE OF CERTAIN REAL PROPERTY ON THE CAMPUS OF
MONTCLAIR STATE UNIVERSITY**

Adopted: June 28, 2011

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority"), pursuant to its General Bond Resolution adopted on October 1968, as amended and supplemented, including by the Series 1982 C Bond Resolution adopted on February 3, 1982 and any other resolutions supplemental thereto or relating to the hereinafter defined Series 1982 C Project (the "Resolutions") authorized and issued the Authority's initial Revenue Bonds, Montclair State College Issue, Series 1982 C which financed, *inter alia*, the development of the northern half of the campus of Montclair State College, now known at Montclair State University (the "University") to reshape the quarried lands of the campus to provide major athletic facilities and increase existing parking areas (the "Series 1982 C Project"); and

WHEREAS, the Authority and the Board of Trustees of the University pursuant to the Resolutions have entered into a Lease and Agreement dated as of March 1, 1980, as amended February 1, 1982 for the financing of the Series 1982 C Project which was further amended to provide for the refinancing of the Series 1982 C Bonds by the Series 1983 B Bonds, Series 1986 I Bonds, Series 1996 D Bonds and the Series 2006 B Bonds, respectively (the "Agreement") pursuant to which the Authority leases to the University the facilities comprising the Series 1982 C Project and other sites on which certain facilities are located (the "Project Site") and the University is obligated, *inter alia*, to make rental payments sufficient to pay debt service on the Authority's outstanding bonds issued on behalf of the University as it relates to the Project Site; and

WHEREAS, the University has requested that the Authority release and convey a portion or portions of the Project Site that have not been utilized as a part of the Series 1982 C Project back to the appropriate State entity in accordance with the terms of the Agreement (the "Released Project Site"); and

WHEREAS, the University, the Authority and the respective counsel have determined that: (a) the Released Project Site is not necessary for the development and use of the Series 1982 C Project; and (b) the release and conveyance of that portion of the Project Site as requested by the University will not reduce or otherwise adversely affect the value of the Series 1982 C Project; and

WHEREAS, in accordance with the Agreement, the Authority in reliance on information provided by the University that the Released Project Site is not necessary for construction and use of the Series 1982 C Project, has determined it is necessary and advisable to release the Released Project Site and to convey it to the appropriate State entity; and

WHEREAS, in order to effectuate the release and conveyance, it will be necessary to amend the Agreement to reflect the release of the Released Project Site and the remaining portion of the Project Site (the "Amendment") and for the Authorized Officers of the Authority (as defined herein) to execute a deed or deeds conveying the Released Project Site (the "Deed").

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

Section 1. Authorization of Release and Conveyance. The Authority hereby approves the release of the Released Project Site from the Agreement and the conveyance thereof to the appropriate State entity. The Authority hereby authorizes an Authorized Officer to execute and attest the Deed conveying the Released Project Site as authorized herein. In addition, the Authority hereby authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director or Director of Risk Management of the Authority (each an "Authorized Officer") to: (a) effect the release and conveyance and execute and attest said Deed under the official common seal of the Authority; (b) execute and deliver the Amendment; and (c) execute and attest any other documents and take any and all such other actions as may be necessary or appropriate to effect the release and conveyance; such Amendment and documents to be executed in the form satisfactory to the Authorized Officer executing the same with the advice of Bond Counsel and/or the Office of the Attorney General.

Section 2. Effective Date. This Resolution shall take effect in accordance with the provisions of N.J.S.A. 18A:72A-4(i).

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

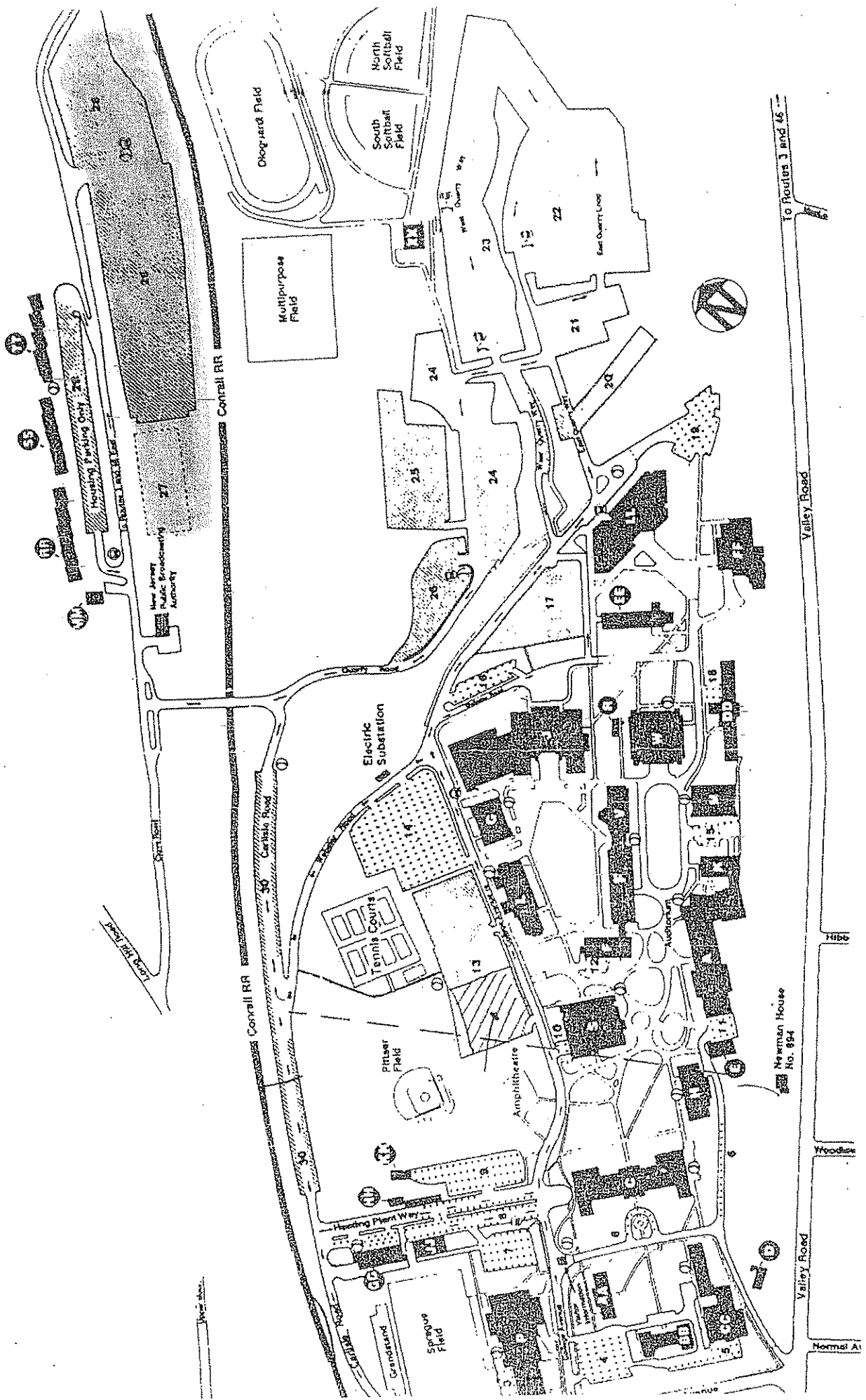
AYE: Roger B. Jacobs
Ridgeley Hutchinson
Joshua Hodes
Andrew Sidamon-Eristoff (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Steven D. Weinstein

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



1" = 100'

To Routes 3 and 46

Valley Road

Newman House
No. 894

Hills

Woodlawn

Valley Road

Normal At

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING PROCUREMENT OF INSURANCE COVERAGE**

Adopted: June 28, 2011

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

WHEREAS: The Authority is required in order to fulfill contractual obligations and in order to operate in a prudent business manner to carry property insurance, liability insurance, automobile insurance, workers compensation and directors and officers liability insurance; and

WHEREAS: At the meeting of June 22, 2010, the Authority appointed Willis of New Jersey, Inc. as the Authority's Insurance Broker for a term of three years from July 1, 2010 to June 30, 2013 with an optional one-year renewal; and

WHEREAS: The Authority's Insurance Broker has recommended which insurance carriers should be selected for the current annual renewal, and these are set forth on the term sheets attached hereto (the "Term Sheets") and are as follows:

| | |
|---|---------------|
| American Alternative General Liability and 1 st Umbrella | \$78,178 |
| Fireman's Fund 2 nd Umbrella Liability | \$18,619 |
| Hartford Workers Compensation | \$ 5,557 |
| RSUI Directors & Officers | \$21,840; and |

WHEREAS: The Authority has determined that it is in the Authority's best interest to accept the Insurance Broker's recommendation as to the insurance carriers as set forth above and on the Term Sheets.

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

SECTION 1. The Authority hereby authorizes procurement of insurance coverage for the period July 1, 2011 through June 30, 2012 with the insurance carriers, for the respective types of insurance coverage and on the terms and conditions set forth above and on the Term Sheets.

SECTION 2. The Authority hereby authorizes the Executive Director or the Controller to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: Steven D. Weinstein

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RENEWAL TERM SHEET – GENERAL INSURANCE

For the Period 7/1/11 to 7/1/12

COVERAGE:

| | |
|-------------------------------------|--|
| General Liability: | \$ 1,000,000 per Occurrence, no retention |
| 1 st Umbrella Liability: | \$10,000,000 per Occurrence |
| 2 nd Umbrella Liability: | \$15,000,000 per Occurrence |
| E.F.A. Property: | \$ 400,000 - \$5,000 Deductible |
| Property Legal Liability: | \$ 500,000 |
| Automobile: | \$ 1,000,000 per accident - \$1,000-Deductible |
| Workers Compensation: | NJ Statutory Limits (\$1,000,000 per accident Employers Liability) |

| | <u>Expiring Policies</u> | <u>Proposed Renewal</u> |
|---------------------|---------------------------------|--|
| Term: | 7/1/10 – 7/1/11 | 7/1/11 – 7/1/12 |
| Carrier: | Zurich/Fireman’s Fund/Hartford | American Alternative/Fireman’s Fund/Hartford |
| Ratings: | | |
| A.M. Best | A XV, A XV, A XV | A XV, A XV, A XV |
| Premiums: | \$ 106,740 | \$ 102,354 |
| PLIGA: | \$ 915 | \$ 1,073 |
| Policy Fees: | \$ 321 | \$ 450 |

Marketing Effort and Responses:

| <u>Firm</u> | <u>Response</u> |
|----------------------|--|
| American Alternative | Provided cover quote of \$78,178 |
| Fireman’s Fund | Provided cover quote on 2 nd Umbrella of \$18,619 |
| Chubb | Declined – Not a Market |
| Praetorian | Did not meet coverage requirements |
| Hartford | Provided cover quote on Workers Compensation of \$5,557 |
| Selective | Declined – Not a Market |
| Travelers | Declined – Not a Market |
| Zurich | No Longer a Market |

| <u>Premiums</u> | <u>2010-11</u> | <u>2011-12</u> |
|--------------------------|-----------------------|-----------------------|
| Automobile | \$ 4,725 | \$ 2,504 |
| General Liability | \$ 62,218 | \$ 60,778 |
| Property/Computers/Crime | \$ 935 | \$ 1,015 |
| 1 st Umbrella | \$ 14,039 | \$ 13,881 |
| 2 nd Umbrella | \$ 19,812 | \$ 18,619 |
| Workers Compensation | \$ 5,011 | \$ 5,557 |
| PLIGA | \$ 915 | \$ 1,073 |
| Policy Fees | \$ 321 | \$ 450 |
| TOTAL | \$107,976 | \$103,877 |

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RENEWAL TERM SHEET – DIRECTORS & OFFICERS

For the Period 7/1/11 to 7/1/12

COVERAGE:

Limit: \$7,000,000 per Occurrence and Aggregate.

Retention: Zero Non-Indemnifiable Loss
\$50,000 with Authority Reimbursement

| | <u>Expiring Policies</u> | <u>Proposed Renewal</u> |
|-------------------|---------------------------------|--------------------------------|
| Term: | 7/1/10 – 7/1/11 | 7/1/11 - 7/1/12 |
| Carrier: | RSUI | RSUI |
| Ratings: | | |
| A.M. Best | A XII | A XII |
| Premiums: | \$22,930.00 | \$21,840.00 |
| PLIGA/Tax | \$ 206.37 | \$ 196.56 |
| Policy Fee | \$ 100.00 | \$ 100.00 |
| Total | \$23,236.37 | \$22,136.56 |

Marketing Effort and Responses:

| <u>Firm</u> | <u>Response</u> |
|--------------------|---------------------------------------|
| RSUI | Provided Renewal Quote of \$22,036.56 |
| Arch | Declined – Could Not Compete |
| ACE | Declined – Not a Market |
| Allied World | Declined – Not a Market |
| Travelers | Declined – Not a Market |
| Chartis | No Response by Due Date |
| Chubb | No Response by Due Date |

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2011 BUDGET VARIANCE ANALYSIS
FOR FIVE MONTHS ENDED MAY 31, 2011**

Executive Summary

The NJEFA concluded the first five months of 2011 with net operating income in the amount of \$304,315, based on revenues of \$1,520,712 and expenses of \$1,216,397. As a result, net operating income is higher than budgeted by \$180,330. This difference is a result of less than budgeted expenses in the amount of \$196,113 partially offset by less than expected revenues in the amount of \$15,783.

Revenues

Revenues were below budget for the first five months of the year primarily due to lower than expected Initial Fee Income.

Expenses

Operating expenditures for the first five months of the year were favorable as compared to budget by \$196,113. Most of the line items display positive deviations and are primarily the result of timing.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
MAY 2011**

| | Month Ended May 31, 2011 | | | Five Months Ended May 31, 2011 | | |
|---|-----------------------------|-------------------|-------------------|-----------------------------------|---------------------|--------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
| <u>Operating Revenues</u> | | | | | | |
| Annual Administrative Fees | \$279,924 | \$279,924 | \$ - | \$ 1,399,620 | \$ 1,399,620 | \$ - |
| Initial Fees | 98,270 | 26,250 | 72,020 | 113,270 | 131,250 | (17,980) |
| Investment Income | 542 | 1,125 | (583) | 7,822 | 5,625 | 2,197 |
| | <u>\$ 378,736</u> | <u>\$ 307,299</u> | <u>\$ 71,437</u> | <u>\$ 1,520,712</u> | <u>\$ 1,536,495</u> | <u>\$ (15,783)</u> |
| <u>Operating Expenses</u> | | | | | | |
| Salaries | \$ 84,825 | \$ 112,464 | \$ 27,639 | \$ 532,312 | \$ 615,602 | \$ 83,290 |
| Employee Benefits | 25,989 | 33,963 | 7,974 | 299,122 | 322,553 | 23,431 |
| Provision for Post Ret. Health Benefits | 12,500 | 12,500 | - | 62,500 | 62,500 | - |
| Office of The Governor | 1,500 | 1,500 | - | 7,500 | 7,500 | - |
| Office of The Attorney General | 4,667 | 4,667 | - | 23,335 | 23,335 | - |
| Sponsored Programs | - | 1,250 | 1,250 | - | 6,250 | 6,250 |
| Telephone | 1,646 | 2,208 | -562 | 6,461 | 11,040 | 4,579 |
| Gasoline & Auto Maintenance | 10 | 1,555 | 1,545 | 656 | 6,620 | 5,964 |
| Rent | 18,698 | 19,667 | 969 | 91,948 | 98,335 | 6,387 |
| Utilities | 1,686 | 1,792 | 106 | 8,433 | 8,960 | 527 |
| Postage | 153 | 527 | 374 | 999 | 2,308 | 1,309 |
| Office Supplies & Expenses | 3,153 | 3,864 | 711 | 11,389 | 15,956 | 4,567 |
| Travel & Official Receptions | 1,801 | 2,209 | 408 | 4,074 | 9,036 | 4,962 |
| Staff Training & Tuition Reimbursement | 2,477 | 2,345 | (132) | 3,461 | 9,580 | 6,119 |
| Insurance | 2,873 | 2,873 | - | 12,628 | 14,365 | 1,737 |
| Annual Report & Newsletters | - | 2,417 | 2,417 | 3,330 | 12,085 | 8,755 |
| Public Relations | - | 750 | 750 | - | 3,750 | 3,750 |
| Professional Services | 383 | 400 | 17 | 73,082 | 98,900 | 25,818 |
| Dues & Subscriptions | 1,691 | 3,542 | 1,851 | 30,560 | 27,835 | (2,725) |
| Data Processing | 3,500 | 4,000 | 500 | 14,000 | 16,000 | 2,000 |
| Maintenance of Equipment | 3,172 | 3,667 | 495 | 8,942 | 18,335 | 9,393 |
| Depreciation | 4,333 | 4,333 | - | 21,665 | 21,665 | - |
| Contingency | - | - | - | - | - | - |
| | <u>\$ 175,057</u> | <u>\$ 222,493</u> | <u>\$ 47,436</u> | <u>\$ 1,216,397</u> | <u>\$ 1,412,510</u> | <u>\$ 196,113</u> |
| Net Operating Income | <u>\$ 203,679</u> | <u>\$ 84,806</u> | <u>\$ 118,873</u> | <u>\$ 304,315</u> | <u>\$ 123,985</u> | <u>\$ 180,330</u> |

RESOLUTION APPROVING THE AUTHORITY'S 2010 ANNUAL REPORT

Adopted: June 28, 2011

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, N.J.S.A. 18A:72A-1 et seq., as amended (the "Act"); and

WHEREAS: The Authority has prepared its Annual Report for 2010 (the "2010 Annual Report"); and

WHEREAS: The 2010 Annual Report, which includes the 2010 Financial Statements, is a comprehensive report of the Authority's operations prepared in accordance with Executive Order No. 37 (2006) ("EO 37"); and

WHEREAS: A copy of the 2010 Annual Report is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1. The Members of the Authority hereby approve and adopt the 2010 Annual Report, as attached hereto.

SECTION 2. The Members of the Authority hereby authorize and direct the Executive Director to take all actions necessary as required under EO 37.

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

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

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

NAY: None

ABSTAIN: None

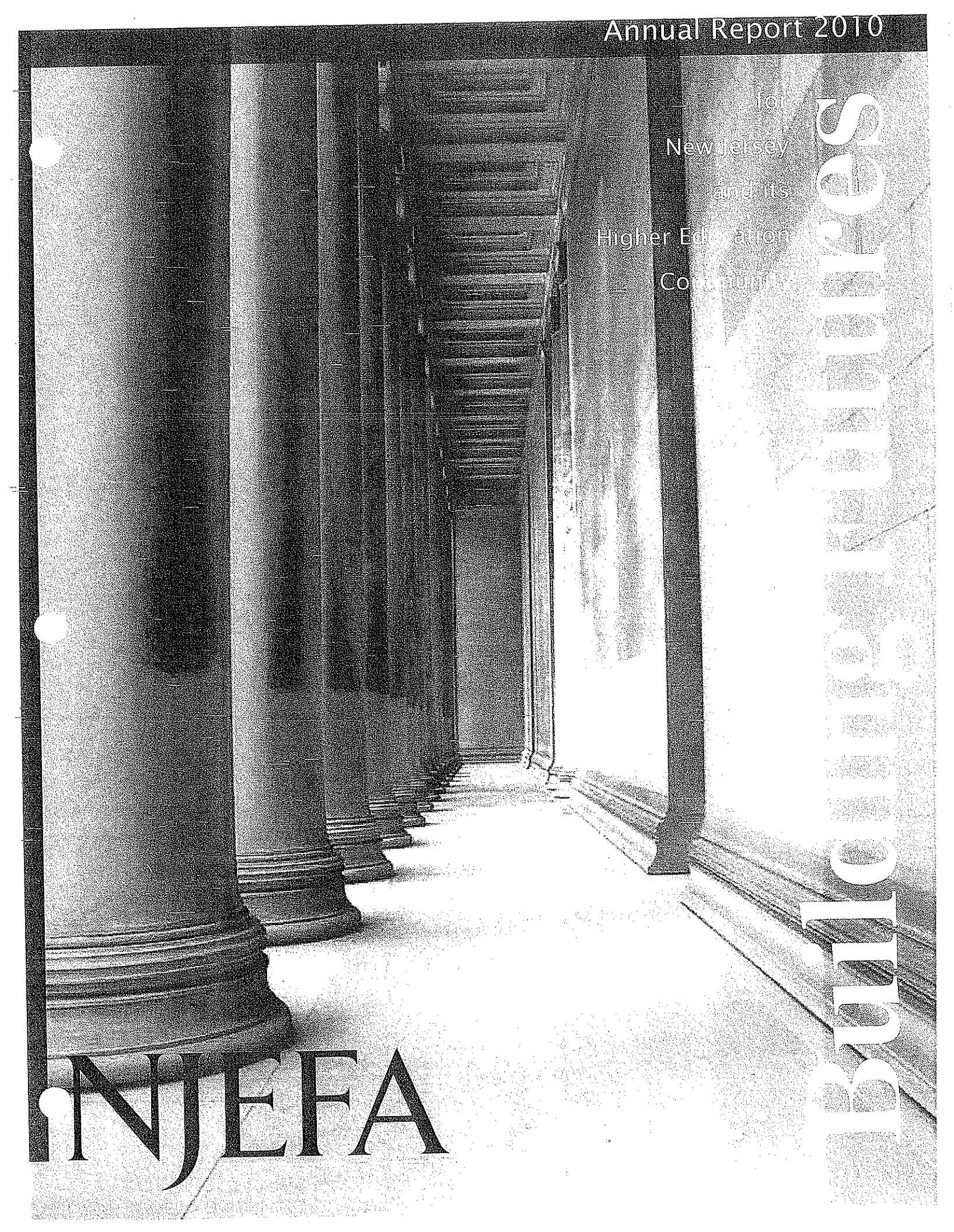
ABSENT: Steven D. Weinstein

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

for
New Jersey
and its
Higher Education
Community

Build Communities

INJEFA



Our mission

**is to support
world-class
higher
education
in New Jersey.**

**As a public fiduciary,
our business is to
help our college and
university clients
obtain low-cost
financing for the
development of their
facilities.**

**We are helping our
clients invest in the
treasures that are
our colleges and
universities, so they
can provide the
opportunities for
our citizens that will
build the future of
New Jersey.**

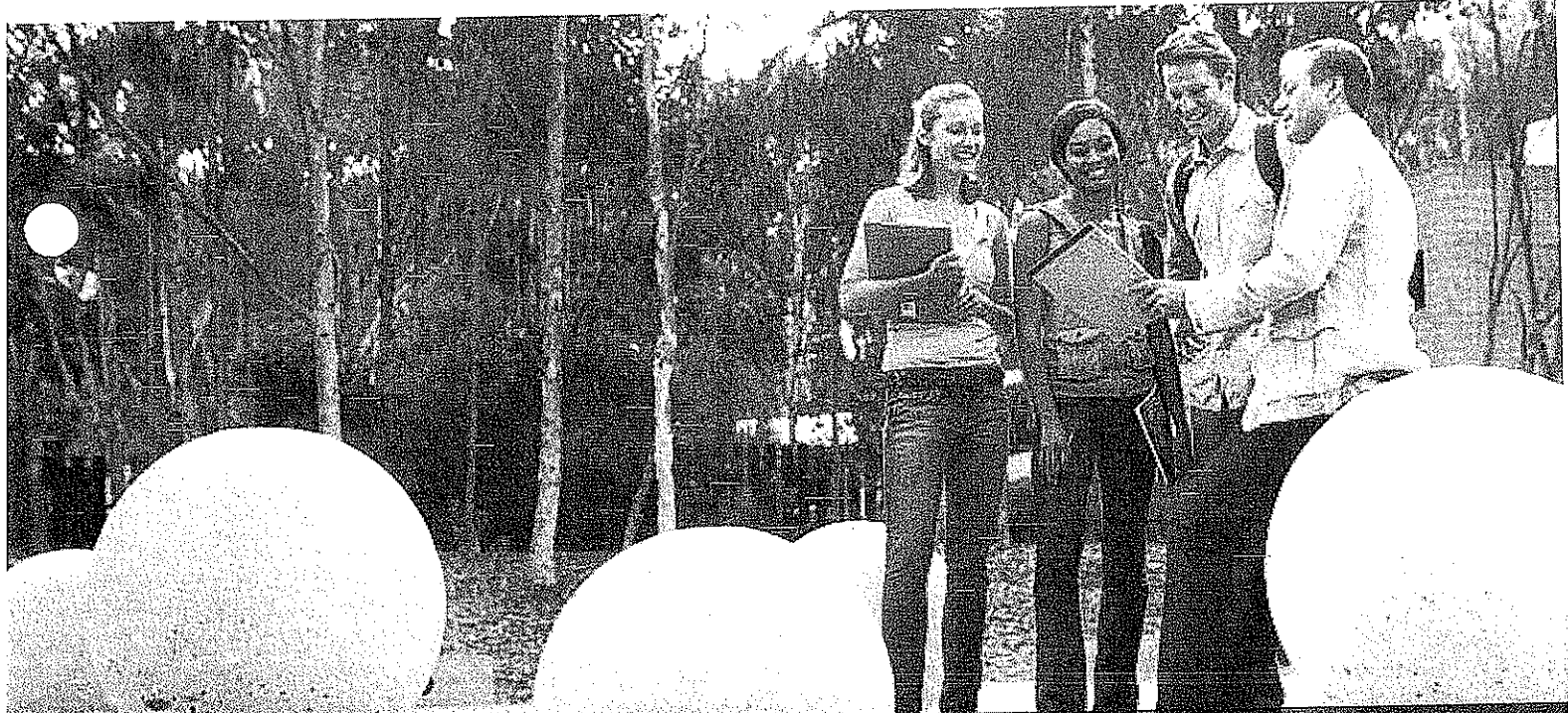


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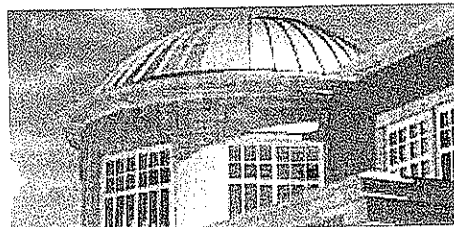
25 Historical Financings



Inside Back Cover

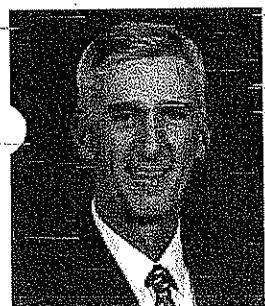
— 2010 Financial Statements and
Supplemental Financial Information on CD

— Certification Pursuant to Executive
Order No. 37





Roger B. Jacobs, Esq.
Chairman



James S. Poole
Executive Director

To the Governor and Members of the New Jersey Legislature:

The New Jersey Educational Facilities Authority (NJEF A) proudly presents its 2010 Annual Report, marking the Authority's 44th year of support for higher education in New Jersey.

Throughout the year, the Authority and its clients, along with municipal market participants across the country, faced a less volatile market as the nation's economy showed slight improvement. Interest rates in the capital financial markets remained favorable during the year which, according to Thompson Reuters, helped lead to a record municipal bond volume of \$431 billion and 13,567 issues, of which \$37 billion represented national higher-education issuance.

As the financial markets returned to a "new normal" in 2010, the Authority's activity saw a substantial return to new-project financings with \$531 million in total transactions. More than 85% represented new investment in New Jersey's colleges and universities as they financed projects to improve, expand and modernize their campuses.

The Authority has long recognized that such investments, while critical to the success of our institutions, are also vital to New Jersey's economic well being. Every time the Authority provides financing to help a college or university invest in its facilities, there is a seismic impact on the State's economy. This investment is economic stimulus that creates jobs necessary to sustain an academic campus; jobs that fuel the construction industries; jobs in research and development that contribute to the production of new technologies, products, and industries; jobs in the host communities that support our colleges and so much more.

However, making the necessary investments in higher education for New Jersey to educate its population and to remain prosperous is a growing challenge. For state government, the chasm between needs and resources grows every year. For our colleges and universities, the persistent recessionary economy has forced them, along with every other business and industry in the nation to rethink their business models as they are confronted each and every day with the realities of needing to do more with less.

During these extraordinary times, NJEF A applauds the leadership of our colleges and universities as they continue to advance higher education in New Jersey. We look forward to continuing to be a trusted and productive partner with them in seeking new and more cost effective ways of financing their campus facilities. We also remain committed to the broader contribution of our work to New Jersey's economic prosperity and will continue to be an engine for growth in our diverse and dynamic state.

We thank Governor Christie and the Members of the Legislature for their support throughout the year. We also thank NJEF A's Members for their vision and leadership and the Authority's exceptional staff for their continued dedication and hard work throughout 2010.

About the NJEFA

The New Jersey Educational Facilities Authority was established in 1966 to provide assistance to New Jersey's public and private colleges and universities by giving them access to tax-exempt financing through the facility of a public agency.



NJEFA Members



Roger B. Jacobs, Esq.,
Chairman



Ridgeley Hutchinson
Vice Chairman



Joshua E. Hodes
Treasurer



Andrew P. Sidamon-Eristoff
*Treasurer of New
Jersey, Ex-Officio*



Steven D. Weinstein
*Chair, Commission on Higher
Education, Ex-Officio*

NJEFA Executive Staff

James S. Poole
Executive Director

Marie P. Mueller
Controller

Katherine A. Newell, Esq.
Director of Risk Management

Sheryl A. Stitt
Director of Communications

About the NJEFA

Oversight and direction of NJEFA is entrusted to a seven-member board composed of five public, unsalaried members appointed to five-year terms by the Governor with confirmation by the New Jersey Senate. The State Treasurer and Chair of the Commission on Higher Education serve ex-officio.

The mandate of NJEFA is to issue tax-exempt and taxable debt on behalf of qualified institutions of higher education to facilitate their capital finance and development needs. The bonds and other financial instruments of the Authority are special and limited obligations, secured and repaid by the institution for which it provides financing.

NJEFA's bonds and other obligations have no guarantee of repayment by the State unless authorized by statute. Exceptions occur only when the State assumes a repayment obligation and identifies a repayment source. The latter is the case in the State's commitment to pay debt service on bonds issued under programs like the Higher Education Capital Improvement Fund.

Institutions of higher education can utilize NJEFA financing for a variety of projects including construction, renovation, improvement and expansion of academic buildings such as classroom facilities, laboratories and research facilities. Also eligible are auxiliary service facilities like dining halls, utility plants, libraries, dormitories, athletic facilities, parking facilities, student unions, administration buildings and campus health care facilities. Authority financing can be utilized as well for the acquisition of capital equipment such as high technology and research equipment.

Eligible institutions, including accredited two- and four-year colleges and universities,

identify their capital and construction requirements and then work with NJEFA to develop financing that will meet the fiscal needs of their projects. Working with the institution, NJEFA will take its bond issue to market, capitalizing on the lower interest rates the Authority can obtain as a public fiduciary.

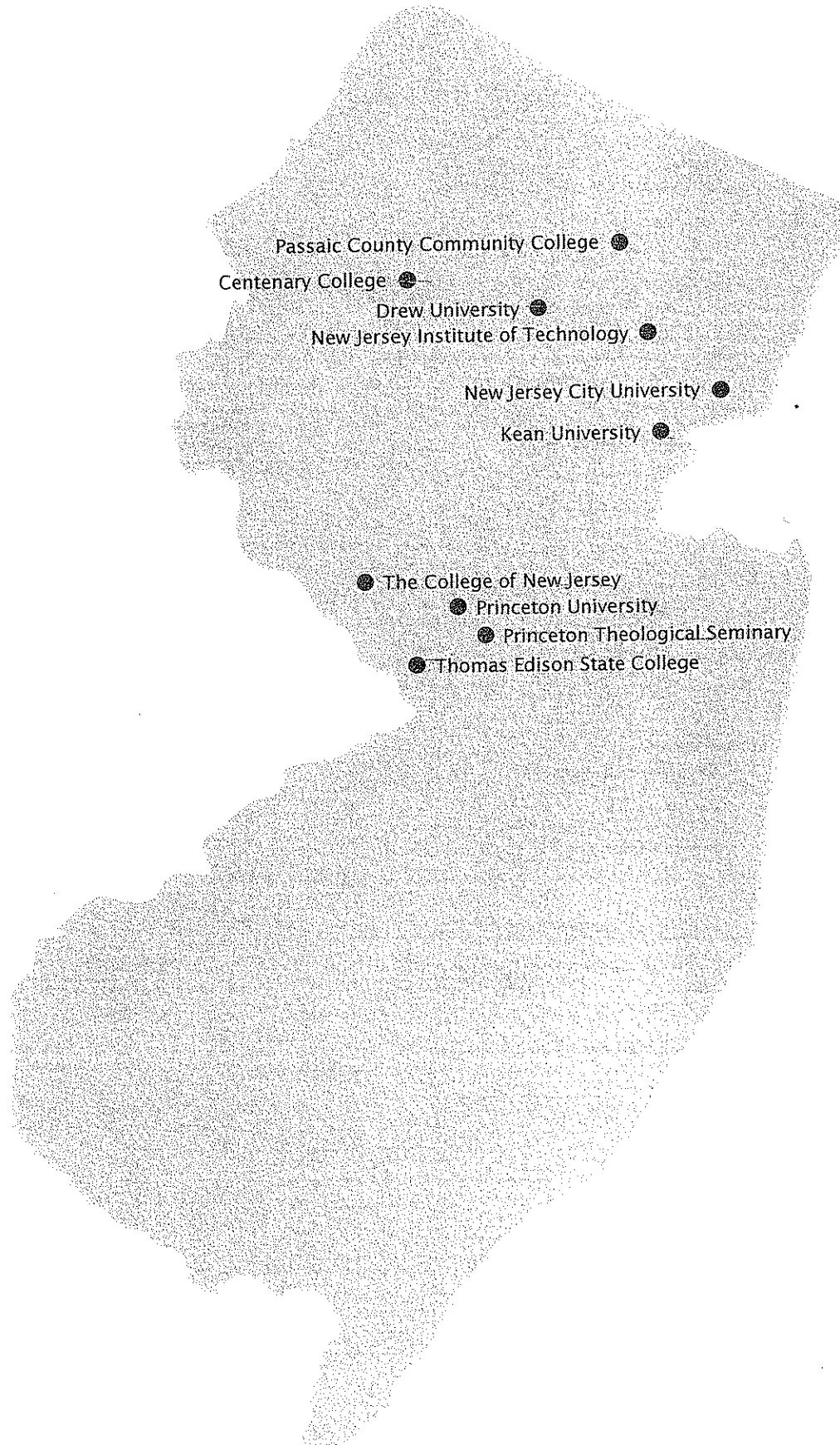
Using a hands-on approach, the Authority manages its clients' financings from beginning to end. During the pre-issuance process, members of the Authority staff help prepare rating agency presentations and legal documents, conduct due diligence, and negotiate the sale of the bonds or manage the competitive bidding process.

The Authority stays involved in its clients' financings for the duration of the issues—typically 30 years. Staff members review and process all bond fund requisitions, invest bond proceeds, retain rebate service providers, retain swap monitors, and assist borrowers with tax and security law issues, among others. Staff also observes its clients' compliance with continuing disclosure, monitors the capital markets for refinancing opportunities, and helps clients with rating agency surveillance.

The Authority has never experienced a default. As a result, its reputation for fiscal responsibility and integrity is impeccable and carries the practical benefit of lower interest rates for its clients.

NJEFA Serving Its Clients In 2010—

Lowering financing costs for New Jersey's Public and Private Colleges and Universities



After two years of managing the consequences of the global financial crisis and related market disruptions, funding for new projects at New Jersey's colleges and universities in 2010 outpaced refinancing activity for the first time since 2004.

The New Jersey Educational Facilities Authority closed 10 transactions for 10 clients with a total combined par value of nearly \$531 million. Of that amount, \$450 million or about 85 percent, represented new money for campus improvement projects, while about \$80 million was for refinancings.

This compares to the previous two years when the majority of the Authority's deals were refinancings or restructurings that entailed shifting some of its clients' portfolios into fixed rate instruments following the collapse of the Auction Rate Securities and Variable Rate Demand Bond markets in 2008. Of the \$1.2 billion in total transactions in 2008, nearly \$800 million was dedicated to refinancing debt, and of the \$490 million total transactions in 2009, about \$450 million refinanced debt.

The 2010 activity brings to 453 the number of transactions completed by the Authority since its establishment in 1966. Since inception, the Authority's financings have a combined value of approximately \$12.6 billion, of which about \$5.4 billion is currently outstanding.

2010 Highlights

Three of the Authority's financings in 2010 took advantage of Build America Bonds (BABs), which were created under the American Recovery and Reinvestment Act signed by President Obama in February 2009. The BABs program, which expired at the end of 2010, allowed qualified governmental issuers to sell taxable bonds for new capital projects and receive a federal subsidy equal to 35 percent of the interest cost.

As a result, Build America Bonds were instrumental in lowering the cost of capital for higher education projects in New Jersey. These projects included a new academic building for The College of New Jersey; acquisition of a former high school by the New Jersey Institute of Technology for use as an academic facility; and various capital projects at New Jersey City University.

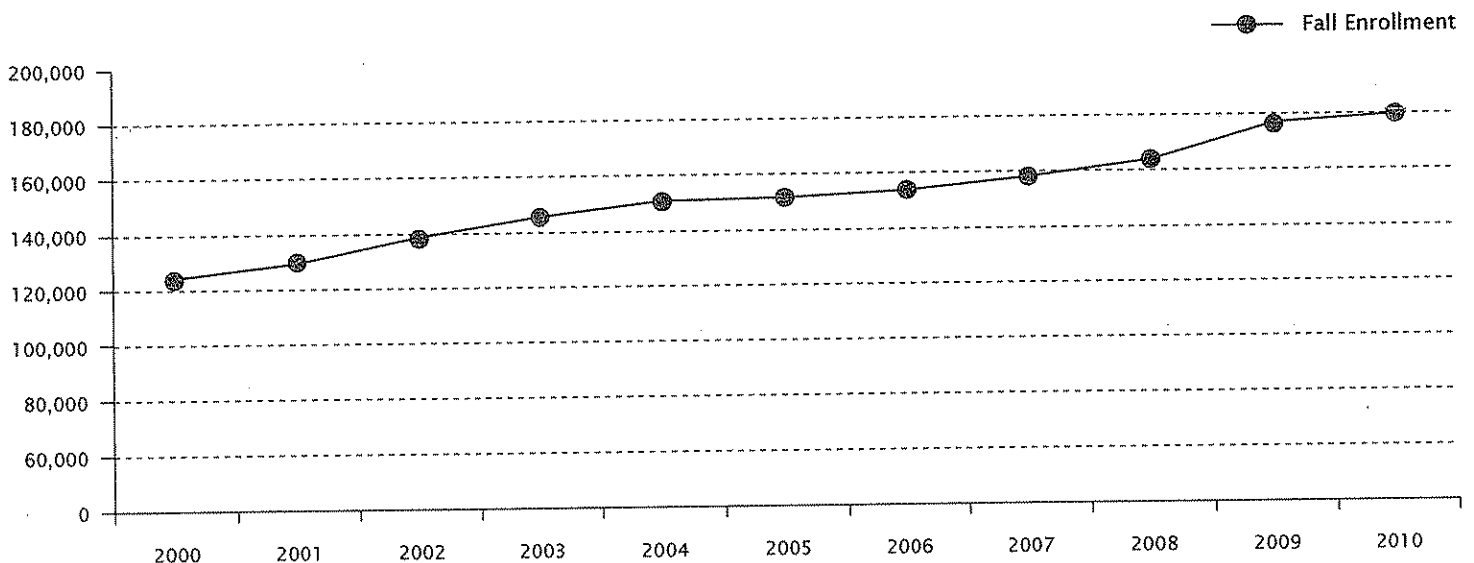
As the Authority and its clients benefitted from the BABs program, higher education officials in the rest of the country also were attracted to the low, long-term,

after-subsidy yields offered by BABs as a method to finance important campus improvements. Nearly 40 percent of the \$37 billion in higher education debt issued nationwide consisted of BABs.

The popularity of Build America Bonds contributed to the boost in the municipal financial markets, which set an all-time record in 2010, rising 5.4 percent to \$431.1 billion. Of the total municipal bonds issued, Build America Bonds captured 24.4 percent of the market share or \$117.3 billion.

In addition to the 2010 deals financed with Build America Bonds, the Authority completed its first stand-alone financing for a community college, Passaic County Community College. This transaction signifies a growing need for capital investment in this sector due to rising enrollment and limited state support. In the last 10 years, enrollment at the State's community colleges grew by 39 percent. This sector now serves over 180,000 students each year making it the largest and fastest growing public sector of higher education in the State.

Community College Enrollment



Source: New Jersey Commission on Higher Education

2010 Transactions

The New Jersey Educational Facilities Authority completed 10 financings for 10 clients totaling nearly \$531 million. More than \$450 million funded new projects and nearly \$79 million was for restructurings.





Princeton University

10%

Applicants Admitted

15%

In-State Students

7,502

Total Enrollment

2010 Series B

The Authority issued \$250 million revenue bonds in its 2010 Series B financing on behalf of Princeton University.

Bond proceeds will be used to acquire, construct, renovate and install certain capital assets located on the University's main campus in Princeton, its Forrestal campus in Plainsboro and its administrative buildings in West Windsor. Among these projects are development of its science neighborhood, renovation and repair of various buildings and facilities, including utility systems, roads, grounds and parking; the purchase of capital equipment for academic departments and administrative and supporting units; and the construction of academic, administrative and student related facilities.

The 2010 Series B bonds were competitively sold at fixed rates, carry a true interest cost of 4.033 percent and will mature on July 1, 2040.

Type of School **4-Year** • Private

Located in **Princeton**

Hepburn Hall



New Jersey City University

43%

Applicants Admitted

98%

In-State Students

8,399

Total Enrollment

Series 2010 F (Tax-Exempt) and Series 2010 G (Build America Bonds)

The Authority issued \$42,375,000 revenue bonds on behalf of New Jersey City University. The University used proceeds from the sale to currently refund all of its outstanding Series 1999 B bonds as well as to finance the costs of acquisition, construction, renovation and installation of certain capital assets on the University's campus.

The financing was structured as a fixed rate, negotiated sale and included a \$10 million tax-exempt current refunding and approximately \$30 million of taxable Build America Bonds. The Series 2010 F bonds were insured by Assured Guaranty Corp. The refunding portion of the transaction carried a true interest cost of 3.31 percent and resulted in nearly \$1.2 million in net present value savings for the University or 9.94 percent of refunded bonds. The bonds will mature on July 1, 2040.

Type of School **4-Year • Public**

Located in **Jersey City**



New Jersey Institute of Technology

67%

Applicants admitted

92%

In-state students

8,840

Total enrollment

Series 2010 H (Tax-Exempt) and Series 2010 I (Build America Bonds)

The Authority issued \$71,415,000 bonds on behalf of New Jersey Institute of Technology. The financing was comprised of \$50,965,000 million tax-exempt, Series 2010 H bonds that advance refunded all of NJIT's outstanding Series 2001 G bonds. The Series 2010 I financing included \$20,450,000 of taxable Build America Bonds, the proceeds of which will help NJIT fund the acquisition and renovation of the former Central High School, located adjacent to the Institute's campus in Newark, for use as academic space.

The Series 2010 H refunding bonds were structured at fixed rates, carry a true interest cost of 4.28 percent and will mature on July 1, 2031. The Institute was able to capture net present value savings of \$3.68 million or 6.54 percent of the refunded bonds. The majority of these savings will be realized by 2014, which facilitates upfront budget relief for NJIT and provides the Institute with an overall level debt structure.

Type of School **4-Year • Public**

Located in **Newark**



The College of New Jersey

47%

Applicants admitted

92%

In-state students

6,980

Total enrollment

Series 2010 A (Tax-Exempt) and Series 2010 B (Build America Bonds)

The Authority issued a combined \$44,500,000 revenue bonds in its Series 2010 A and Series 2010 B issues on behalf of The College of New Jersey. The College will use proceeds from the sale of the bonds for the construction of a new three-story, 70,000 square-foot facility to house its School of Education.

The transaction consisted of \$3,410,000 tax-exempt bonds and \$41,090,000 Build America Bonds. This hybrid structure enabled the Authority and the College to achieve initial transactional goals established to capture the lowest all-in borrowing costs across the tax-exempt and taxable markets, retain a ten-year par call and provide overall level net debt service.

The Bonds were issued at fixed rates and carry an all-in true interest cost of 4.745 percent, equating to nearly \$3.9 million in estimated net present value savings over what a hypothetical pure tax-exempt financing would have produced at the time of sale. The final maturity date is July 1, 2040.

Type of School **4-Year • Public**

Located in **Ewing**



Princeton Theological Seminary

55%

Applicants Admitted

555

Total Enrollment

2010 Series A

The Authority issued \$68,785,000 revenue bonds on behalf of Princeton Theological Seminary in its 2010 Series A financing. The Seminary will use proceeds from the sale to help finance the construction of a new 200-unit student housing complex located on its West Windsor campus. In addition to the new student housing complex, bond proceeds will also be used to finance in part the renovation of the Seminary library, one of the most renowned theological research libraries in the world.

The 2010 Series A bonds were issued at fixed rates, carry a true interest cost of 3.745 percent and a final maturity of July 1, 2030.

Type of School **4-Year • Private**

Located in **Princeton**



Kean University

62%

Applicants Admitted

95%

In-State Students

15,051

Total Enrollment

2010 Tax-Exempt Equipment Lease Transaction

The Authority completed a competitively bid, \$10,000,000 Tax-Exempt Lease Transaction on behalf of Kean University. Proceeds from the financing will be used by the University for the acquisition and installation of various items including HVAC equipment for the University's Center for Science, Technology and Mathematics.

The Tax-Exempt Equipment Lease has a fixed interest rate of 3.14 percent and a lease maturity of July 1, 2020.

Type of School **4-Year** • **Public**

Located in **Union**

Thomas Edison State College

59%

In-State Students

18,206

Total Enrollment

2010 Tax-Exempt Equipment Lease Transaction

The Authority completed a competitively bid, Tax-Exempt Lease Transaction in the amount of \$700,000 on behalf of Thomas Edison State College. The proceeds will be used to finance the acquisition and installation of certain capital improvements to the College's Academic Center located in Trenton. The project consists of the replacement of workstations, and replacing and updating of its information technology systems.

The Tax-Exempt Equipment Lease has a fixed interest rate of 2.37 percent and a lease maturity of September 14, 2015.

Type of School **4-Year • Public**

Located in **Trenton**



Drew University

80%

Applicants Admitted

53%

In-State Students

2,667

Total Enrollment

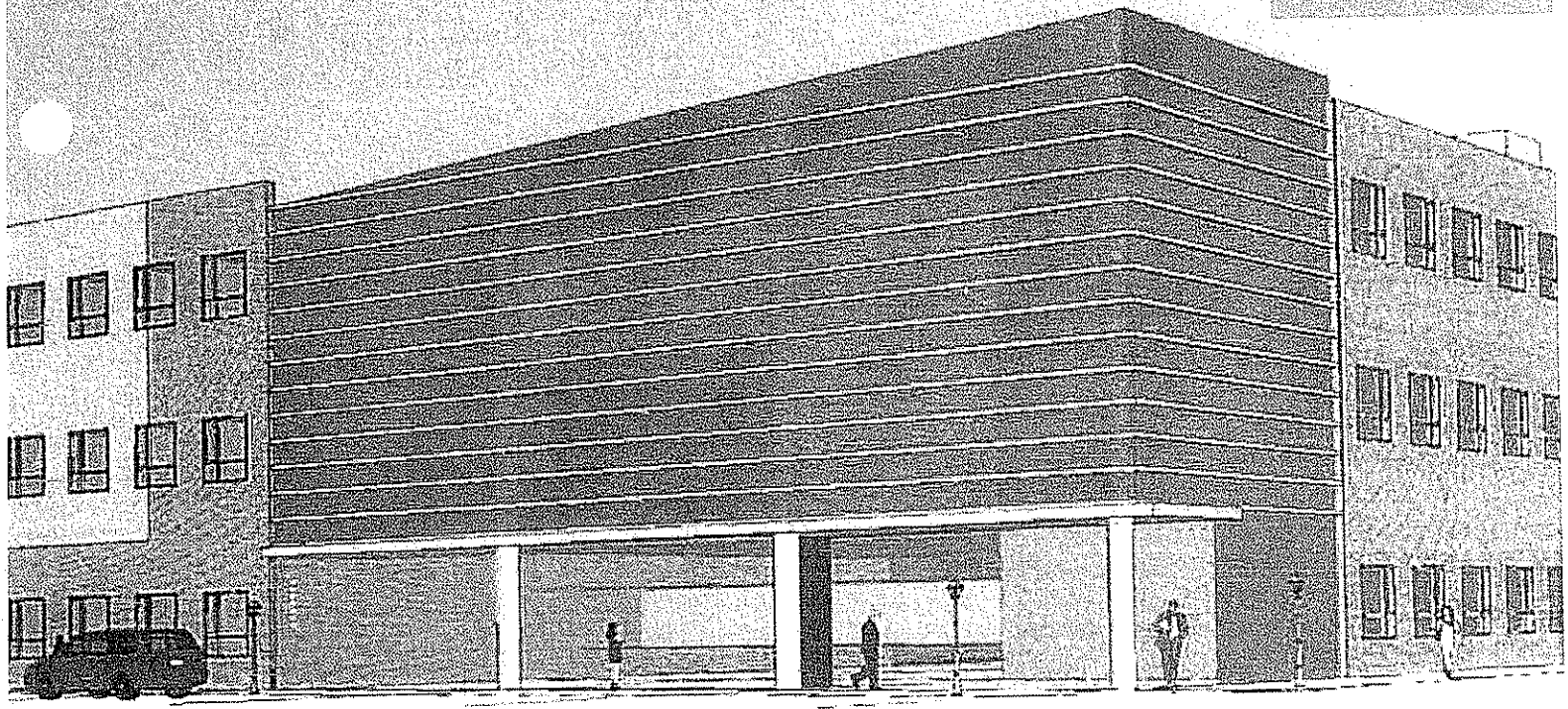
2010 Series C

The Authority issued \$15,580,000 bonds on behalf of Drew University in its 2010 Series C transaction. Proceeds from the sale of the bonds are being used by the University to refinance a portion of the Authority's outstanding 2003 Series C bonds and 2007 Series D bonds. Approximately \$11,590,000 of the financing is providing the University with new capital to acquire and install an administrative computing system and to complete renovations to its University Center.

The Bonds, which were structured as a direct purchase, carry an initial interest rate of 1.73 percent and will mature on June 1, 2024.

Type of School **4-Year** • **Private**

Located in **Madison**



Passaic County Community College

100%

Applicants Admitted

100%

In-State Students

8,883

Total Enrollment

Series 2010 C

The Authority issued \$13,635,000 in its Series 2010 C transaction on behalf of Passaic County Community College. This transaction represents the Authority's first stand-alone financing for a community college in New Jersey, signifying a growing need for capital investment in this sector due largely to student demand and rising enrollment.

Proceeds of the bonds will be used by the College to help finance the construction and partial equipping of a three-story, 68,000 square-foot building in the City of Paterson. The building is a joint venture between the Community College, the State of New Jersey and the County of Passaic. The first two floors of the new building will be utilized for the operation of a "One-Stop" Career Center to provide employment information and job training. The third floor of the building will be utilized as classroom and academic space for the College.

The Series 2010 C bonds were issued at fixed rates with a true interest cost of 5.35 percent and a final maturity date of July 1, 2041.

Type of School **2-Year • Public**

Located in **Paterson**



Centenary College

89%

Applicants Admitted

71%

In-State Students

2,939

Total Enrollment

2010 Series D

The Authority sold the 2010 Series D bonds in the amount of \$13,974,000 as a direct purchase transaction on behalf of Centenary College. The bonds were issued to provide funds for the refinancing of the construction of a 69,000 square-foot student performing arts center on the College's campus and an addition to the College's Reeves Recreation Center. The transaction also provided financing for the construction of an approximately 2,700 square-foot waste management facility and related infrastructure at the College's Equestrian Center.

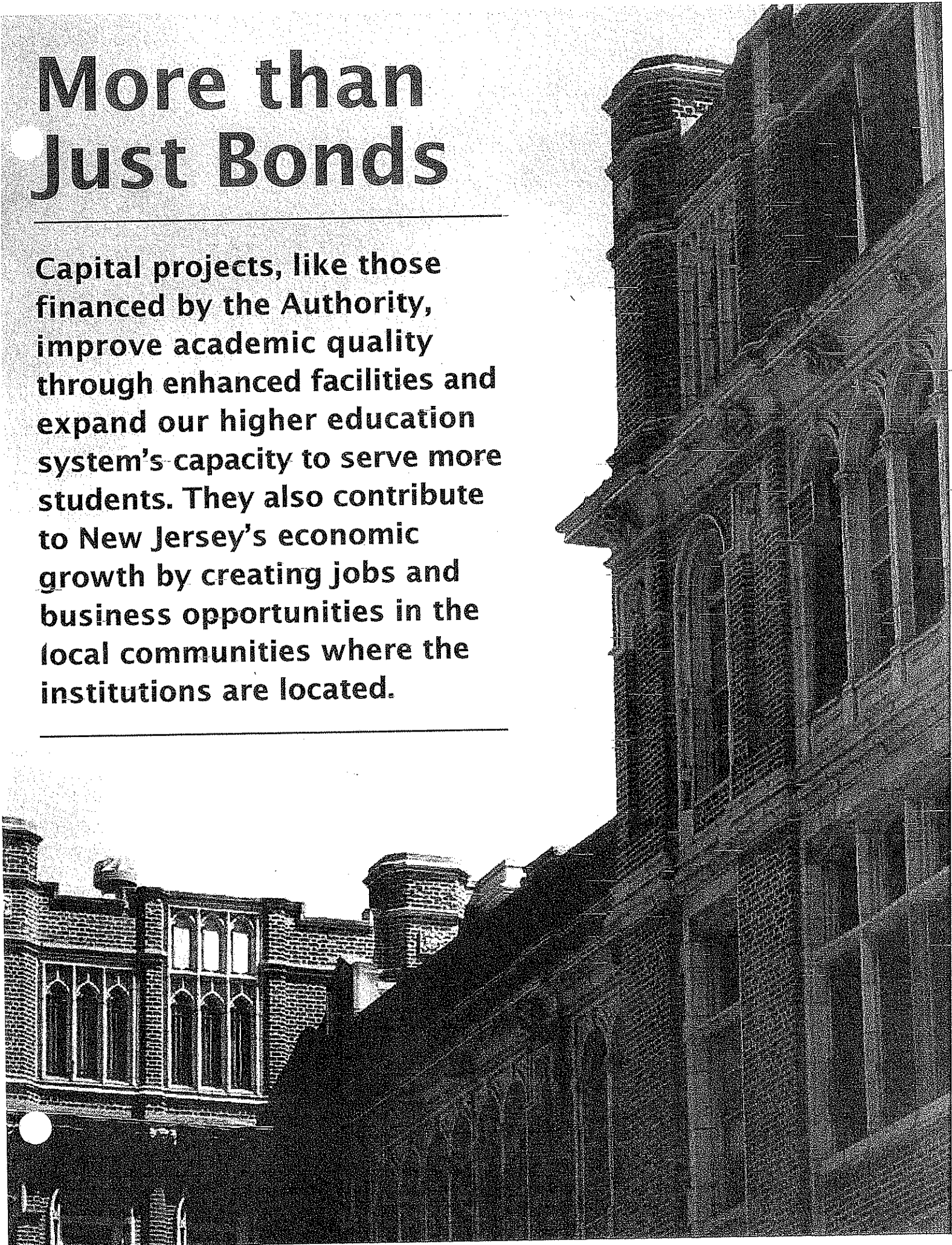
The 2010 Series D bonds were issued at a fixed rate for five years of 3.105 percent and a final maturity of January 1, 2041.

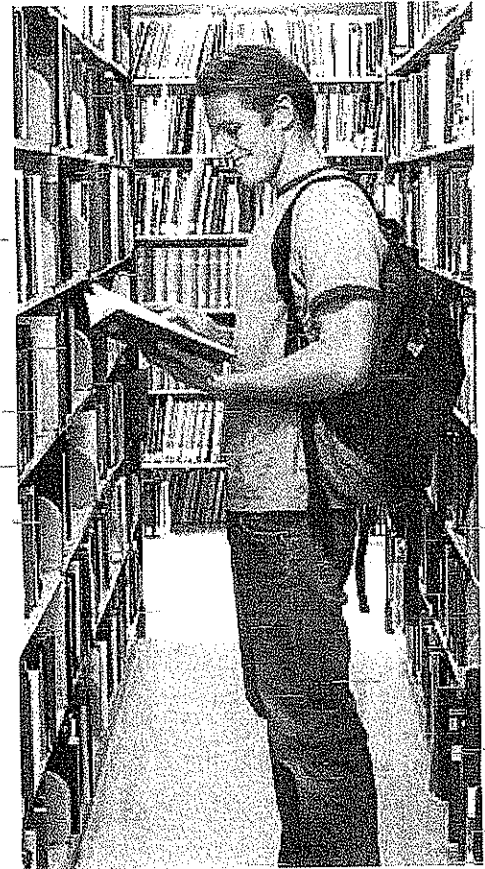
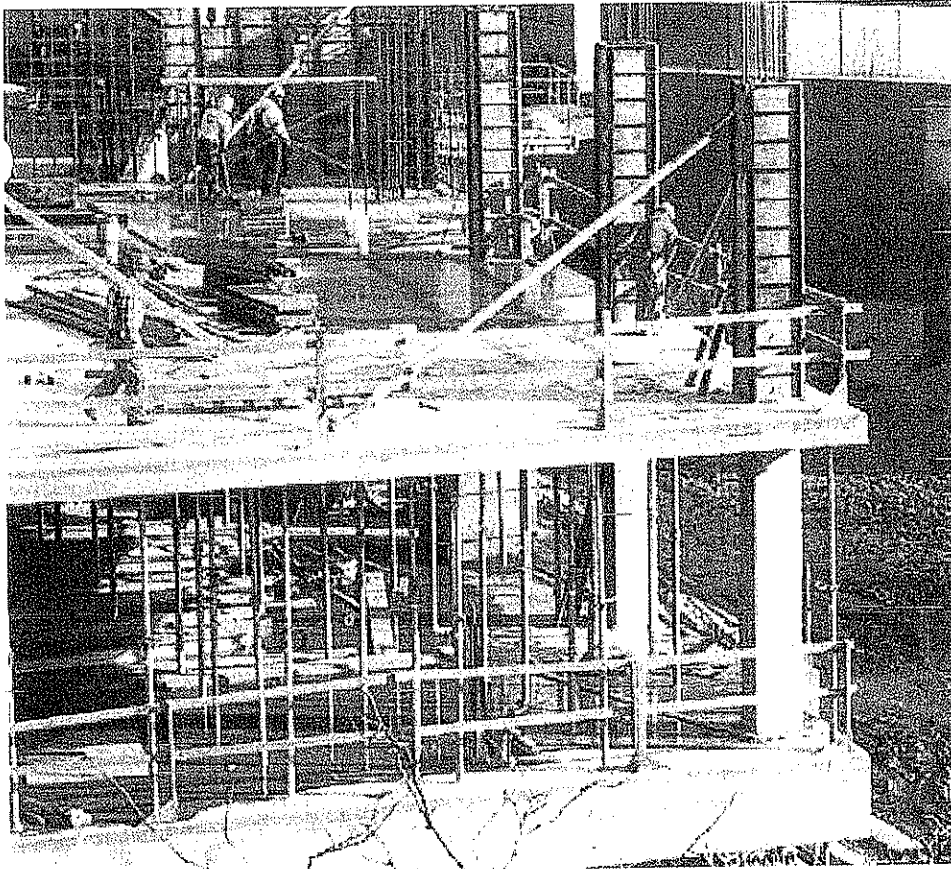
Type of School **4-Year • Private**

Located in **Hackettstown**

More than Just Bonds

Capital projects, like those financed by the Authority, improve academic quality through enhanced facilities and expand our higher education system's capacity to serve more students. They also contribute to New Jersey's economic growth by creating jobs and business opportunities in the local communities where the institutions are located.





During 2010, Authority Members and staff began a number of initiatives that look beyond NJEFA's bond issues to a broader view of the Authority's impact on the State's economy, in particular, through job creation. One initiative is to invite experts in higher education, public finance and other industries to help raise awareness of the link between the Authority's financing of college facilities and economic growth in the State.

Helping to make that connection, the Authority's first guest speaker in 2010, Bloomfield College President, Richard Levao, said that, "Collectively, our colleges and universities are the sixth-largest employer in New Jersey, ahead of banking, insurance, pharmaceutical and chemical manufacturing, among others, with a payroll of nearly \$4 billion."

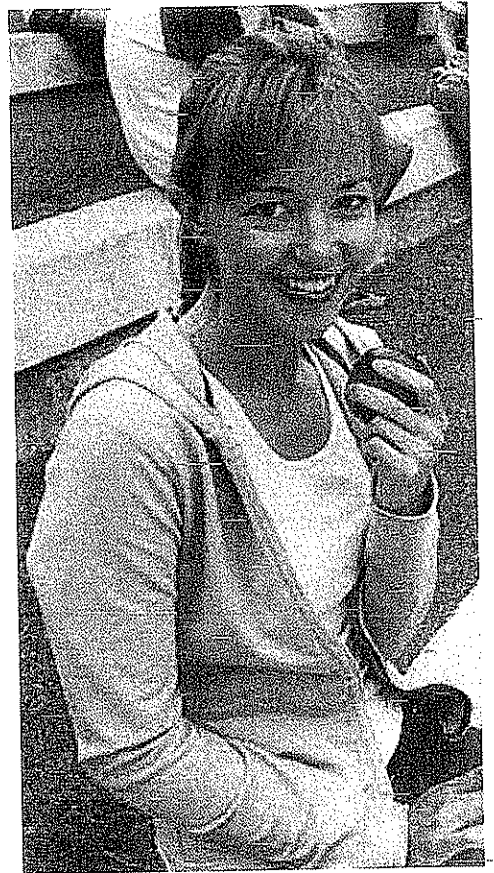
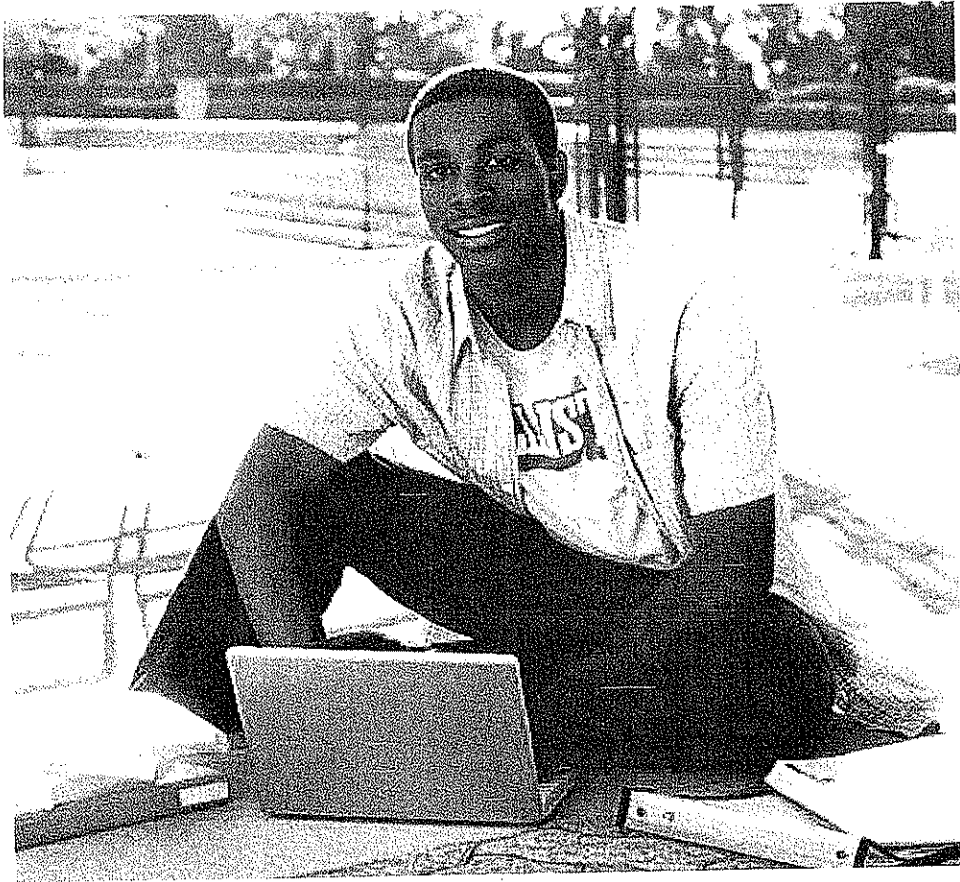
President Levao, who also serves as Treasurer of the New Jersey Presidents' Council,

was presenting results from the Council's recent economic impact-report, *Partners for Prosperity: New Jersey and Higher Education*. The report examined numerous ways in which our public and private colleges and universities contribute to the economic prosperity of our communities and state, including creation of construction jobs through capital investment in facilities.

The Council estimated that in Fiscal Year 2008, 4,240 full-time-equivalent jobs in

Collectively, our colleges and universities are the sixth largest employer in New Jersey, ahead of banking, insurance, pharmaceutical and chemical manufacturing, among others, with a payroll of nearly \$4 billion."

Bloomfield College President, Richard Levao
Partners for Prosperity: New Jersey and Higher Education, New Jersey Presidents' Council



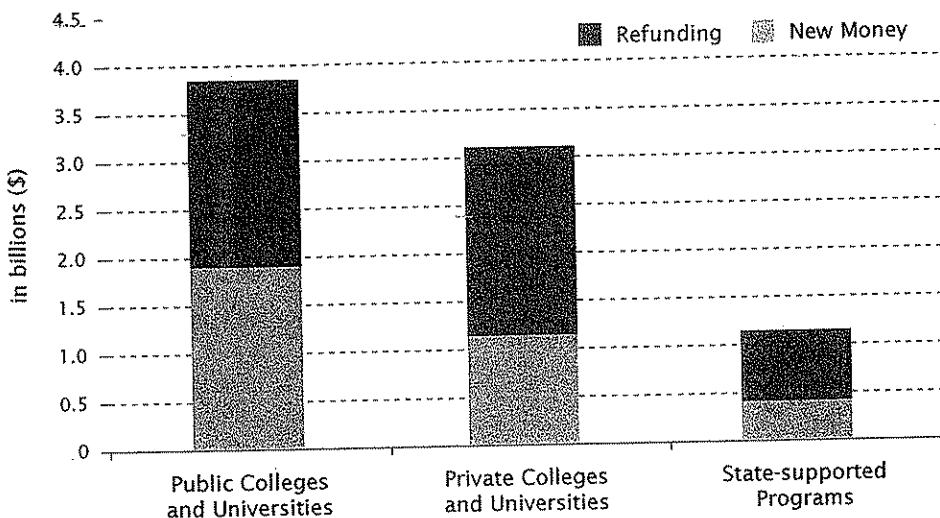
Construction and related industries were created as a result of members investing \$677.5 million on capital construction and major maintenance projects. About 40% of that capital investment was financed through the Authority.

The Association of Independent Colleges and Universities in New Jersey, which

represents 14 member institutions, published its own study in April 2010 entitled, *The Economic Impact of New Jersey's Independent Colleges and Universities on the State of New Jersey*. During Fiscal Year 2008, Association members spent over \$302.6 million on new construction and renovation of campus facilities, which generated more

than 1,500 full-time-equivalent jobs in construction and related industries. Projects included Princeton University's new Lewis Library, Seton Hall University's Science and Technology Center, the Annunciation Center at the College of Saint Elizabeth, the David and Carol Lackland Center at Centenary College, and much more. The Authority financed each of these facilities and about 88%, or \$267 million, of this sector's construction spending during 2008.

NJEFA Bonds Issued by Sector (2000-2010)



Across all higher education sectors in New Jersey, the Authority has completed more than \$8 billion in financings for its clients since 2000. Of that amount, \$4.6 billion financed new capital projects to improve and modernize campuses throughout New Jersey. Collectively, these projects have brought tens of thousands of construction jobs to the State and created ancillary economic activity that has had a seismic and immeasurable impact on New Jersey's economy.

Source: NJEFA



State's Future Economic Prosperity Linked to Higher Education

Like the Presidents' Council study, a report of the Governor's Task Force on Higher Education, released in December 2010, also found that the very future of New Jersey's economic prosperity is linked to the success of higher education in New Jersey.

The Report found that college graduates will drive New Jersey's economy and in 2018, more workers with bachelor's degrees will be needed in New Jersey than in any other state except for Massachusetts. A large portion of those jobs will be in healthcare,

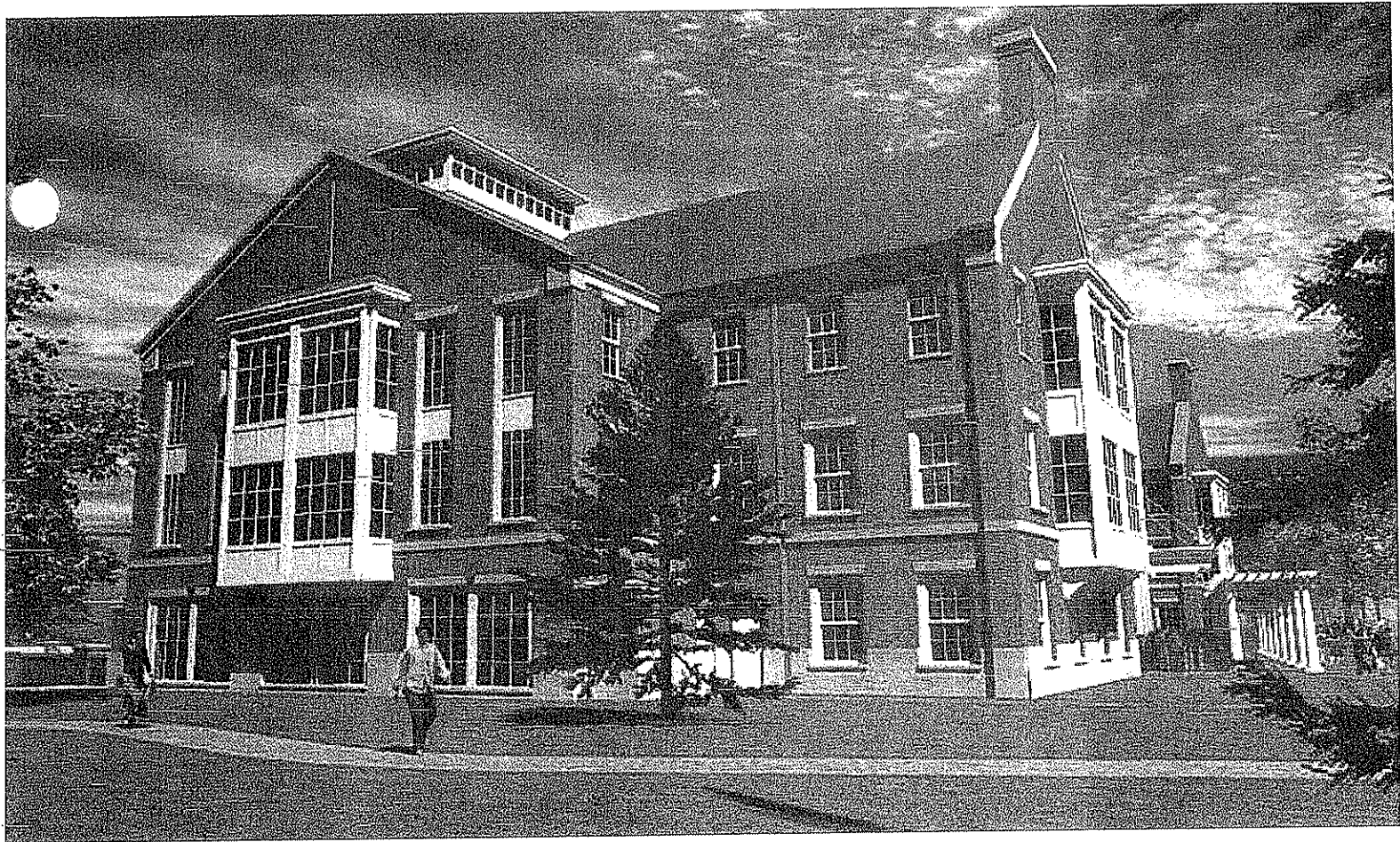
computer technology, business management, and education.

As the need for a more educated workforce expands in New Jersey, individuals with college degrees will likely continue to benefit. According to the U.S. Census Bureau,

in 2008, average annual earnings for individuals with a bachelor's degree totaled \$58,613 and an advanced degree totaled \$83,144, compared to average earnings of \$31,283 for those with a high school diploma.

New Jersey's liberty and prosperity, our very motto, rely on teaching, research, and creativity at our institutions of higher education."

The Report of the Governor's Task Force on Higher Education—December 2010



Demand for Higher Education Outstrips Supply as Costs Rise

However, getting into college in New Jersey is a growing challenge as student demand outstrips the system's capacity. A large part of the demand is demographics since the number of high school graduates in the State has grown significantly in the last decade. The National Center for Education Statistics (NCES) projects that the number of high school graduates in the State will remain at a high level for at least ten more years.

As a result, enrollment in New Jersey's colleges and universities is at an all-time high—378,897 undergraduates and 63,893 graduate students. Nineteen community colleges serve more than 180,000 students

in degree programs and another 125,000 in continuing education and workforce development, making it the largest and fastest growing public sector of higher education in New Jersey.

NJ Enrollment: Degrees Conferred (2000-2010)

| | Total Enrollments | Total Degrees / Certificates |
|---------------------|-------------------|------------------------------|
| 2000 | 335,930 | 52,579 |
| 2001 | 346,277 | 53,205 |
| 2002 | 361,757 | 55,866 |
| 2003 | 372,696 | 58,277 |
| 2004 | 379,447 | 61,428 |
| 2005 | 379,646 | 64,007 |
| 2006 | 385,612 | 65,105 |
| 2007 | 398,169 | 66,364 |
| 2008 | 410,193 | 69,357 |
| 2009 | 432,167 | 71,749 |
| 2010 | 442,790 | 75,702 |
| Cumulative Increase | 106,860 (31.81%) | 23,123 (43.98%) |

Source: New Jersey Commission on Higher Education

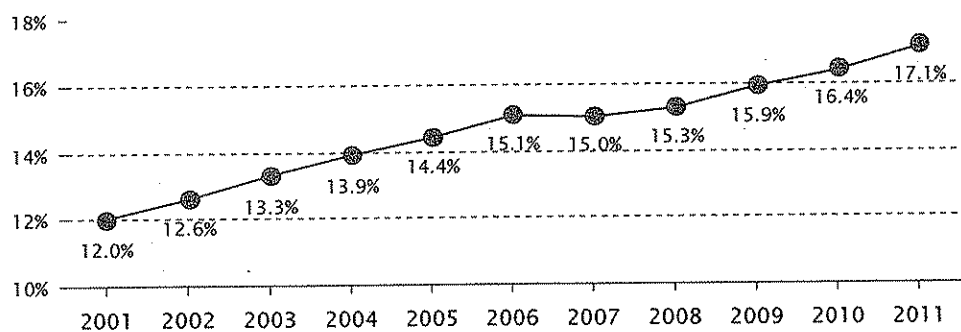
With record high graduates and enrollment, limited space is partially responsible for the fact that New Jersey now loses more of its college-bound students to other states than any other state in the nation. With more than 30,000 of our State's talented students leaving to attend college elsewhere, the NCES ranks New Jersey 1st in net out-migration or loss of college-bound high school graduates.

Financing expansion of our colleges and universities and deferred maintenance is also a growing challenge. It has been more than 20 years since the Jobs, Education, and Competitiveness Bond Act of 1988, the last general obligation bond issue for higher education facilities in New Jersey. In order to expand capacity to serve more students, the Governor's Task Force Report highlighted the need for the State to increase funding for both operational support and investment in capital assets.

Specifically, it recommended that the State issue general-obligation bonds as soon as possible and practical given the State's current fiscal crisis. It also recommended increasing Chapter 12 funding, the primary source of capital support for facilities at New Jersey's community colleges.

Without capital support over the last two decades, colleges' investments in campus facilities have been funded primarily through bonds issued by the Authority and through private fundraising and philanthropy. The

Tuition as Percentage of State *Per Capita* Disposable Income



Notes: Tuition figures reflect averages for the eight traditional institutions; fees are not included. *Per capita* disposable figures are for the start of the academic year and are preliminary for FY 2010.

Sources: New Jersey Association of State Colleges and Universities; Bureau of Economic Analysis, U.S. Department of Commerce, December 2010.

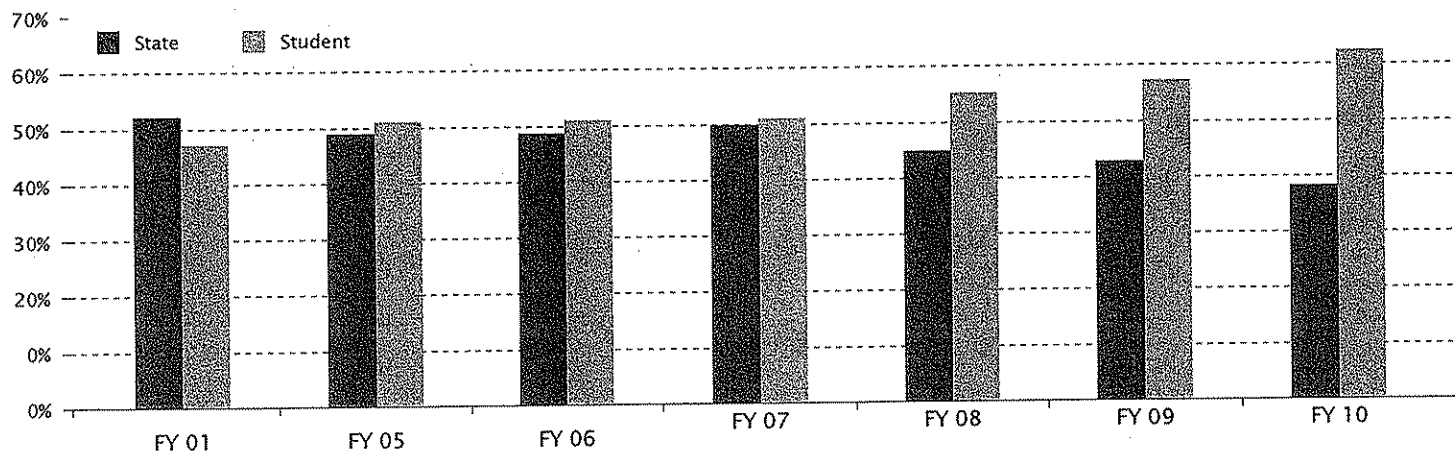
result has meant that while our colleges can now serve 100,000 more students today than they did 10 years ago, it has not kept up with the demand and it has come at a cost. Tuition and fees have increased and New Jersey's public colleges and universities are now more highly leveraged than most public institutions in the country, making it more difficult for our institutions to continue large-scale capital investment on their own to meet growing student demand.

Colleges' debt is paid in part through tuition, which is higher at New Jersey's four-year and county colleges than in many other states, putting more pressure on families that are already having difficulty coping with the lingering effects of the recession. According to Moody's Investors Service, median net tuition per student in New Jersey was \$9,204 in 2009 compared to \$6,577 nationally.

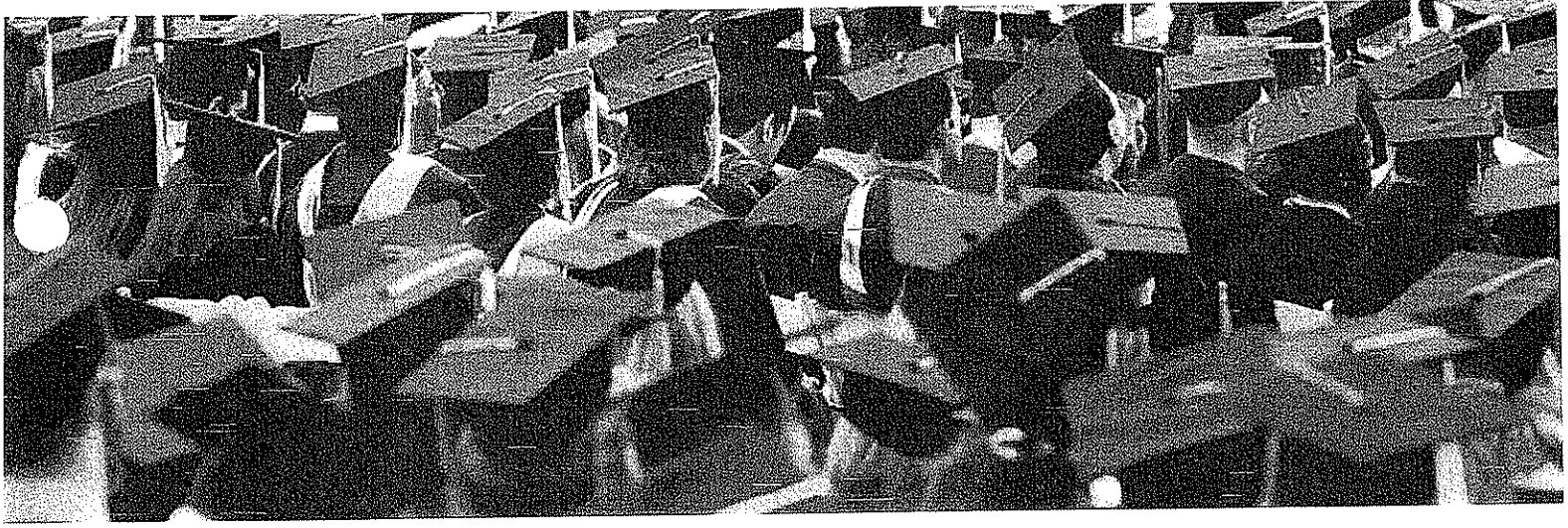
Looking at tuition as a percentage of *per capita* disposable income, the New Jersey Association of State Colleges and Universities concluded that today families are spending increasingly more of their disposable incomes on tuition. Tuition and fees are increasing faster than the CPI due to cutbacks in state appropriations and lack of funding for facilities.

According to the Association, in recent years the State's share of funding higher education has been slipping, both in actual dollars and as a percentage of educational costs. Between Fiscal Years 1991 and 2004, the Task Force reported that New Jersey decreased state and local support for public higher education operations per full-time-equivalent student, adjusted for inflation, by 10.8 percent. Between Fiscal Years 2004 and 2009; that figure decreased by about 18.7 percent, making New Jersey 47th in the country in higher education appropriations.

Shifting the Burden of Investment



Sources: New Jersey Association of State Colleges and Universities Calculations; New Jersey Commission on Higher Education



Future Challenges to Higher Education in the U.S.

New Jersey's higher education community is not alone in facing the challenges of needing to do more with fewer resources. Nationwide, the American Association of State Colleges and Universities (AASCU) has analyzed the fiscal carnage that the recent recession left behind, including plummeting tax revenues for states, which may not return to pre-recession levels for several more years.

Most states have been forced to slash budgets for higher education and institutions like those in New Jersey have been forced to raise tuition to help fill the gaps in revenue. The AASCU acknowledges that one of the top challenges going forward for colleges and universities will be to balance budgets without raising tuition so high that it prices students out of a college degree. Related challenges will be to address capacity constraints and to provide enough student aid to help those who can least afford it.

Since its inception, the Authority has served the citizens of New Jersey and stood as a partner with our colleges, particularly in times of austerity, in helping them to secure the lowest cost of capital to finance their facilities. We remain committed to supporting the advancement of higher education in New Jersey.”

The recommendations of the Governor's Task Force have rekindled the discussion in New Jersey about higher education as a state priority and its importance to the vitality of our economy. Shaping that debate are the challenges of containing costs for students and their parents, while also making the necessary investments that our colleges need to meet rising student demand and to educate our future workforce. So is the viability of new general obligation bonds to pay for future investment in the infrastructure of our colleges and universities.

As the public dialogue in New Jersey evolves, the Authority remains dedicated to its clients' missions that foster individual achievement and bring so much prosperity to the State. Since its inception, the Authority has served the citizens of New Jersey and stood as a partner with our colleges, particularly in times of austerity, in helping them to secure the lowest cost of capital to finance their facilities. We remain committed to supporting the advancement of higher education in New Jersey. In doing so, the Authority will continue to fulfill the broader mission of serving as an engine for economic growth throughout the State.

Historical Financings

The New Jersey Educational Facilities Authority was established in 1966 to provide assistance to New Jersey's public and private colleges and universities by giving them access to tax exempt financing through the facility of a public agency.

Atlantic Cape Community College

Series 1999 B: \$3,045,000; renovations, expansions, improvements

Beth Medrash Govoha

2000 Series G: \$8,505,000; new dining hall, dormitory and administration building renovations

Bloomfield College

1998 Tax-Exempt Lease: \$315,000; equipment acquisition

2000 Series A: \$6,270,000; new library, library and college center renovations, equipment purchase

Caldwell College

Bond Anticipation Note Issue M (1990): \$3,000,000; library addition and renovation

1995 Series A: \$4,800,000; academic building

2000 Series B: \$9,235,000; student recreation center, parking lot and roadway improvements

2006 Series F: \$21,400,000; refunding of 1995 Series A and 2000 Series B bonds, student residence hall

Centenary College

1998 Tax-Exempt Lease: \$640,000; computer and equipment acquisition

2000 Series F: \$6,130,000; Equestrian Center

2003 Series A: \$14,775,000; student residence hall, computer acquisition, refunding of 2000 Series F bonds

2006 Series J: \$9,154,113; refinancing of a bank loan

2007 Series B: \$4,784,617; refinancing of a bank loan and various capital improvements

2010 Series D: \$13,974,000; refinancing of the Performing Arts Center and Recreation Center, waste management facility

College of Saint Elizabeth

2000 Series C: \$12,000,000; facility conversion and renovations to administration building, parking facility expansion

2006 Series K: \$15,000,000; Fine and Performing Arts Center and various capital projects

2008 Series F: \$24,090,000; debt restructuring

Drew University

Bond Anticipation Note Issue I (1980): \$8,875,000; library addition and renovation

Bond Anticipation Note Issue I—Collateralized—Renewal One (1982): \$11,690,000; refinance of Bond Anticipation Note Issue I (1980) and library addition and renovation

Bond Anticipation Note Issue I—Collateralized—Renewal Two (1985): \$11,935,000; refinance of Bond Anticipation Note Issue I—Collateralized—Renewal One (1982) and library addition and renovation

Bond Anticipation Note Issue K (1984): \$4,500,000; computer acquisition

1985 Series B: \$12,275,000; library addition and renovation

1992 Series E: \$29,180,000; athletic center

1997 Series B: \$9,140,000; refunding of 1985 Series B bonds

1998 Series C: \$27,935,000; refunding of 1992 Series E bonds

2003 Series C: \$20,855,000; deferred maintenance

2007 Series D: \$29,135,000; student housing, renovation of existing student housing and partial refunding of the 1998 Series C bonds

2008 Series B: \$10,765,000; refunding of 1998 Series C bonds

2008 Series I: \$12,000,000; capital improvements

2010 Series C: \$15,580,000; refinancing of 2003 Series C and 2007 Series D bonds, acquisition and installation of a computing system and University Center renovations

Essex County College

Series 1999 C: \$4,570,000; renovations

Fairleigh Dickinson University

1972 Series A: \$4,080,000; student residences

1985 Series C: \$7,000,000; recreation center

1991 Series C: \$8,700,000; equipment purchases

1993 Series C: \$40,000,000; residence hall, recreation center, renovations, refunding of 1972 Series A and 1991 Series C bonds

1998 Series G: \$16,615,000; student housing facility

Historical Financings

Fairleigh Dickinson University continued

2002 Series D: \$63,650,000; new residence halls and academic building, student center addition, renovations

2004 Series C: \$35,285,000; refunding of 1993 Series C bonds

2006 Series G and 2006 Series H: \$16,652,544; refunding of 1998 Series G bonds and refinancing of various loans

Felician College

1996 Series A: \$2,040,000; academic buildings

1997 Series D: \$12,550,000; property acquisition and refunding of 1996 Series A bonds

1998 Tax-Exempt Lease: \$897,000; telephone/telecommunications equipment acquisition

2006 Series I: \$11,445,000; refunding of 1997 Series D bonds

Georgian Court University

1991 Series, Project A: \$7,410,000; library and student lounge

1998 Series, Project B: \$6,455,000; renovations and refunding of 1991 Series, Project A bonds

2003 Series, Project C: \$15,215,000; new residence hall, renovation of Arts and Sciences Building and library

2007 Series Project D: \$26,980,000; Wellness Center and partial refunding of 2003 Series, Project C bonds

2007 Series H: \$1,050,000; property acquisition

Hudson County College

Series 1999 D: \$7,750,000; land acquisition

Series 1999 G: \$2,035,000; property acquisition and construction

Institute for Advanced Study

1980 Series A (Collateralized): \$8,775,000; rehabilitation and renovations

1991 Series B: \$17,895,000; administration building, equipment purchase, refunding of 1980 Series A bonds

1997 Series F and 1997 Series G: \$42,875,000; renovations to member housing and refunding of 1991 Series B bonds

2001 Series A: \$11,000,000; School of Natural Sciences, building "D" renovations, capital projects

2006 Series B: \$29,600,000; partial refunding of 1997 Series G and 2001 Series A bonds

2006 Series C: \$20,000,000; Simons Center for Systems Biology, network and utility upgrades and Visitor's Housing Facility

2008 Series C: \$11,255,000; partial refunding of 1997 Series F bonds and refunding of 1997 Series G bonds

Institute for Defense Analyses

2000 Series D: \$16,695,000; property acquisition, office facility and parking

Remarketing (2008): \$15,015,000; remarketing of 2000 Series D bonds

Kean University

Series 1974 B: \$7,960,000; student apartments

Series 1981 E: \$4,185,000; Pingry School acquisition (East Campus)

Series 1985 D: \$4,440,000; refunding of Series 1981 E bonds

Series 1991 B: \$9,625,000; student apartments

Series 1993 G: \$8,770,000; College Center addition and Library

Series 1998 A: \$16,400,000; academic building and athletic facilities

Series 1998 B: \$9,595,000; refunding of Series 1991 B bonds

Series 2001 A: \$6,465,000; Downs Hall addition/renovations

Series 2003 D: \$75,000,000; Wellness and Fitness Center, gymnasium renovations, stadium additions, Kean Building renovations, academic building

Series 2005 B: \$101,915,000; property acquisition, academic building, access road, and renovations to President's House, East Campus, guest cottages, and Wilkins Theater, refunding of Series 1993 G bonds

Series 2007 D: \$117,795,000; two residence halls with dining facility and parking deck

Series 2007 E: \$156,240,000; refunding of Series 1998 A and Series 2001 A and partial refunding of Series 2003 D and Series 2005 B bonds

2007 Tax-Exempt Lease: \$916,666; equipment acquisition

Series 2009 A: \$179,380,000; refunding of Series 2007 E bonds

2010 Tax-Exempt Lease: \$10,000,000; equipment acquisition and installation

Middlesex County College

Bond Anticipation Note Issue 9 (1971): \$265,000; parking facility

Series 1999 E: \$4,370,000; road, building and safety improvements

Monmouth University

1975 Series A: \$2,710,000; student union

1985 Series A: \$2,150,000; academic building

1987 Series C: \$1,750,000; student housing facility

1988 Series B: \$10,500,000; apartment building, renovations, athletic facility

Bond Anticipation Note Issue L (1990): \$5,735,000; School of Business

1993 Series A: \$14,365,000; various construction and renovation projects, land acquisition, refunding of 1988 Series B bonds

1994 Series B: \$2,855,000; student housing facility

1994 Series C: \$5,270,000; student housing facility

1997 Series C: \$12,910,000; student housing facility, telephone system, refunding of 1985 Series A and 1987 Series C bonds

1998 Series D: \$8,815,000; telecommunications/equipment acquisition, refunding of 1994 Series B and 1994 Series C bonds

Montclair State University

Series 1972 B: \$5,415,000; student union

Series 1974 D: \$6,425,000; dormitory and dining hall

Series 1977 A: \$1,720,000; student apartments

Series 1977 B: \$988,000; student apartments

Series 1982 B: \$15,980,000; dormitory, cafeteria

Series 1982 C: \$8,245,000; student center annex and playfields

Series 1983 A: \$20,720,000; refunding of Series 1982 B bonds

Series 1983 B: \$10,720,000; partial refunding of Series 1982 C bonds

Series 1986 H: \$21,690,000; refunding of Series 1983 A bonds

Series 1986 I: \$11,010,000; partial refunding of Series 1983 B bonds

Series 1991 E: \$10,260,000; academic building

Series 1995 F: \$4,780,000; dormitory and renovations

Series 1996 C: \$18,845,000; refunding of Series 1986 H bonds

Series 1996 D: \$9,575,000; refunding of Series 1986 I bonds

Series 1997 D: \$10,960,000; academic building

Series 1997 E: \$9,965,000; refunding of Series 1991 E bonds

Series 2001 F: \$18,695,000; parking facility

Series 2002 F: \$78,500,000; student housing facility and recreational complex

Series 2003 E: \$23,425,000; Performing Arts Theater and equipment

Series 2003 L: \$94,540,000; academic building and refunding of Series 1995 F bonds

2005 Conversion: \$101,925,000; conversion of Series 2002 F and Series 2003 E auction rate bonds to fixed rate

Series 2006 A: \$98,090,000; student recreation center, parking structure, renovations to Chapin, Finley and Mallory Halls and Panzer Gymnasium

Series 2006 B: \$9,970,000; refunding of Series 1996 C and Series 1996 D bonds

Series 2006 J: \$154,110,000; refunding of Series 1997 D and Series 2001 F bonds and partial refunding of Series 2002 F, Series 2003 E and Series 2003 L bonds

Series 2007 A: \$6,150,000; refunding of Series 1997 E bonds

Series 2008 J: \$27,545,000; student housing facility

New Jersey City University

Series 1971 B: \$280,000; student apartments

Series 1975 A: \$7,275,000; student center and parking facility

Series 1977 C: \$8,570,000; refunding of Series 1975 A bonds

Series 1987 A: \$2,475,000; dormitory

Series 1992 D: \$15,350,000; athletic/recreation center and academic building

Series 1993 H: \$2,310,000; administration building, parking facility, tennis courts

Series 1995 A: \$2,315,000; property acquisition

Series 1995 C: \$2,175,000; refunding of Series 1987 A bonds

Series 1998 E: \$6,945,000; library and recreation center renovations

Series 1999 B: \$17,795,000; refunding of Series 1992 D and Series 1995 A bonds

Series 2002 A: \$15,115,000; fine arts building, student union renovations, campus card technology, parking improvements, fire protection upgrades

Series 2003 A: \$47,850,000; Arts and Sciences Tower, Charter School conversion, parking improvements, fire safety installation, equipment acquisition, student union renovations, ITS Department renovations, refunding of Series 1993 H bonds

Series 2003 B: \$2,300,000; renovations to Business Incubator facility

Series 2005 A: \$21,575,000; student union renovations, pedestrian mall, cogeneration plant, technology infrastructure

Series 2006 C: \$5,950,000; partial refunding of Series 1999 B bonds and refinancing of a bank loan

Series 2007 F: \$17,910,000; refunding of Series 1998 E bonds and partial refunding of Series 1999 B and Series 2002 A bonds

Series 2008 E: \$68,445,000; debt restructuring

Series 2008 F: \$6,175,000; debt restructuring

Series 2010 F (Tax-Exempt) and Series 2010 G (BABs): \$42,375,000; refunding of Series 1999 B bonds and various capital improvements

New Jersey Institute of Technology

Series 1978 A: \$700,000; dormitory

Series 1982 A: \$3,520,000; engineering building

Series 1982 F: \$6,235,000; dormitory

Series 1986 A: \$26,775,000; academic building

Historical Financings

New Jersey Institute of Technology continued

Series 1986 B: \$6,815,000; refunding of Series 1982 F bonds

Series 1989 A: \$20,925,000; dormitory and gymnasium addition

Series 1991 D: \$14,575,000; parking facility and student support facility

Series 1994 A: \$56,460,000; refunding of Series 1986 A, Series 1986 B, Series 1989 A, and Series 1991 D bonds

Series 1995 E: \$33,230,000; residence hall and academic building renovations

Series 2001 G: \$62,335,000; residence hall, renovations and additions to Campus Center

Series 2001 H: \$12,570,000 (federally taxable); Enterprise Development Center

Series 2004 B: \$73,530,000; refunding of Series 1994 A and Series 1995 E bonds

Series 2010 H (Tax-Exempt) and Series 2010 I (BABs): \$71,415,000; refunding of Series 2001 G bonds the acquisition and renovation of the former Central High School

Ocean County College

Series 1980 A: \$1,680,000; computer acquisition

Passaic County College

Series 1999 F: \$2,015,000; acquisition and renovation

Series 2010 C: \$13,635,000; academic building

Princeton Theological Seminary

1985 Series E: \$8,000,000; academic building

1992 Series C: \$20,500,000; library addition, renovations to campus center and dormitories, refunding of 1985 Series E bonds

1996 Series B: \$16,210,000; residence hall, renovations, faculty and administrative housing, land acquisition

1997 Series A: \$22,485,000; refunding of 1992 Series C bonds

2002 Series G: \$26,125,000; parking garage and refunding of 1996 Series B bonds

2009 Series B: \$14,435,000; refunding of 1997 Series A bonds

2010 Series A: \$68,785,000; student housing and library renovation

Princeton University

Bond Anticipation Note Issue H (1980): \$5,000,000; dining hall and social facilities

1982 Series, Project A: \$16,625,000; rehabilitation and repairs

1984 Series, Project B: \$52,885,000; rehabilitation and repairs

1985 Series, Project C: \$32,100,000; rehabilitation and repairs

1987 Series A: \$28,785,000; rehabilitation and repairs; and a refunding of 1982 Series, Project A

1987 Series B: \$22,285,000; rehabilitation and repairs

1988 Series A: \$21,885,000; rehabilitation and repairs

1989 Series A: \$15,400,000; rehabilitation and repairs

1990 Series A: \$13,370,000; rehabilitation and repairs

1991 Series A: \$15,185,000; rehabilitation and repairs

1992 Series F: \$17,330,000; rehabilitation and repairs

1993 Series B: \$17,475,000; rehabilitation and repairs

1994 Series A: \$46,060,000; rehabilitation and repairs

1995 Series C: \$28,865,000; rehabilitation and repairs

1996 Series C: \$24,530,000; rehabilitation and repairs

1997 Series E: \$22,150,000; rehabilitation and repairs

Commercial Paper Notes: Not to exceed \$120,000,000; stadium and renovations and repairs

1998 Series E: \$19,010,000; refunding a portion of 1994 Series A bonds

1998 Series F: \$40,000,000; rehabilitation and repairs

1999 Series A: \$45,500,000; refunding of Commercial Paper Notes

1999 Series B: \$50,000,000; major maintenance

2000 Series E: \$50,000,000; renovations/capital improvements, addition to Princeton Press

2000 Series H: \$100,000,000; renovations and refunding a portion of Commercial Paper Notes

2001 Series B: \$100,000,000; renovations and capital improvements

2002 Series B: \$100,000,000; renovations, refunding a portion of Commercial Paper Notes

2003 Series E: \$112,510,000; refunding a portion of Commercial Paper Notes

2003 Series F: \$75,000,000; various new construction and renovations

2003 Series D: \$114,495,000; refunding of 1994 Series A, 1995 Series C, 1996 Series C, 1997 Series E, 1998 Series F, 1999 Series B, 2000 Series E, 2000 Series H bonds

2004 Series D: \$175,000,000; dormitory, residential college, student apartments, other renovations and improvements, and refunding a portion of Commercial Paper Notes

2005 Series A: \$139,590,000; refunding of 1995 Series C, 1998 Series E, 1998 Series F, 1999 Series A, 1999 Series B, 2000 Series E, 2000 Series H, 2003 Series E and 2004 Series D bonds

2005 Series B: \$114,645,000; various new construction and renovations

2006 Series D: \$74,290,000; various new construction and renovations, capital equipment

2006 Series E: \$93,285,000; partial refunding of 1999 Series A, 2000 Series H, 2003 Series E, 2004 Series D and 2005 Series B bonds

2007 Series E: \$325,000,000; various new construction and renovations, capital equipment and refunding of a portion of Commercial Paper Notes

2007 Series F: \$67,620,000; partial refunding of 1999 Series A, 2003 Series E, 2004 Series D, 2005 Series A and 2005 Series B bonds

2008 Series J: \$250,000,000; various new construction and renovations, capital equipment

2008 Series K: \$208,805,000; refunding of 2001 Series B, 2002 Series B and 2003 Series F bonds

2010 Series B: \$250,000,000; various acquisition, new construction and renovations

Rabbinical College of America

1985 Series D: \$1,883,000; student and faculty housing

Ramapo College of New Jersey

Series 1973 A: \$1,760,000; student apartments

Series 1973 B: \$1,310,000; campus life facility

Series 1976 C: \$2,525,000; student apartments and expanded parking

Series 1978 B: \$100,000; student housing facility

Series 1979 C: \$1,325,000; campus life annex

Series 1984 A: \$7,295,000; dormitory

Series 1986 F: \$8,445,000; refunding of Series 1984 A bonds

Series 1988 B: \$8,975,000; dormitory

Series 1988 C: \$2,865,000; campus life addition

Series 1990 A: \$2,270,000; dormitory renovations

Series 1993 D: \$3,120,000; refunding of Series 1988 C bonds

Series 1993 E: \$17,870,000; dormitories

Series 1997 A: \$7,330,000; visual and performing arts center, refunding of Series 1976 C bonds

Direct Loan Program (1997): \$295,910; equipment acquisition

Direct Loan Program (1998): \$600,000; equipment acquisition

Series 1998 G: \$16,845,000; student housing facility and pavilion, refunding of Series 1990 A bonds

Series 1998 H: \$2,000,000; campus life renovations and refunding of Series 1979 C bonds

Series 1998 I: \$955,000; technology infrastructure

Series 1999 E: \$19,900,000; residence hall and equipment acquisition

2000 Tax-Exempt Lease: \$1,695,300; computer equipment acquisition

Series 2001 D: \$40,480,000; student residence and telecommunications repairs

Series 2001 E: \$2,535,000; sustainability center and instructional equipment

Series 2002 H: \$28,655,000; Phase VII and Phase VIII housing

Series 2002 I: \$2,145,000; student union alterations, rehabilitation, renovations

Series 2002 J: \$29,620,000; athletic building addition, Havermeyer House acquisition and renovation

Series 2003 F: \$1,820,000; refunding of Series 1993 D bonds

Series 2003 G: \$9,300,000; refunding of Series 1993 E bonds

Series 2003 H: \$18,930,000; refunding of Series 1999 E bonds

Series 2004 E: \$53,980,000; student residence hall, parking garage, and other roadway and campus improvements

Series 2006 D: \$49,085,000; academic building, completion of Phase VII housing, Phase IX housing and parking garage, Sustainability Education Center, renovations

Series 2006 I: \$106,820,000; partial refunding of Series 2001 D, Series 2002 H, Series 2002 I, Series 2002 J, Series 2004 E and Series 2006 D bonds

The Richard Stockton College of New Jersey

Series 1973 C: \$1,780,000; College Center

Series 1973 D: \$5,700,000; student apartments

Series 1980 B: \$9,790,000; dormitories

Series 1981 D: \$3,860,000; College Center Annex

Series 1985 A: \$10,980,000; refunding of Series 1980 B bonds

Series 1985 C: \$4,370,000; refunding of Series 1981 D bonds

Series 1985 F: \$7,810,000; dormitories and parking expansion

Series 1987 B: \$1,000,000; convenience center

Series 1988 A: \$3,294,000; student housing renovations

Series 1992 B: \$10,600,000; refunding of Series 1985 A bonds

Series 1992 C: \$7,330,000; refunding of Series 1985 F bonds

Series 1993 F: \$6,690,000; library addition and arts and sciences building

Series 1996 B: \$1,680,000; refunding of Series 1985 C bonds

Historical Financings

The Richard Stockton College of New Jersey continued

Series 1996 F: \$19,280,000; recreation center

Series 1998 C: \$13,110,000; student housing facility and commons building

Series 2002 B: \$8,340,000; refunding of Series 1992 B and Series 1992 C bonds

Series 2005 C: \$31,150,000; F-Wing and J-Wing academic building renovations, student housing renovations, office building acquisition and renovation, electrical power improvements, refunding of Series 1993 F bonds

Series 2005 F: \$28,180,000; refunding of Series 1996 F and Series 1998 C bonds

Series 2006 F: \$50,365,000; student housing, parking, energy conservation projects, land acquisition, Holocaust Resource Center and Alton Auditorium renovations, electrical upgrades

Series 2007 G: \$40,250,000; student housing, various safety and infrastructure improvements

Series 2008 A: \$136,910,000; Campus Center, College Walk renovations, site and roadway improvements, refunding of Series 2005 C bonds

Rider University

1971 Series A: \$3,700,000; Student Union

1987 Series B: \$21,400,000; administration building

1992 Series D: \$31,735,000; academic buildings and refunding of 1987 Series B bonds

1995 Series B: \$4,819,851.19; equipment acquisition

2002 Series A: \$27,560,000; refunding of 1992 Series D bonds

2004 Series A: \$14,735,000; student residence hall and recreation center

2007 Series C: \$22,000,000; student residence facility, various renovation, construction and infrastructure improvements

Rowan University

Series 1971 A: \$1,205,000; student apartments

Series 1974 E: \$6,080,000; student union

Series 1975 B: \$580,000; Winans Dining Hall

Series 1976 B: \$2,555,000; student apartments

Series 1979 A: \$1,710,000; student housing facility

Series 1982 D: \$1,760,000; computer facility acquisition

Series 1983 C: \$10,365,000; student housing facility

Series 1983 D: \$3,500,000; student housing facility

Series 1983 G: \$3,385,000; student union renovations

Series 1985 E: \$1,545,000; refunding of Series 1982 D bonds

Series 1986 C: \$11,940,000; refunding of Series 1983 C bonds

Series 1986 E: \$3,280,000; refunding of Series 1983 G bonds

Series 1991 A: \$9,000,000; student recreation center

Series 1993 A: \$9,600,000; new library facility

Series 1993 B: \$1,765,000; refunding of Series 1976 B bonds

Series 1993 C: \$10,955,000; refunding of Series 1986 C bonds

Series 1994 C: \$6,145,000; cogeneration plant and equipment acquisition

Series 1996 E: \$40,785,000; School of Engineering and renovations

Series 1997 B: \$6,770,000; engineering building expansion and renovations

Series 1997 C: \$9,035,000; refunding of Series 1991 A bonds

Direct Loan Program (1999): \$3,000,000; equipment acquisition

Series 2000 B: \$51,620,000; science academic building

Series 2001 B: \$8,790,000; student center renovations

Series 2001 C: \$60,930,000; land acquisition, refunding of Series 1979 A, Series 1993 A, Series 1994 C, Series 1996 E bonds

Series 2002 K: \$14,920,000; various renovations, land acquisition, sub-station and boilers

Series 2003 I: \$64,910,000; land and computer acquisition, education building, apartment complex, chiller plant, Triad Apartment and Academy Street School renovations

Series 2003 J: \$4,555,000; refunding of Series 1993 B and Series 1993 C bonds

Series 2003 K: \$14,700,000; land and computer acquisition, education building, apartment complex, chiller plant, Triad Apartment and Academy Street School renovations

Series 2004 C: \$61,275,000; Academic building, townhouse complex, cogeneration plant, chiller, student center renovations, and other improvements

Series 2005 D: \$51,840,000; refunding of Series 1997 B and partial refunding of Series 2000 B bonds

Series 2006 G: \$69,405,000; various renovation projects and partial refunding of Series 2002 K and Series 2003 I bonds

Series 2006 H: \$20,000,000; apartment complex, academic building, property acquisition, various renovation projects

Series 2007 B: \$121,355,000; refunding of Series 1997 C bonds and a partial refunding of Series 2001 B, Series 2001 C, Series 2002 K, Series 2003 I and Series 2004 C bonds

Series 2008 B: \$35,205,000; debt restructuring

Rutgers, The State University

Series 1974 A: \$6,725,000; student apartments

Saint Peter's College

1975 Series B: \$6,000,000; Recreational Life Center

1977 Series A: \$7,290,000; refunding of 1975 Series B bonds

1992 Series B: \$11,215,000; student housing facility

1998 Series B: \$36,815,000; student housing facility, refunding of 1977 Series A and 1992 Series B bonds

1999 Tax-Exempt Lease: \$663,000; equipment acquisition

2007 Series G: \$36,053,465; partial refunding of 1998 Series B bonds and bank loans

2007 Series I: \$3,848,461; taxable partial refunding of 1998 Series B bonds

2008 Series H: \$5,000,000; capital improvements

2008 Series I: \$3,728,462; conversion of 2007 Series I bonds from taxable to tax-exempt bonds

Seton Hall University

1976 Series A: \$4,550,000; Law Center

1985 Series, Project A: \$31,985,000; dormitory and recreation center

1988 Series, Project B: \$23,000,000; dormitory

1989 Series, Project C: \$53,535,000; Law School and parking garage

1991 Refunding Series A: \$33,965,000; refunding of 1985 Series, Project A bonds

1991 Refunding Series B: \$21,785,000; refunding of 1988 Series, Project B bonds

1991 Series, Project D: \$28,970,000; library

1996 Series, Project E: \$20,800,000; refunding of 1989 Series, Project C bonds

1998 Series, Project F: \$7,620,000; refunding of 1991 Series, Project D bonds

1999 Series: \$50,450,000; refunding of 1989 Series, Project C and 1991 Series, Project D bonds

2001 Refunding Series A: \$22,840,000; refunding of 1991 Series A bonds

2001 Refunding Series B: \$11,600,000; refunding of 1991 Refunding Series B bonds

2001 Series, Project G: \$8,740,000; parking facility, additions, dormitory fire suppression project

2005 Series C: \$57,750,000; McNulty Hall renovations for new Science and Technology Center, property acquisition for student housing, electrical substation, baseball/soccer field improvements

2006 Series A: \$20,750,000; refunding of 1996 Series, Project E bonds

2008 Series D: \$49,760,000; partial refunding of 2005 Series C bonds and refunding of 2006 Series A bonds

2008 Series E: \$24,340,000; refunding of 2005 Series C bonds

2009 Tax-Exempt Lease: \$3,371,289; acquisition of laptops

2009 Series C: \$7,955,000; refunding of 1998 Series, Project F bonds

Stevens Institute of Technology

1983 Series A (Collateralized): \$5,350,000; dormitory

1992 Series A: \$18,995,000; athletic/recreation center, refunding of 1983 Series A bonds

1998 Series I: \$17,000,000; renovations and maintenance, refunding of a portion of 1992 Series A bonds

2002 Series C: \$59,585,000; Center for Technology Management, improvements to athletic fields

2004 Series B: \$13,265,000; conversion of 6 brownstones to student residence halls

2007 Series A: \$71,060,000; refunding of 2002 Series C and 2004 Series B bonds and partial refunding of 1998 Series I bonds

The College of New Jersey

Series 1972 A: \$9,270,000; dormitory and dining hall

Series 1976 D: \$5,580,000 and Series 1976 E: \$1,086,000; student center

Series 1979 B: \$2,300,000; athletic and recreation center

Series 1983 E: \$2,810,000; sports fields

Series 1983 F: \$9,000,000; dormitory

Series 1984 B: \$9,110,000; gymnasium renovations

Series 1986 D: \$10,050,000; refunding of Series 1983 F bonds

Series 1986 G: \$10,400,000; refunding of Series 1984 B bonds

Series 1989 C: \$34,680,000; student residence

Series 1992 A: \$9,955,000; cogeneration plant

Series 1992 E: \$56,160,000; refunding of Series 1986 D, Series 1986 G, Series 1989 C bonds

Series 1994 B: \$24,890,000; dormitories and parking garage

Series 1996 A: \$75,185,000; academic building, nursing building, student residence, renovations

Series 1999 A: \$146,455,000; School of Business, Social Sciences Building, dormitory additions, refunding of Series 1994 B and Series 1996 A bonds

Series 2002 C: \$53,155,000; refunding of Series 1992 A and Series 1992 E bonds

Series 2002 D: \$138,550,000; library, parking garages/decks, apartments, various renovations and additions

Series 2008 D: \$287,790,000; debt restructuring

Series 2010 A (Tax-Exempt) and Series 2010 B (BABs): \$44,500,000; academic building

Historical Financings

Thomas Edison State College

Direct Loan Program (1998): \$1,300,000; equipment purchase

2005 Tax-Exempt Lease: \$1,800,000; acquisition of various equipment, furniture and technology infrastructure

2007 Tax-Exempt Lease: \$2,700,000; renovations and equipment acquisition

2010 Tax-Exempt Lease: \$700,000; equipment acquisition and installation

Union County College

1973 Series A: \$3,635,000; library/classroom building

Series 1989 B: \$6,660,000; commons building

Series 1991 C: \$3,945,000; computer laboratories

University of Medicine and Dentistry of New Jersey

Series 1995 B: \$143,645,000; academic building

Series 1999 C: \$15,720,000; building acquisition

Series 2009 B: \$258,075,000; refunding of Series 1995 B and Series 1999 C and other outstanding debt

The William Paterson University of New Jersey

Series 1974 C: \$4,025,000; student apartments

Series 1976 A: \$5,685,000; student center

Series 1981 A: \$12,405,000 and Series 1981 B: \$5,000,000; student residence

Series 1982 E: \$2,200,000; Student Center Annex

Series 1985 B: \$13,700,000; refunding of Series 1981 A bonds

Series 1991 F: \$21,605,000; dormitory; refunding of Series 1985 B bonds

Series 1998 D: \$6,575,000; partial refunding of Series 1991 F bonds

Series 1999 D: \$12,785,000; dormitory

Series 2000 A: \$26,425,000; land acquisition and academic building conversion

Series 2002 E: \$42,125,000; refunding of Series 1991 F bonds, student center renovations and addition

Series 2004 A: \$30,035,000; two dormitories and roadway construction and improvements

Series 2005 E: \$42,295,000; partial refunding of Series 1999 D, Series 2000 A and Series 2002 E bonds

Series 2008 C: \$88,670,000; addition to Science Hall, refunding of Series 1998 D bonds

Summary of State-Backed Transactions

Higher Education Equipment Leasing Fund

Higher Education Equipment Leasing Fund, Series 1994 A: \$100,000,000

Higher Education Equipment Leasing Fund, Series 2001 A: \$87,385,000

Higher Education Equipment Leasing Fund, Series 2003 A: \$12,620,000

Higher Education Facilities Trust Fund

Higher Education Facilities Trust Fund, Series 1995 A: \$220,000,000

Higher Education Facilities Trust Fund, Series 2005 A: \$90,980,000; refunding of Series 1995 A bonds

Higher Education Technology Infrastructure Fund

Higher Education Technology Infrastructure Fund, Series 1998 A: \$55,000,000

County College Capital Projects Fund

County College Capital Projects Fund, Series 1999 A: \$19,295,000

Higher Education Capital Improvement Fund

Higher Education Capital Improvement Fund, Series 2000 A: \$132,800,000

Higher Education Capital Improvement Fund, Series 2000 B: \$145,295,000

Higher Education Capital Improvement Fund, Series 2002 A: \$194,590,000

Higher Education Capital Improvement Fund, Series 2004 A: \$76,725,000

Higher Education Capital Improvement Fund, Series 2005 A: \$169,790,000; partial refunding of Series 2000 A, Series 2000 B and Series 2002 A bonds

Higher Education Capital Improvement Fund, Series 2006 A: \$155,460,000; partial refunding of Series 2000 A, Series 2000 B, Series 2002 A and Series 2004 A bonds

Dormitory Safety Trust Fund

Dormitory Safety Trust Fund, Series 2001 A: \$67,970,000

Dormitory Safety Trust Fund, Series 2001 B: \$5,800,000 (federally taxable)

Dormitory Safety Trust Fund, Series 2003 A: \$5,440,000

Public Library Grant Program

Public Library Grant Program, Series 2002 A: \$45,000,000

Other

Floating Rate Weekly Demand Equipment & Capital Improvement Revenue Bonds, 1985 Series A: \$50,000,000

Financial Statements

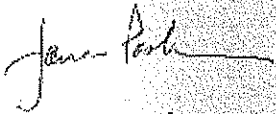
and Supplemental Financial Information

NJEFA is pleased to include and incorporate its audited 2010 Financial Statements and Supplemental Financial Information in this 2010 Annual Report on CD-Rom. This format represents our continued commitment to cost-efficient and environmentally responsible business practices.

Certification Pursuant to Executive Order No. 37

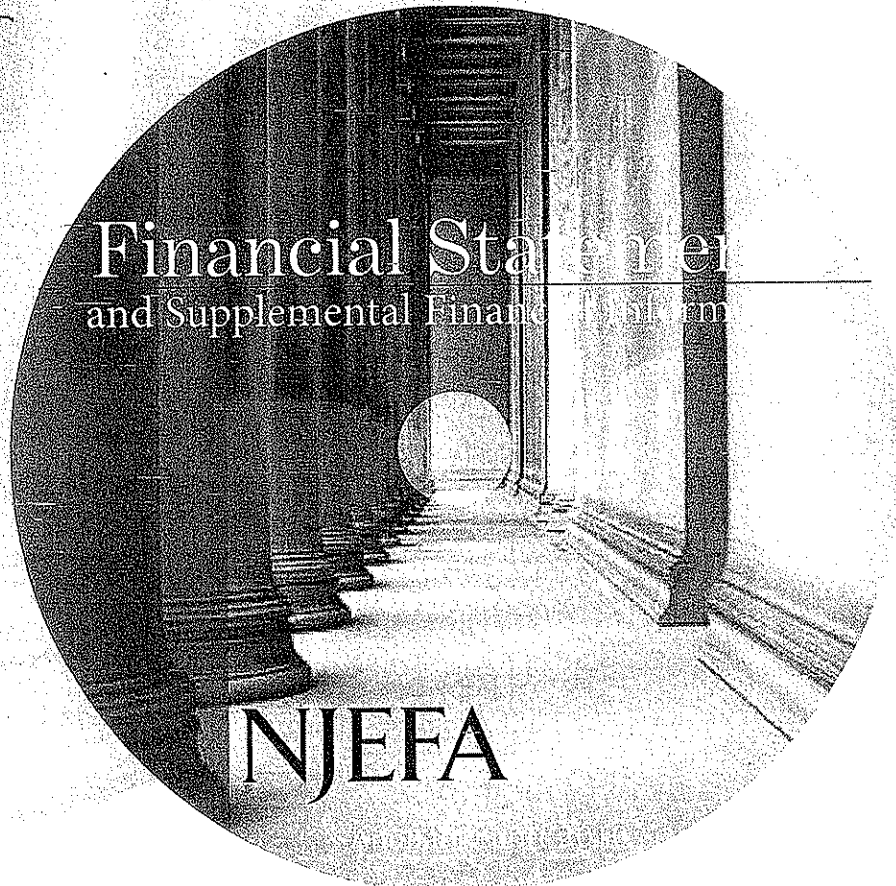
The New Jersey Educational Facilities Authority's 2010 Annual Report serves as the comprehensive annual report of the Authority's operations and finances in accordance with Executive Order No. 37.

Pursuant to Executive Order No. 37, I, James Poole, certify that during 2010, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

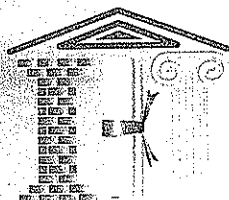


James S. Poole
Executive Director

June 28, 2011



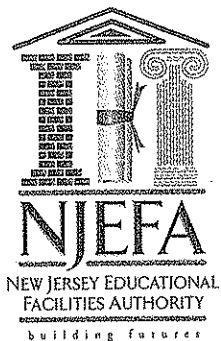
This annual report and the Authority's financial statements are available on our website,
www.njefa.com.



NJFEFA

NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY

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BOND SALE SUMMARY

| | |
|-----------------------------------|---|
| Borrower: | Rowan University, Mahwah, New Jersey |
| Issue: | Series 2011 C |
| Amount: | \$30,045,000 |
| Purpose: | To provide funds to finance: (i) the current refunding of all of the Authority's outstanding Series 2001 C bonds issued on behalf of the University; and (ii) the payment of certain costs of issuance. |
| Structure: | Negotiated Sale, Fixed Rate |
| Final Maturity: | July 1, 2025 |
| True Interest Cost: | 3.70% |
| Net Present Value Savings: | \$3,831,495 / 10.32% |
| Bond Ratings: | A2 - Moody's Investors Service A+ - Standard & Poor's Rating Services |
| Pricing: | May 11, 2011 |
| Closing: | May 25, 2011 |

Professionals on the Transaction:

| | |
|--|---|
| Bond-Counsel: | McManimon & Scotland, LLC |
| Authority's Counsel: | Attorney General of the State of New Jersey |
| Senior Manager: | Morgan Stanley & Co., Inc. |
| Co-Manager: | Bank of America Merrill Lynch |
| Selling Group: | Edward Jones |
| | Pershing LLC |
| | Southwest Securities, Inc. |
| Underwriters' Counsel: | Drinker Biddle & Reath LLP |
| Financial Advisor: | Scott Balice Strategies |
| Trustee/Escrow Agent: | The Bank of New York Mellon |
| Trustee/Escrow Agent's Counsel: | Hawkins, Delafield & Wood, LLP |



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BOND SALE SUMMARY

Borrower: Seton Hall University, South Orange, New Jersey

Issue: 2011 Series A

Amount: \$35,470,000

Purpose: To provide funds to finance: (i) the current refunding of all or a portion of the Authority's outstanding 1999 Refunding Series, 2001 Refunding Series A, 2001 Refunding Series B and 2001 Series, Project G bonds issued on behalf of the University; and (ii) the payment of certain costs of issuance.

Structure: Negotiated Sale, Fixed Rate

Final Maturity: July 1, 2026

True Interest Cost: 2.99%

Net Present Value Savings: \$2,898,600 / 7.81%

Bond Ratings: A3 - Moody's Investors Service
A - Standard & Poor's Rating Services

Pricing: June 1, 2011

Closing: June 10, 2011

Professionals on the Transaction:

| | |
|--------------------------------|--|
| Bond Counsel: | Gluck Walrath, LLP |
| Authority's Counsel: | Attorney General of the State of New Jersey |
| Borrower's Counsel: | Connell, Foley & Geiser LLP |
| Senior Manager: | J.P. Morgan Securities, Inc. |
| Co-Senior Manager: | Ramirez & Co., Inc. |
| Co-Manager: | Roosevelt & Cross, Inc. |
| Selling Group: | Drexel Hamilton, LLC Edward Jones Southwest Securities, Inc. |
| Underwriters' Counsel: | Wolff & Samson PC |
| Trustee: | US Bank, National Association |
| Trustee's Counsel: | McElroy, Deutsch, Mulvaney & Carpenter, LLP |
| Escrow Agent: | The Bank of New York Mellon |
| Escrow Agent's Counsel: | McManimon & Scotland, LLC |