

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

MEETING OF JUNE 28, 2011

AGENDA

1. Reading of Public Notice and Roll Call
2. Approval of the Minutes of the Special Meeting of May 13, 2011 TAB 1
3. Approval of the Minutes of the Meeting of May 24, 2011 TAB 2
4. Amending Resolution for Provisions of Solar Energy Services at The Richard Stockton College of New Jersey TAB 3
5. Release and Conveyance of Certain Real Property on the Campus of Montclair State University TAB 4
6. Resolution Approving Procurement of Insurance Coverage TAB 5
7. Report on Operating Statements
Results of Operations and Budget Variance Analysis TAB 6
8. Resolution Approving the Authority's Annual Report for 2010 TAB 7
9. Report on the Recent Bond Sales TAB 8
10. Next Meeting Date – July 26, 2011



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

JIM POOLE
Executive Director

May 13, 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 Special Meeting of the New Jersey Educational Facilities Authority held on Friday, May 13, 2011. Also enclosed is a copy of the adopted resolution.

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
PHONE 609-987-0880 • FAX 609-987-0850 • jpoole@njeda.com

JIM POOLE
Executive Director

**MINUTES OF THE SPECIAL MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON FRIDAY, MAY 13, 2011**

The meeting was called to order at 9:32 a.m. by Chairman Jacobs. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via e-mail and fax on May 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, Chair
Ridgeley Hutchinson, Vice Chair
Joshua Hodes, Treasurer
Andrew P. Sidamon-Eristoff, State Treasurer (represented by Steven Petrecca)
Steven D. Weinstein, Chair, Commission on Higher Education (represented by Glenn Lang)

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT:

James Poole, Executive Director
Marie Mueller, Controller
Katherine Newell, Esq., Director of Risk Management
Sheryl Stitt, Director of Communications
Sheila Toles, Exec. Assistant/Human Resources Specialist

ALSO PRESENT:

Clifford Rones, Esq., Deputy Attorney General
Kavin Mistry, Esq., Deputy Attorney General
David Reiner, Esq., Governor's Authorities Unit

ITEMS OF DISCUSSION

1. Adoption of Resolution to Pay a Portion of the Debt Service on the Authority's Higher Education Capital Improvement Fund Bonds

Mr. Poole reported that the Authority had issued, in several series, \$550 million of State appropriation bonds for the Higher Education Capital Improvement Fund and that the debt service payable to the State for State Fiscal Year 2012 on the bonds is \$28.7 million. The bonds are being used to provide grants to the State's four-year public and private institutions for all or a portion of the cost of the repair, renovation or construction of facilities.

Mr. Poole requested the Members' approval of a resolution allowing the Authority to use retained earnings, which is monies available to the Authority from the difference between revenues and expenditures over prior years, in the amount of \$8 million to pay a portion of the SFY 2012 debt service on the bonds. Mr. Poole advised that currently the Authority has \$11 million in retained earnings and that using the \$8 million for the debt service would decrease the amount of the retained earnings to \$3 million and that \$3 million would be sufficient, in the worst case scenario, to continue the operations of the Authority for about 13 months.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY TO
PAY THE DEBT SERVICE ON AUTHORITY HIGHER EDUCATION CAPITAL
IMPROVEMENT FUND BONDS

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

The adopted resolution is appended as Exhibit I.

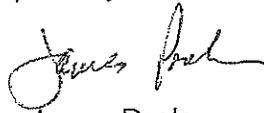
Mr. Jacobs thanked the Department of Treasury staff for spending so much time with the Members to provide explanations that were helpful in understanding the issue. Mr. Hodes also thanked the Department of Treasury for taking the time and stated that they were very helpful. Mr. Petrecca stated that he would pass on the Members' sentiments.

2. Next Meeting Date

Chairman Jacobs announced that the next meeting will be held on Tuesday, May 24, 2011 at 9:00 a.m. at the Authority's office and requested a motion to adjourn.

Mr. Hutchinson moved that the meeting be adjourned at 9:37 a.m.; the motion was seconded by Dr. Lang and passed unanimously.

Respectfully submitted,



James Poole
Secretary

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(THE "AUTHORITY") TO PAY THE DEBT SERVICE ON AUTHORITY HIGHER
EDUCATION CAPITAL IMPROVEMENT FUND BONDS (THE "BONDS")

MAY 13, 2011

WHEREAS: The Authority was created pursuant to the New Jersey Educational Facilities Authority Law, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act"); and

WHEREAS: The Higher Education Capital Improvement Fund was created pursuant to N.J.S.A. 18A:72A-74 et seq., which authorized the issuance of \$550 million in Bonds to provide grants to New Jersey's four-year public and private institutions of higher education for all or a portion of the cost of the repair, renovation or construction of facilities; and

WHEREAS: The Authority has issued all \$550 million; and

WHEREAS: The debt service payable by the State of New Jersey during State Fiscal Year (SFY) 2012, on the Bonds is \$28.7 million; and

WHEREAS: The State of New Jersey ("State") is confronted with shortfalls in its Fiscal Year 2012 Budget; and

WHEREAS: Similar shortfalls were experienced by the State in the State Fiscal Year 2002 and 2005; and

WHEREAS: The Authority transferred to the State General Fund \$5 million in SFY 2002 and \$2.5 million in SFY 2005; and

WHEREAS: The Authority has retained earnings sufficient to pay a portion of the State debt service on the Bonds during SFY 2012.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY:

SECTION 1. The Members hereby authorize the Authority to use available monies from the Authority's operating account in the amount of \$8 million to pay a portion of the SFY 2012 debt service on the Bonds.

SECTION 2. The Members hereby authorize the Executive Director or Controller to take any and all actions necessary and/or appropriate to implement this resolution.

SECTION 3. This resolution shall take effect in accordance with *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 _____ Dr. Lang _____ and upon roll call the following members voted:

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

NAY: None

ABSTAIN: None

ABSENT: None

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



NEW JERSEY EDUCATIONAL
REC'D

State of New Jersey
OFFICE OF THE GOVERNOR
PO Box 001
TRENTON, NJ 08625-0001

JUN - 3 2011

FACILITIES AUTHORITY

CHRIS CHRISTIE
Governor

June 2, 2011

James Poole, Executive Director
New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540

RE: Minutes of the New Jersey Educational Facilities
Authority May 24, 2011 Meeting

Dear Mr. Poole:

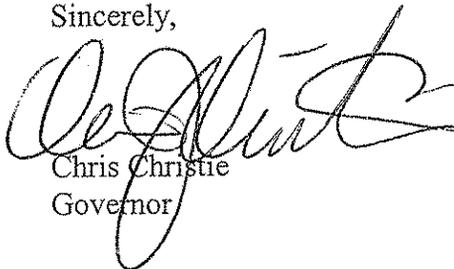
I have reviewed the minutes of the May 24, 2011 meeting of the Board of the New Jersey Educational Facilities Authority ("EFA"). In accordance with the authorization contained in N.J.S.A. 18A:72A-4(i), I hereby return the minutes with a veto of the Board's approval of the Resolution appointing a Deputy Executive Director.

The process for selecting this Deputy Executive Director was fundamentally flawed in that no application or interview process was conducted. Instead, as stated on the record at the May 24, 2011 meeting, the Chairman of the Board, in consultation with only the public members of the Board, simply handpicked an employee to be named Deputy Executive Director. Moreover, the need for a Deputy Executive Director at EFA which has a staff of only fourteen employees is questionable. Notably, as Executive Director, you noted on the record of the May 24, 2011 meeting that there is no need for such a position. The representative from the Department of Treasury also questioned the need for this position in such a small agency.

The designation of important senior staff titles such as Deputy Executive Director should be made only after the appropriate agency leaders have determined that the position is necessary and that candidates have been considered in a fair and transparent manner. Neither of those tasks was accomplished here.

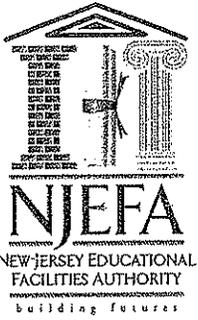
No veto power is exercised as to any other action taken by the Board at its meeting of May 24, 2011.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Christie". The signature is stylized and cursive, with a large initial "C" and a long, sweeping tail.

Chris Christie
Governor

c: Roger Jacobs, Chairman
Deborah L. Gramiccioni, Director, Governor's Authorities Unit



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PHONE 609-987-0880 • FAX 609-987-0850 • jpoole@njefa.com

JIM POOLE
Executive Director

May 25, 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:

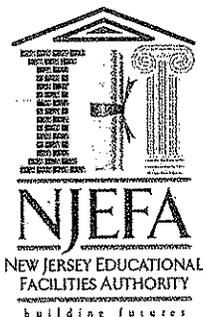
Enclosed please find an original and one copy of the minutes of the meeting of the New Jersey Educational Facilities Authority held on Tuesday, May 24, 2011.

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

Sincerely,

James Poole
Secretary

Enclosures



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JIM POOLE
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, MAY 24, 2011
ANNUAL MEETING**

The meeting was called to order at 9:03 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 11, 2010, to The Star Ledger, The Times and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Roger B. Jacobs, Esq., Chairman
Ridgeley Hutchinson, Vice-Chairman
Joshua Hodes, Treasurer
Steven D. Weinstein, Chair, Comm. on Higher Education (represented by Elizabeth Garlatti)
Andrew P. Sidamon-Eristoff, State Treasurer (represented by Steven Petrecca)

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT:

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

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of April 26, 2011

The minutes of the meeting of April 26, 2011 were hand delivered to Governor Chris Christie under the date of April 29, 2011. Mr. Petrecca moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Hutchinson and passed unanimously.

Chairman Jacobs asked the phone participants from Princeton University to identify themselves, they were: Carolyn Ainslie, Vice President for Finance and Treasurer; Matthew Kent, Associate Treasurer; and Linda Fan, financial advisor to Princeton University.

2. Resolution for Princeton University Issue, 2011 Series B, In an Amount Not to Exceed \$275,000,000

Ms. Soyka reported the details of the proposed 2011 Series B bonds in an amount not to exceed \$275,000,000 on behalf of Princeton University. The proceeds of the issue will be used to finance a portion of the University's capital plan and authorizes a competitive sale of the bonds with a not to exceed true interest cost of 6% and a final maturity not later than July 1, 2046. The resolution also approves a form of the Preliminary Official Statement, Notice of Sale, Continuing Disclosure Agreement, Loan Agreement and appoints a trustee. Ms. Soyka explained that the resolution is a little different from other deals in that the general bond resolution structure has a trustee under the general bond resolution that maintains the same trustee for every series of bonds thereafter. She reported that the resolution also authorizes a sub series of bonds in the event the University determines to split for purposes of the sale; would authorize an alternative Notice of Sale that illustrates the split series; and would create the funds and accounts to be held by the trustee.

Mr. Kent described the University's capital plan.

Mr. Hodes asked if the members would be approving any professionals for the transaction and Mr. Poole advised that bond counsel for Princeton University was the next item on today's agenda.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
\$275,000,000 NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
PRINCETON UNIVERSITY REVENUE BONDS, 2011 SERIES B

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

The adopted resolution is appended as Exhibit I.

Deborah Gramiccioni, Director of the Governor's Authorities Unit joined the meeting during this time.

3. Resolution of Appointment of Bond Counsel for Princeton University

Mr. Poole reported that he had recently been asked by the Attorney General's Office to present the appointment of bond counsel as an informational item instead of an acknowledgement. He explained that through a competitive selection of bond counsel by the Attorney General's Office, based on discussions between the Executive Director and the Attorney General, that McCarter & English had been selected as bond counsel for the transaction and that no action was required from the Authority's board.

Mr. Hodes asked what the switch from acknowledgement to informational meant and Mr. Poole explained that the appointment had been made by the Attorney General using the States' process. Mr. Ronos explained that appointment of bond counsel is a statutory matter requiring the designation of the Governor and the Attorney General. He explained that the appointment of bond counsel is in consultation with a representative of the Authority.

Mr. Poole explained to Mr. Hodes that the matter had been ongoing since January of this year and that there had been a question of debate between several parties whether it was ever necessary and that to his understanding, there were no other Authorities that were doing it that way. Mr. Poole advised the members that it would be standard operating procedure going forward.

Mr. Hodes asked for further information and Mr. Poole advised that on April 4, 2011, the Attorney General distributed an RFP for bond counsel services to 11 firms and received eight responses, and that the members had the respective fees that were received in their board book. Mr. Poole explained that in discussions with the Attorney General he had recommended the appointment of McCarter & English based on three factors: McCarter & English had been counsel to the University for 20 years; the bonds are general obligations of the University and as such, bond proceeds can be used on any of the 400 project sites on its campus; and that due to the extensive nature of the tax analysis required, McCarter & English had advised the University on its last 20 transactions.

Mr. Hodes stated that last month the Authority's contracts were awarded to the lowest bidder and that today the Authority was not doing that and asked for the rationale. Mr. Poole explained that since discussions began in January of this year there had always been a caveat that the Authority usually selects the lowest bidder but that the rationale for not going with the lowest bidder on this transaction was listed in the resolution. Mr. Petrecca asked Mr. Ronos if there were times when bond firms were conflicted out and what happened in those instances. Mr. Ronos responded that the firms either did not respond to the RFP or they were passed on. Ms. Newell explained the Authority's bond counsel pool process. Mr. Hutchinson asked was it not appropriate to go along with the University's request and it was explained and confirmed by Ms. Ainslie that the University preferred to work with McCarter & English.

Since it was determined that there was no longer a resolution required for this matter, the members did not vote and no action was taken.

Elizabeth Garlatti, Director of Finance and Research for the Commission on Higher Education joined the meeting during this discussion.

4. **Election of Officers for the Period Ending May 31, 2012**

Mr. Poole requested the members' nominations for officers for the period ending May 31, 2012. The nominations and elected officers are indicated on the adopted resolution appended as Exhibit II.

5. **Adoption of Resolution Appointing Members to the Authority's Evaluation Committee**

Mr. Poole reported that pursuant to Section 12 of the Authority's By-Laws three members needed to be nominated to the Evaluation Committee and that members of the Audit Committee may also serve as members of the Evaluation Committee. He advised that the Evaluation Committee would review, if necessary, proposals received from outside accountants and auditing firms and make recommendations to the Audit Committee. Mr. Petrecca nominated Mr. Hutchinson; Mr. Hutchinson nominated Mr. Petrecca and Mr. Hutchinson nominated Mr. Hodes.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE EVALUATION COMMITTEE

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

The adopted resolution is appended as Exhibit III.

6. **Adoption of Resolution Appointing Members to the Authority's Audit Committee**

Chairman Jacobs reported that the Authority's By-Laws provide that the Audit Committee shall consist of the State Treasurer, the Treasurer of the Authority (if the Authority's Treasurer is a member of the Authority), and a member of the Authority with significant financial experience.

Chairman Jacobs advised that Mr. Hodes is a member of the Audit Committee by virtue of his election as Treasurer of the Authority and that the State Treasurer is an *ex officio* member of the Committee and had designated Mr. Petrecca to serve as his representative and because the Treasurer is a member of the Authority it was necessary to elect an additional member with significant financial experience. The Chairman asked for nominations for a third member to the Audit Committee and Mr. Hodes nominated Mr. Hutchinson, Mr. Petrecca seconded the motion and it was passed unanimously.

The adopted resolution is appended as Exhibit IV.

7. **Resolution Adopting Annual Notice of Meetings**

In compliance with the Open Public Meetings Law, Chairman Jacobs requested the members' approval of the annual notice of meetings for the period June 28, 2011 through May 22, 2012. The meetings are scheduled to begin at 9:00 a.m. at the Authority's office. He advised that in the event there are changes in time, date or location, the members would receive a formal notice and that the notices would also be published in the Newark Star Ledger and The Times.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY FOR THE ADOPTION OF ANNUAL NOTICE OF MEETINGS

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

The adopted resolution is appended as Exhibit V.

8. **Report on Operating Statements**

Ms. Mueller reviewed the Results of Operations and Budget Variance for April 30, 2011.

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

The reports are appended as Exhibit VI.

9. **Resolution Appointing a Deputy Executive Director**

Chairman Jacobs requested a motion appointing a Deputy Executive Director to the Authority. Mr. Hodes moved the adoption and Mr. Hutchinson seconded the motion.

Mr. Petrecca informed the members that the Authority was a small agency and that he questioned the need for a Deputy Executive Director. Chairman Jacobs explained that in previous discussions with the Executive Director he had felt that, since the former Deputy Executive Director Barbara Cannon retired, the Authority needed someone to fill in when Mr. Poole was out of the office. Chairman Jacobs explained that he thought that they were simply talking about a 'place holder' in those circumstances and that there would be no change in status or salary but basically assuring that there would be continuity at the Authority at all times. Chairman Jacobs stated that they were certainly not contemplating a position akin to the position Ms. Cannon held and that it would not include human resources but basically just being available when the Executive Director is not. Mr. Petrecca advised that he felt that the Authority had a very competent staff and that he did not believe a Deputy Executive Director was needed but that if Mr. Poole was out of the office for more than a few weeks that he could see designating someone in that capacity but that he did not feel a Deputy Executive Director was needed.

Ms. Gramiccioni stated that the Authorities Unit also queried the need for a Deputy Executive Director and asked Mr. Poole for his thoughts. Mr. Poole stated that since April 1st he had explained to the Chairman and the Governor's Authorities Unit that he did not feel there was a need for a Deputy Executive Director but that he would leave the determination to the By-Laws and to the board members to determine. He explained that in absence of a vacation, a designation could be made authorizing certain functions that are not already approved, however, looking at the resolutions passed last month and at today's meeting, most of the functions of the Authority could be handled in his absence from a couple of days to a couple of weeks.

Ms. Gramiccioni asked how the individual was selected and whether or not the position was advertised. Chairman Jacobs advised that the position was not advertised and that he had spoken with the public members concerning the selection. Chairman Jacobs explained that he had been with the Authority for eight years and that he had some familiarity with key personnel and that in consultation with his colleagues the selection was made.

Chairman Jacobs voted for the motion along with Mr. Hodes and Mr. Hutchinson and the motion passed. Mr. Petrecca opposed. Ms. Garlatti abstained.

The adopted resolution is appended as Exhibit VII.

10. Report on Pending Projects

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

Ms. Newell reported that the Thomas Edison State College equipment lease had been approved at last month's meeting and that the money would be used to replace shelving in the State Library and to install equipment needed for the College's operations. She reported that the maximum amount would be \$1 million and that at the College's June 4th meeting, they would be considering approving a financing for renovations of the Kuser Mansion which is expected to be between \$6-8 million and that there had been discussions with the Authority on financing that project. Ms. Newell reported that the equipment lease would close in July and that the money for the Mansion renovations would not be needed until September.

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

11. Listing of Professionals – January 2009 through December 2010

Mr. Poole gave the members an update of the Authority's professionals from January 2009 through December 2010. He also included the requested update from December 2010 to the present. Chairman Jacobs thanked Mr. Poole for the update and asked him to keep the members posted. Mr. Poole thanked Ms. LaMarsh for putting together the list and advised the members that going forward the members would receive a recap in January of what had been done throughout the year.

The list of professionals is appended as Exhibit IX.

12. Report on the Authority's Draft Annual Report

Ms. Stitt reported that pursuant to an Executive Order signed by Governor Corzine, the Authority's Annual Report had to be presented to the members for formal approval. She advised that in order to give the members time to review the content and provide comments that she was giving them a draft today and that she intended to present another draft report with any comments to the members in June. Ms. Stitt requested major comments in the next two weeks.

13. Next Meeting Date

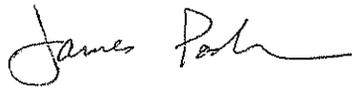
Chairman Jacobs congratulated the members on being reelected and added that he appreciated the vote of confidence that the board had placed in him in reelecting him Chairman. He noted that the Authority had a very professional staff and had not missed a beat with addition of Mr. Poole. Chairman Jacobs noted that he was very appreciative that Ms. Gramiccioni attended the meeting.

Mr. Hutchinson asked if the Authority was involved in the upcoming Alliance for Action function that is focusing on higher education and Mr. Poole advised that he would be speaking at the June 16th event.

Chairman Jacobs asked Ms. Stitt to report on the presentation that she was working on for him to give at the Association of Independent Colleges and Universities in NJ's retreat on June 6th and that she was also working on a conference for small businesses, women and minority-owned business opportunities.

Chairman Jacobs announced that the next meeting would be on Tuesday, June 28, 2011 at 9:00 a.m. at the Authority's office and requested a motion to adjourn. Mr. Hutchinson moved that the meeting be adjourned at 9:46 a.m.; the motion was seconded by Mr. Petrecca and passed unanimously.

Respectfully submitted,



James Poole
Secretary

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

2011 SERIES B SERIES RESOLUTION
ADOPTED MAY 24, 2011

AUTHORIZING THE ISSUANCE OF NOT TO EXCEED

\$275,000,000

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
PRINCETON UNIVERSITY-REVENUE BONDS, 2011 SERIES B

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2011 SERIES B SERIES RESOLUTION

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY PRINCETON UNIVERSITY REVENUE BONDS, 2011 SERIES B

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority"), by its Princeton University Revenue Bond Resolution, duly adopted on February 16, 1999, as amended and supplemented (the "Resolution"), has authorized the issuance of bonds, from time to time, in one or more series, for the purpose of providing funds for a loan to The Trustees of Princeton University (the "University");

WHEREAS, the Resolution provides that the bonds of the Authority shall be authorized and issued pursuant to a series resolution or series resolutions;

WHEREAS, the Authority has, at the request of the University, determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated "New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2011 Series B" for the purpose of financing: (i) in whole or in part, the costs of the acquisition, construction, renovation and installation of certain capital assets to be located at the University's main-campus in Princeton, New Jersey, at its Forrestal Campus in Plainsboro, New Jersey, or at its administrative building at 701 Carnegie Center in West Windsor, New Jersey consisting of (a) the renovation and repair of various University buildings and other facilities, including utility systems, roads, grounds and parking, (b) the purchase of capital equipment for academic departments and administrative and supporting units, and (c) the construction of academic, administrative and/or student related capital facilities (collectively, "Facility Y" or the "2011 Project"); and (ii) the payment of certain costs incidental to the sale and issuance of the 2011 Series B Bonds, including deposits to certain funds created under the Resolution and this 2011 Series B Series Resolution;

WHEREAS, the Authority deems it necessary and in keeping with its purposes to issue the 2011 Series B Bonds herein authorized for the purposes of (i) paying the costs of the 2011 Project; and (ii) paying certain costs incidental to the sale and issuance of the 2011 Series B Bonds, including deposits to certain funds created under the Resolution and this 2011 Series B Series Resolution.

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

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.01. Definitions. As used in this 2011 Series B Series Resolution, unless a different meaning clearly appears from the context, all words and terms defined in Section 1.01 of the Resolution shall have the same meanings, respectively, in this 2011 Series B Series Resolution and in the 2011 Series B Bonds authorized hereby as are given to such words and terms by Section 1.01 of the Resolution. In addition, as used in the Resolution and in this 2011 Series B Series Resolution, unless a different meaning clearly appears from the context, the following words and terms shall mean:

“Agreement” or “Loan Agreement” means the Loan Agreement dated as of July 1, 2011 (or such other dated date as may be determined based on the date of issuance of the 2011 Series B Bonds), by and between the Authority and the University relating to the 2011 Project;

“Annual Administrative Fee” means the annual fee for the general administrative services of the Authority in an amount equal to the lesser of (i) 1/10 of 1% of the Outstanding principal amount of the 2011 Series B Bonds or (ii) \$50,000;

“Applicable Series Resolution” means this 2011 Series B Series Resolution and, unless a different meaning clearly appears from the context, other series resolutions authorizing Additional Parity Bonds;

“Arbitrage Certificate” means the Arbitrage Certificate, including the exhibits thereto, dated the date of issuance and delivery of the 2011 Series B Bonds, furnished by the Authority and based upon the Representation Letter;

“Authorized Officer” means the Chair, Vice Chair, Treasurer, Assistant Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Project Manager, Secretary, or any Assistant Secretary of the Authority and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or execute such document, and shall also include any of such officers designated as “acting” or “interim”;

“Certificate of Determination” means a certificate of any Authorized Officer making certain findings and determinations as authorized and/or delegated pursuant to the terms of this 2011 Series B Series Resolution.

“Construction Fund” means the fund created and established by this 2011 Series B Series Resolution;

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of July 1, 2011 (or such other dated date as may be determined based on the date of issuance of the 2011 Series B Bonds) by and between the University and The Bank of New York Mellon, as Dissemination Agent, as the same may from time to time be amended or supplemented;

“Costs of Issuance” means, as applicable, any costs relating to the issuance or the carrying of the 2011 Series B Bonds payable from the proceeds thereof, including, but not limited to, (i) underwriters’ discount (whether realized directly or derived through the purchase of the 2011 Series B Bonds at a discount below the price at which they are expected to be sold to the public); (ii) counsel fees (including bond counsel, issuer’s counsel, University counsel, trustee’s counsel and any other specialized counsel fees incurred in connection with the borrowing); (iii) financial advisor fees incurred in connection with the borrowing; (iv) rating agency fees; (v) trustee fees incurred in connection with the borrowing; (vi) paying agent and certifying and authenticating agent fees related to the issuance of the 2011 Series B Bonds; (vii) accountant fees related to the issuance of the 2011 Series B Bonds; (viii) printing costs (of the 2011 Series B Bonds and of preliminary and final offering materials); (ix) fees of any securities depository; (x) costs incurred in connection with the required public approval process (e.g., publication costs for public notices in connection with the issuance of the 2011 Series B Bonds, including, without limitation, the notice of sale and the notice of public hearing); and (xi) Authority fees;

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the 2011 Series B Bonds;

“Letter of Instructions” means the letter of instructions attached to the Arbitrage Certificate as Exhibit A provided by McCarter & English, LLP on the date of issuance and delivery of the 2011 Series B Bonds, as such letter may be amended from time to time, as a source of guidance for compliance with the Internal Revenue Code of 1986, as amended;

“2011 Series B Bonds” means the bonds designated “New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2011 Series B”, to be issued pursuant to the Resolution and this 2011 Series B Series Resolution to finance the costs associated with the 2011 Project and certain costs incidental to the issuance and sale of the 2011 Series B Bonds, including deposits to certain funds created under the Resolution and this 2011 Series B Series Resolution; and in the event the such bonds are issued in two sub-series pursuant to the terms of this 2011 Series B Series Resolution, “2011 Series B Bonds” as used herein shall refer to such two sub-series of bonds collectively;

“2011 Series B Series Resolution” means this resolution authorizing the issuance of the 2011 Series B Bonds;

“Official Notice of Sale” means the Official Notice of Sale for the 2011 Series B Bonds distributed by the Authority;

“Outstanding Parity Bonds” means the Authority’s Princeton University Revenue Bonds, 1999 Series A, 2003 Series D, 2003 Series E, 2004 Series D, 2005 Series A, 2005 Series B, 2006 Series D, 2006 Series E, 2007 Series E, 2007 Series F, 2008 Series J, 2008 Series K and 2010 Series B, previously or concurrently issued pursuant to the Resolution and the Applicable Series Resolution;

“Participating Underwriter” shall have the meaning ascribed thereto in the seventh recital to the Continuing Disclosure Agreement;

“Representation Letter” means the letter, dated the date of issuance of the 2011 Series B Bonds, provided by the University to the Authority and McCarter & English, LLP with respect to, among other things, the nature, use and costs of the 2011 Project for purposes of rendering their opinion with respect to the federal income tax treatment of interest on the 2011 Series B Bonds; and

“Sinking Fund Installment” means the amount of money sufficient to redeem the 2011 Series B Bonds in the amounts, at the times and in the manner set forth in Section 2.05(b) hereof.

Words importing persons include firms, associations and corporations, and words importing the singular number include the plural number and vice versa.

Section 1.02. Authority for this 2011 Series B Series Resolution. This 2011 Series B Series Resolution is adopted pursuant to and in accordance with the provisions of the Act and Article II and Article VIII of the Resolution.

ARTICLE II

AUTHORIZATION AND DETAILS OF 2011 PROJECT AND 2011 SERIES B BONDS

Section 2.01. Project Authorizations. Any Authorized Officer is hereby authorized to execute and seal all documents necessary to enable the Authority to finance the 2011 Project.

Section 2.02. 2011 Series B Bonds Authorized. The Authority hereby authorizes the issuance of the 2011 Series B Bonds for the purpose of making a loan to the University to pay the costs of the 2011 Project and to provide for the payment of certain Costs of Issuance and the deposit to certain funds created under the Resolution and this 2011 Series B Series Resolution. The 2011 Series B Bonds may be issued in one series or two sub-series of bonds pursuant to the terms of Section 2.18 hereof.

Section 2.03. Dates and Maturities. The 2011 Series B Bonds shall be initially dated, shall mature in such principal amounts and on such dates, shall bear interest payable on such dates, shall be subject to such terms, conditions and provisions as an Authorized Officer shall approve prior to their issuance with the advice of the Authority's Bond Counsel, McCarter & English, LLP ("Bond Counsel") and the Attorney General of the State of New Jersey (the "State") (such approval to be conclusively evidenced by such Authorized Officer's execution thereof), provided that (i) the aggregate principal amount of the 2011 Series B Bonds, whether issued in one series or two separate sub-series, shall not exceed \$275,000,000; (ii) the 2011 Series B Bonds shall mature not later than July 1, 2046; (iii) the "true" interest cost on the 2011 Series B Bonds shall not exceed 6.00% per annum; and (iv) Bond Counsel delivers an opinion that interest on the 2011 Series B Bonds is not includable in gross income for federal income tax purposes in connection with the issuance of the 2011 Series B Bonds. If, after issuance thereof, as shown by the records of the Trustee, interest on the 2011 Series B Bonds shall be in default, registered 2011 Series B Bonds issued in lieu of 2011 Series B Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the 2011 Series B Bonds surrendered. The 2011 Series B Bonds shall bear interest from the most recent interest payment date next preceding the date of such registered 2011 Series B Bond to which interest has been paid, unless the date of such registered 2011 Series B Bond is an interest payment date, in which case interest shall be payable from such date, or unless the date of such registered 2011 Series B Bond is prior to the first interest payment date of the registered 2011 Series B Bond, in which case interest shall be payable from the initial dated date or unless the date of such 2011 Series B Bond is between a record date and the next succeeding interest payment date, in which case from such interest payment date, payable on such dates and at such rate or rates per annum as shall hereafter be determined by an Authorized Officer upon the sale thereof. Any Authorized Officer also is authorized to accept terms and conditions relating to the 2011 Series B Bonds required as a condition to issuance thereof as such Authorized Officer deems necessary and appropriate with the advice of Bond Counsel and the Attorney General of the State. Any such terms and conditions modifying the terms of this 2011 Series B Series Resolution shall be set forth in a Certificate of Determination delivered by an Authorized Officer.

Section 2.04. Denominations, Numbers and Letters. The 2011 Series B Bonds shall be issuable in fully registered form in denominations of \$5,000 each or any integral multiple thereof. Unless the Authority shall otherwise direct, each maturity of the 2011 Series B Bonds

shall be numbered separately from one upwards preceded by the letter R and a letter or letters designating the year of maturity. In the event that the 2011 Series B Bonds are issued in two sub-series, each maturity of each sub-series of the 2011 Series B Bonds shall be numbered separately from one upwards preceded by the letter R and a letter or letters designating the year of maturity.

At the direction of an Authorized Officer, "CUSIP" identification numbers will be imprinted on the 2011 Series B Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2011 Series B Bonds, and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2011 Series B Bonds. In addition, failure on the part of the Authority to use such CUSIP numbers in any notice to holders of the 2011 Series B Bonds shall not constitute an event of default or any similar violation of the Authority's contract with such holders.

Section 2.05. Redemption of 2011 Series B Bonds. (a) *Optional Redemption.* (i) The 2011 Series B Bonds, or a sub-series thereof, as the case may be, shall be subject to redemption prior to maturity at the option of the Authority upon the consent of the University or by operation of the Redemption Fund, as a whole or in part at any time (if less than all of the 2011 Series B Bonds Outstanding of any maturity shall be called for redemption, such 2011 Series B Bonds to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee), on the dates and at the redemption price (expressed as a percentage of the principal amount to be redeemed), plus interest accrued to the redemption date, as set forth in the Certificate of Determination; provided, however, that any such redemption price shall not exceed 103%.

(ii) Redemption of any of the 2011 Series B Bonds shall otherwise be effected in accordance with Article III of the Resolution.

(b) *Mandatory Sinking Fund Redemption.* At the option of the successful bidder for the 2011 Series B Bonds, consecutively maturing serial 2011 Series B Bonds bearing the same interest rate may be converted to term 2011 Series B Bonds maturing in the final year of such particular consecutive series. Such term 2011 Series B Bonds shall be subject to mandatory redemption by lot, prior to maturity, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date, from moneys deposited in the Sinking Fund Account established for the 2011 Series B Bonds within the Debt Service Fund established under this 2011 Series B Series Resolution. The principal amount of the 2011 Series B Bonds otherwise required to be redeemed may be reduced by the principal amount of such 2011 Series B Bonds theretofore delivered to the Trustee by the Authority in lieu of cash payments under the Agreement or purchased by the Trustee out of moneys in the Sinking Fund Account in the Debt Service Fund established under this 2011 Series B Series Resolution that have not theretofore been applied as a credit against any Sinking Fund Installment.

Section 2.06. Notice of Redemption. When 2011 Series B Bonds are to be redeemed as provided herein, the Trustee shall give notice of such redemption by mailing a copy of such notice as provided in the Resolution, and such mailing shall be a condition precedent to such redemption. Failure of any holder of any 2011 Series B Bonds to receive such notice or any

defect therein shall not affect the validity of the proceedings for the redemption of 2011 Series B Bonds.

Section 2.07. Appointment of Trustee, Bond Registrar and Paying Agent. The Trustee, Bond Registrar and Paying Agent for the 2011 Series B Bonds shall be The Bank of New York Mellon, Woodland Park, New Jersey. Such appointment shall be evidenced by a certificate signed by an Authorized Officer and filed in the office of the Authority and delivered to the Trustee.

Section 2.08. Additional Duties of Trustee. The Trustee shall perform such other duties imposed upon it by this 2011 Series B Series Resolution or any assignments to the Trustee of the Agreement. The Authority may assign the Agreement to the Trustee, and the Trustee may hold such document, for the benefit of the holders of the 2011 Series B Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds.

Section 2.09. Places of Payment and Paying Agents. The principal or Redemption Price of the 2011 Series B Bonds shall be payable upon surrender at the principal corporate trust office of the Trustee. Interest on the 2011 Series B Bonds will be paid by check mailed by the Trustee to the holders thereof at their addresses as they appear on the registration books of the Authority, except that in the case of such holder of \$1,000,000 or more in aggregate principal amount of 2011 Series B Bonds, upon the written request of such holder to the Trustee, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds. Any such request shall remain in effect until revoked or revised by such holder by an instrument in writing delivered to the Trustee. However, so long as the 2011 Series B Bonds are held in book-entry form pursuant to Section 2.13 hereof, the provisions of Section 2.13 shall govern the payment of the principal or Redemption Price of and interest on the 2011 Series B Bonds. For purposes of this Section 2.09, interest is payable to the holder thereof who is such holder at the close of business on the record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date.

Section 2.10. Authentication. The 2011 Series B Bonds shall bear thereon a certificate of authentication, in substantially the form set forth in Section 2.14 hereof, manually executed by the Trustee or by any authenticating agent of the Trustee approved by the Authority. Only such 2011 Series B Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution, and no 2011 Series B Bonds shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee or by any authenticating agent of the Trustee approved by the Authority. Such certificate of the Trustee shall be conclusive evidence that the 2011 Series B Bond so authenticated has been duly authenticated and delivered under the Resolution and that the holder thereof is entitled to the benefits of the Resolution and this 2011 Series B Series Resolution.

Section 2.11. Transfer of 2011 Series B Bonds. Each 2011 Series B Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee, as Bond Registrar, by the holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the holder or his duly

authorized attorney and the payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Upon the transfer of any 2011 Series B Bond, the Authority shall issue in the name of the transferee a new 2011 Series B Bond or Bonds, in the same aggregate principal amount and maturity as the surrendered 2011 Series B Bond or Bonds.

Section 2.12. Regulations with Respect to Transfers. In all cases in which the privilege of transferring 2011 Series B Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver 2011 Series B Bonds in accordance with the provisions of the Resolution and this 2011 Series B Series Resolution. All 2011 Series B Bonds surrendered in any such transfer shall forthwith be canceled by the Trustee. Neither the Authority nor the Trustee shall be obliged to make any such transfer of 2011 Series B Bonds during (a) the period between the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date on the 2011 Series B Bonds and said interest payment date, (b) the period between the forty-fifth (45th) day (whether or not a business day) next preceding the date of selection of 2011 Series B Bonds to be redeemed and said date of selection, or (c) the period between the date of selection of 2011 Series B Bonds to be redeemed and the mailing of any notice of redemption.

Section 2.13. Book-Entry Bonds. (i) Except as provided in subsection (iii) of this Section 2.13, the registered owner of all of the 2011 Series B Bonds shall be DTC, and the 2011 Series B Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of semiannual interest for any 2011 Series B Bond registered as of each record date in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. on the interest payment date for the 2011 Series B Bonds at the address indicated on the record date for Cede & Co. in the registration books of the Authority kept by the Trustee.

(ii) The 2011 Series B Bonds shall be initially issued in the form of separate, single, authenticated, fully-registered bonds in the amount of each separate stated maturity of the 2011 Series B Bonds. Upon initial issuance, the ownership of such 2011 Series B Bonds shall be registered in the registration books of the Authority kept by the Trustee in the name of Cede & Co., as nominee for DTC. The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the 2011 Series B Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the 2011 Series B Bonds, selecting the 2011 Series B Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Resolution, registering the transfer of 2011 Series B Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any DTC participant, any person claiming a beneficial ownership interest in the 2011 Series B Bonds under or through DTC or any DTC participant, or any other person who is not shown on the registration books of the Trustee as being a Bondholder with respect to the accuracy of any records maintained by DTC or any DTC participant; the payment by DTC or any DTC participant of any amount in respect of the principal or Redemption Price of or interest on the 2011 Series B Bonds; any notice that is permitted or required to be given to Bondholders under the Resolution; the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the 2011 Series B Bonds; or any consent given or

other action taken by DTC as Bondholder. The Paying Agent shall pay all principal of and redemption premium, if any, and interest on the 2011 Series B Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State of New Jersey) Cede & Co., as nominee for DTC, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the principal of and redemption premium, if any, and interest on the 2011 Series B Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the words "Cede & Co." in this 2011 Series B Series Resolution shall refer to such new nominee of DTC.

(iii) In the event the Authority determines that it is in the best interest of the beneficial owners of the 2011 Series B Bonds that they be able to obtain definitive 2011 Series B Bonds, the Authority may notify DTC and the Trustee, whereupon DTC will notify DTC participants, of the availability through DTC of definitive 2011 Series B Bonds. In such event, the Authority shall issue and the Trustee shall transfer and exchange definitive 2011 Series B Bonds as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the 2011 Series B Bonds at any time by giving reasonable notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee shall be obligated to deliver definitive 2011 Series B Bonds as described in the Resolution and this 2011 Series B Series Resolution. In the event definitive 2011 Series B Bonds are issued, the provisions of the Resolution shall apply to, among other things, the transfer and exchange of such definitive 2011 Series B Bonds. Whenever DTC requests the Authority and the Trustee to do so, the Authority and the Trustee will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate definitive 2011 Series B Bonds to any DTC participant having 2011 Series B Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of definitive 2011 Series B Bonds.

(iv) Notwithstanding any other provision of the Resolution or this 2011 Series B Series Resolution to the contrary, so long as any 2011 Series B Bond is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to the principal of and redemption premium, if any, and interest on such 2011 Series B Bond and all notices with respect to such 2011 Series B Bond shall be made and given to Cede & Co., as nominee for DTC.

(v) In connection with any notice or other communication to be provided to Bondholders pursuant to the Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

Section 2.14. Form of 2011 Series B Bonds. Subject to the provisions of the Resolution and this 2011 Series B Series Resolution, the form of the 2011 Series B Bonds and the certificate of authentication thereon shall be of substantially the following form and tenor

(bracketed language denotes certain sub-series specific language to be included in the form of the 2011 Series B Bond in the event the 2011 Series B Bonds are issued in two separate sub-series):

(Form of 2011 Series B Bond)

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
PRINCETON UNIVERSITY REVENUE BOND
2011 SERIES B[-1/2]

Interest Rate	Maturity Date	Dated Date	CUSIP
_____%	July 1, ____	[July] __, 2011	_____

REGISTERED OWNER: *****CEDE & CO.*****

PRINCIPAL SUM:

The NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter called the "Authority"), acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, or its registered assigns, on the Maturity Date stated above, upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee hereinafter mentioned, in lawful money of the United States of America, the Principal Sum stated above and interest thereon until the Principal Sum is paid from the most recent interest payment date next preceding the date of authentication hereof, unless the date of authentication hereof is an interest payment date, in which case from the date of authentication hereof, or unless the date of authentication hereof is prior to the first interest payment, in which case from [July] __, 2011, or unless the date of authentication hereof is between a record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date, and the next succeeding interest payment date, in which case from such interest payment date, at the Interest Rate stated above, payable initially on [January] 1, 2012 and semiannually thereafter on the first day of July and January of each year. Payment of the interest on this Bond shall be paid by check mailed to the registered owner hereof at the address of such registered owner as it shall appear on the registration books of the Authority, which shall be kept at the principal corporate trust office of the Bond Registrar hereinafter mentioned, at the close of business on the record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such interest payment date, except that in the case of such registered owner of \$1,000,000 or more in aggregate principal amount of 2011 Series B Bonds, upon the written request of such registered owner to the Trustee, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds to such registered owner. Any such request shall remain in effect until revoked or revised by such holder by an instrument in writing delivered to the Trustee. However, so long as the 2011 Series

B[-1/2] Bonds (as hereinafter defined) are held in book-entry form pursuant to the Resolution (as hereinafter defined), the provisions of the Resolution governing such book-entry form shall govern repayment of the principal of and redemption premium, if any, and interest on the 2011 Series B[-1/2] Bonds. The principal of this Bond is payable upon surrender at the principal corporate trust office of The Bank of New York Mellon, Woodland Park, New Jersey (the "Trustee" and "Bond Registrar").

This Bond is one of a duly authorized issue of bonds of the Authority designated "New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2011 Series B[-1/2]" (hereinafter called the "2011 Series B[-1/2] Bonds"), which has been duly issued by the Authority under and pursuant to the laws of the State of New Jersey, particularly the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A, Education Law, of the New Jersey Statutes, as amended and supplemented) (hereinafter called the "Act"), and pursuant to the Princeton University Revenue Bond Resolution, adopted by the Authority on February 16, 1999 (the "General Resolution"), as amended and supplemented, and the 2011 Series B Series Resolution, adopted by the Authority on May 24, 2011 (such resolutions being sometimes hereinafter collectively called the "Resolution"). [The 2011 Series B[-1/2] Bonds are being issued simultaneously with the Authority's New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2011 Series B[-1/2]" (hereinafter called the "2011 Series B[-1/2] Bonds", and collectively with the 2011 Series B[-1/2], the "2011 Series B Bonds").] This Bond and the issue of which it is a part is a special and limited obligation of the Authority payable from and secured by a pledge of and lien on the Revenues (as defined in the Resolution) equally and ratably with the Outstanding Parity Bonds, all other 2011 Series B Bonds of this issue and any other Additional Bonds to be issued on a parity herewith as permitted by the Resolution. Revenues are defined in the Resolution to include all payments received by the Authority pursuant to loan agreements between the Authority and The Trustees of Princeton University (the "University") to finance any facility permitted by the Resolution or any Applicable Series Resolution. All capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Resolution.

This Bond is one of a total authorized issue of \$ _____, all of like date and tenor except as to number, interest rate, maturity date, denomination and redemption provisions, issued to obtain funds to finance: (i) in whole or in part, the costs of the acquisition, construction, renovation and installation of certain capital assets to be located at the University's main campus in Princeton, New Jersey, at its Forrestal Campus in Plainsboro, New Jersey, or at its administrative building at 701 Carnegie Center in West Windsor, New Jersey consisting of (a) the renovation and repair of various University buildings and other facilities, including utility systems, roads, grounds and parking, (b) the purchase of capital equipment for academic departments and administrative and supporting units, and (c) the construction of academic, administrative and/or student related capital facilities; and (ii) the payment of certain costs incidental to the sale and issuance of the 2011 Series B Bonds, through a loan to the University and for other purposes provided by the Resolution, to which Resolution reference is hereby made for a description of the funds, revenues and charges pledged thereunder, the nature and extent of the security thereby created, and the rights, limitations of rights, obligations, duties and immunities of the Authority, the Trustee and the registered owners of the 2011 Series B Bonds. Certified copies of the Resolution are on file in the principal corporate trust office of the Trustee and in the office of the Authority.

Year Principal Amount

\$

*

*Final maturity.]

Redemption of any of the 2011 Series B[-1/2] Bonds shall otherwise be effected in accordance with the Resolution.

In the event this 2011 Series B[-1/2] Bond shall be called for redemption, notice of such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to the registered owners of any 2011 Series B[-1/2] Bonds to be redeemed at their last address appearing on the registration books of the Authority kept by the Bond Registrar, and such mailing shall be a condition precedent to such redemption. Failure of any registered owner of any 2011 Series B[-1/2] Bond to receive such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of the 2011 Series B[-1/2] Bonds. Notice of redemption having been mailed as aforesaid, the 2011 Series B[-1/2] Bonds so called for redemption, on the date specified in such notice, shall become due and payable at the applicable Redemption Price herein provided, and from and after the date so fixed for redemption, interest on the 2011 Series B[-1/2] Bonds so called for redemption shall cease to accrue and be payable.

In case an event of default (as defined in the Resolution) shall occur, the principal of this 2011 Series B[-1/2] Bond may be declared due and payable in the manner and with the effect provided in the Resolution.

The 2011 Series B[-1/2] Bonds are special and limited obligations of the Authority payable from the Revenues, and neither the State of New Jersey nor any political subdivision thereof, other than the Authority, shall be obligated to pay the principal of or interest on the 2011 Series B[-1/2] Bonds except from the Revenues, and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal of or interest on the 2011 Series B[-1/2] Bonds. The Authority has no taxing power.

No recourse shall be had for the payment of the principal of or interest on this 2011 Series B[-1/2] Bond against any member, employee or other officer of the Authority or against any person executing this 2011 Series B[-1/2] Bond, all of such liability, if any, being hereby expressly waived and released by every registered owner of this 2011 Series B[-1/2] Bond by the acceptance hereof and as a part of the consideration hereof, as provided in the Resolution.

The Resolution contains provisions permitting the Authority, with the consent of the registered owners of not less than 66-2/3% in aggregate principal amount of the Outstanding Parity Bonds, the 2011 Series B Bonds and any Additional Parity Bonds outstanding, evidenced as provided in the Resolution, to adopt supplemental resolutions modifying any of the provisions of the Resolution, any supplemental resolution or the 2011 Series B Bonds or releasing the

Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained; provided, however, that no such supplemental resolution shall: (i) change any terms of redemption of the 2011 Series B[-1/2] Bonds or the due date of principal or interest on the 2011 Series B[-1/2] Bonds or make any reduction in the principal or Redemption Price of or interest on any 2011 Series B[-1/2] Bond, without the consent of the registered owner of each 2011 Series B[-1/2] Bond so affected; or (ii) reduce the aforesaid percentage of bonds the consent of the registered owners of which is required for any such supplemental resolution, without the consent of the registered owners of all of said bonds then outstanding.

The 2011 Series B Bonds are issuable in the form of fully registered bonds, without coupons, in denominations of \$5,000 each or any integral multiple thereof. This 2011 Series B Bond is transferable as provided in the Resolution, only upon the books of the Authority kept for that purpose at the above-mentioned office of the Bond Registrar, by the registered owner hereof in person or by his duly authorized attorney, upon surrender of this 2011 Series B Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered 2011 Series B Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution and upon payment of the charges therein prescribed. The Authority, the Bond Registrar and any paying agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

It is hereby certified, recited and declared by the Authority that all acts, conditions and things required by the Constitution and statutes of the State of New Jersey and the Resolution to exist, to happen and to be performed precedent to and in the issuance of the 2011 Series B Bonds, of which this 2011 Series B Bond is a part, in order to make them the legal, valid and binding, special and limited obligations of the Authority in accordance with their terms, exist, have happened and have been performed in regular and due time, form and manner as required by law, and the issuance of the 2011 Series B Bonds, together with all other indebtedness of the Authority, does not exceed or violate any constitutional, statutory or other limitation relating to the amount of bonded indebtedness prescribed by law for the Authority.

This 2011 Series B[-1/2] Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this 2011 Series B[-1/2] Bond shall have been authenticated by the execution by the Trustee, or by any authenticating agent of the Trustee approved by the Authority, of the Certificate of Authentication hereon.

IN WITNESS WHEREOF, New Jersey Educational Facilities Authority has caused this 2011 Series B[-1/2] Bond to be executed in its name by the manual or facsimile signature of its Chair, Vice Chair or Executive Director and its official common seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary, all as of the Dated Date.

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

[SEAL]

By: _____
Executive Director

ATTEST:

Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This 2011 Series B[-1/2] Bond is one of the 2011 Series B Bonds described in the within-mentioned Resolution.

**THE BANK OF NEW YORK MELLON, as
Trustee**

By: _____
Authorized Signatory

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, _____
hereby sells, assigns and transfers unto _____
the within 2011 Series B[-1/2] Bond issued by the New Jersey Educational Facilities Authority,
and all rights thereunder, hereby irrevocably appointing _____
attorney to transfer said 2011 Series B[-1/2]
Bond on the bond register, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The Assignor's signature to this assignment must correspond with the name as it appears upon the face of the within 2011 Series B[-1/2] Bond in every particular, without alteration or any change whatsoever.

[End of Form of 2011 Series B Bond]

Section 2.15. Sale of 2011 Series B Bonds. The power to fix the date and place for the sale of all or any part of the 2011 Series B Bonds and other details relating thereto in such manner as he or she shall deem to be in the best interests of the Authority is hereby delegated to any Authorized Officer. A Certificate of Determination of an Authorized Officer awarding the 2011 Series B Bonds shall be final and conclusive as to the purchaser or purchasers thereof, the rates of interest per annum to be borne thereby, the purchase price thereof and any other terms and details relating to the sale and issuance of the 2011 Series B Bonds.

The preparation, publication and distribution of a Preliminary Official Statement and an Official Notice of Sale (in substantially the forms presented to the Authority at the time of adoption hereof, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, ratified and confirmed, the preparation and distribution of a final Official Statement for the 2011 Series B Bonds (in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, and any Authorized Officer is hereby authorized to sign and deliver to the purchaser or purchasers of the 2011 Series B Bonds the Official Statement in final form acceptable to such Authorized Officer. Any Authorized Officer is hereby authorized, with the advice of Bond Counsel and the Attorney General of the State, to deem the Preliminary Official Statement final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and to provide written evidence relating thereto in form acceptable to Bond Counsel. Any Authorized Officer is hereby authorized and directed to deliver the 2011 Series B Bonds to the purchaser or purchasers thereof and to approve, execute and deliver all documents and instruments required in connection therewith, with such changes, omissions, insertions and revisions as shall be deemed necessary or advisable by the officer executing the same.

The 2011 Series B Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair or Executive Director (or such other Authorized Officer authorized by resolution of the Authority to execute Authority bonds) and its official common seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary, any Assistant Secretary or any other Authorized Officer or in such other manner as may be permitted by law.

Section 2.16. Continuing Disclosure. Pursuant to Section 27 of the Agreement, the University has undertaken all responsibility for compliance with all continuing disclosure requirements, and the Authority shall have no liability to the holders of the 2011 Series B Bonds or any other person with respect to such disclosure matters. The Trustee shall comply with and carry out all of the obligations imposed on the Trustee under the Continuing Disclosure Agreement and Section 27 of the Agreement. The form of the Continuing Disclosure Agreement presented at this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. Notwithstanding any other provision of the Resolution and this 2011 Series B Series Resolution, failure of the University to comply with the Continuing Disclosure Agreement shall not be considered an "event of default" under Section 7.01 of the Resolution; however, the Trustee may (and at the request of any Participating Underwriter or the holders of at least twenty-five percent (25%) in aggregate principal amount of 2011 Series B Bonds Outstanding,

the Trustee shall, subject to the provisions of Section 6.02 of the Resolution) or any holder of the 2011 Series B Bonds may take such actions as may be deemed necessary or appropriate, including seeking mandate or specific performance by court order, to cause the University to comply with its obligations under Section 27 of the Agreement or to cause the Trustee to comply with its obligations under this Section 2.16.

Section 2.17. Additional Proceedings. As additional proceedings of the Authority in connection with the sale and delivery of the 2011 Series B Bonds hereby authorized, there is hereby delegated to an Authorized Officer, the power to take the following actions and make the following determinations as to the 2011 Series B Bonds by a Certificate of Determination of an Authorized Officer:

(a) To receive the Official Bid Form pursuant to the Official Notice of Sale and, if such Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State, so determines, to reject any or all submitted Official Bid Forms, so far as permitted by law, to waive any irregularities or informalities in the Official Bid Form for the 2011 Series B Bonds, to postpone the date of the sale of the 2011 Series B Bonds and to exercise any and all rights of the Authority under the Official Notice of Sale. If the Authorized Officer rejects all submitted Official Bid Forms, the Authorized Officer shall also be and is hereby authorized to hold another 2011 Series B Bond sale in accordance with the provisions of this 2011 Series B Series Resolution and, in connection with such additional 2011 Series B Bond sale, to distribute a Notice of Sale, an Official Bid Form and a Preliminary Official Statement in substantially the forms presented to this meeting with such changes and insertions to and omissions from such document forms as may be appropriate upon the advice of Bond Counsel and the Attorney General of the State.

(b) To arrange for the submission of bids electronically utilizing the services of such provider of electronic bidding services and on such terms and conditions as such Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State, shall determine, or, if such Authorized Officer so determines, with the advice of Bond Counsel and the Attorney General of the State, to discontinue any such arrangements prior to the sale of the 2011 Series B Bonds and to require that all bids be submitted by hand delivery.

(c) To award the 2011 Series B Bonds to the successful bidder, or bidders in the event that the 2011 Series B Bonds are to be issued in two separate sub-series, in accordance with the Official Notice of Sale.

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

Section 2.18. Authorization of Sub-Series. The Authority hereby authorizes the 2011 Series B Bonds to be issued in two separate sub-series upon the receipt by the Authority of the written request of the University. Such written request of the University shall state the University's determination that it is in the best interest of the University, as it relates to the sale of the 2011 Series B Bonds, for the 2011 Series B Bonds to be issued in two separate sub-series given current market conditions (and any further basis upon which such determination has been made). Upon receipt of such written request, any Authorized Officer is hereby authorized to approve all necessary and appropriate variations, omissions and insertions to the forms of

Preliminary Official Statement, the Loan Agreement and the Continuing Disclosure Agreement relating to the 2011 Bonds being issued in two separate sub-series, and as advised by Bond Counsel and the Attorney General of the State, and the execution and delivery thereof shall be conclusive evidence of such approval.

Any Authorized Officer is also authorized to accept such terms and conditions relating to the issuance of the 2011 Series B Bonds in two separate series as such Authorized Officer deems necessary and appropriate with the advice of Bond counsel and the Attorney General of the State. Any such terms and conditions modifying the terms of this 2011 Series B Series Resolution shall be set forth in a Certificate of Determination delivered by an Authorized Officer.

ARTICLE III

APPLICATION AND DISBURSEMENT OF 2011 SERIES B BOND PROCEEDS, CERTAIN MONEYS AND REVENUES

Section 3.01. Confirmation of Establishment of Funds. The Authority hereby ratifies and confirms the establishment of the following funds and separate accounts within funds under the Resolution, which funds and accounts shall be held, maintained and applied by the Trustee in accordance with Article IV of the Resolution, except as so provided in this 2011 Series B Series Resolution, for the 2011 Series B Bonds:

Revenue Fund;
Debt Service Fund;
 Interest Account (for the 2011 Series B Bonds);
 Principal Account (for the 2011 Series B Bonds);
 Sinking Fund Account (for the 2011 Series B Bonds);
Rebate Fund; and
Redemption Fund.

In the event that the 2011 Series B Bonds are issued in two separate sub-series, the Trustee may create separate sub-accounts within any of the aforementioned Funds as may be directed in a Certificate of Determination of an Authorized Officer.

Section 3.02. Establishment of Construction Fund. Pursuant to Section 4.01 of the Resolution, the Construction Fund for the 2011 Series B Bonds is hereby created and established to be held by the Trustee and maintained and applied by the Authority.

Section 3.03. Application of 2011 Series B Bond Proceeds and Allocation Thereof. Upon receipt of the proceeds of the 2011 Series B Bonds, including accrued interest thereon, the Authority shall make payments from such moneys as follows: (i) a sum equal to the interest on the 2011 Series B Bonds accruing from their dated date to their date of delivery (if such dated date is not the date of delivery) will be paid to the Trustee for deposit in the Interest Account (for the 2011 Series B Bonds) of the Debt Service Fund, and (ii) the balance of the proceeds shall be deposited in the Construction Fund for payment of the costs of 2011 Project and certain Costs of Issuance.

Section 3.04. Application of Certain Moneys. Upon receipt by the Authority of any moneys for the purpose of paying costs of the 2011 Project pursuant to the Agreement, the Authority shall deposit all such moneys so received in the Construction Fund for the 2011 Project.

Section 3.05. Application of Moneys in Construction Fund. Moneys on deposit in the Construction Fund shall be applied as provided in Section 4.03 of the Resolution.

Section 3.06. Deposit of Revenues and Allocation Thereof. There is established and created by this 2011 Series B Series Resolution an account within the Revenue Fund to be designated the "2011 Series B Revenue Account". Notwithstanding anything in the Resolution

to the contrary, moneys in the 2011 Series B Revenue Account of the Revenue Fund shall be paid to the Trustee on or prior to the fifth 5th day after deposit thereof as follows and in the following order of priority:

First: To the Interest Account of the Debt Service Fund, the amount necessary to equal the unpaid interest to become due on the Bonds Outstanding on the next succeeding semiannual interest payment date.

Second: To the Principal Account of the Debt Service Fund, the amount, if any, necessary to make the amount on deposit in the Principal Account equal to the principal amount becoming due on the Bonds Outstanding on the next succeeding July 1.

Third: To the Sinking Fund Account of the Debt Service Fund, the amount, if any, necessary to make the amount on deposit in the Sinking Fund Account equal to the sinking fund installment, if any, payable on the Bonds Outstanding on the next succeeding July 1.

Fourth: To the Authority, the amounts as are payable to the Authority for (i) any expenditures of the Authority for insurance, fees and expenses of auditing and fees and expenses of the Trustee, all as required by the Resolution and not otherwise paid or caused to be paid or provided for by the University; (ii) all other expenditures reasonably and necessarily incurred by the Authority by reason of its financing of the 2011 Project in accordance with the Loan Agreement, including expenses incurred by the Authority to compel full and punctual performance of all provisions of the Loan Agreement in accordance with the terms thereof; and (iii) the Annual Administrative Fee unless otherwise paid, but only upon receipt by the Trustee from the Authority of a certificate signed by an Authorized Officer stating in reasonable detail the amounts payable to the Authority.

Section 3.07. Investment of Moneys in Construction Fund. For purposes of the 2011 Series B Bonds only, notwithstanding anything contained in Section 4.08 of the Resolution to the contrary, in addition to any investment permitted in Section 4.08 of the Resolution with respect to the Construction Fund, moneys deposited in the Construction Fund may also be invested in (i) the New Jersey Cash Management Fund; and (ii) investment agreements with banks that, at the time such agreement is executed, are rated by Standard & Poor's Rating Group, a division of The McGraw-Hill Companies ("S&P") or Moody's Investors Service ("Moody's") in one of the three highest rating categories assigned by S&P or Moody's (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions which, (1) all of the unsecured direct long-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution that is rated by S&P or Moody's at the time such agreement is executed is rated in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution that is rated by S&P or Moody's in the highest rating category (without regard to any

refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short term indebtedness by S&P or Moody's.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Loan Agreement. The form of the Loan Agreement, by and between the Authority and the University, in the form submitted to the Authority on this date shall be, and the same is, in all respects, hereby authorized, approved and confirmed, and an Authorized Officer is authorized to execute and deliver the Loan Agreement to the University. The Loan Agreement shall be substantially in the form presented to the Authority with all necessary and appropriate variations, omissions and insertions as approved, permitted or required by an Authorized Officer or as advised by Bond Counsel and the Attorney General of the State, and the execution and delivery thereof shall be conclusive evidence of such approval.

Section 4.02. Investment of Proceeds of 2011 Series B Bonds. The Authority will make no use of the proceeds of the 2011 Series B Bonds that would cause the 2011 Series B Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the "Code"); and the Authority hereby imposes on itself, on the Trustee and on all officers having custody or control of the proceeds of the 2011 Series B Bonds, throughout the term of the 2011 Series B Bonds, the obligation to comply with the applicable requirements of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder, and all other applicable regulations, so that none of the 2011 Series B Bonds will be or become an arbitrage bond; provided, that the Trustee, in following the directions of the Authority, shall have no responsibility to determine whether such investment is in violation of such regulations.

Section 4.03. Covenant as to Program Investments. In accordance with the requirements applicable to the "program investments" under Treasury Regulations §1.148-1(b), the Authority covenants that it shall require that neither the University nor any person or related persons (within the meaning of Treasury Regulations §1.150-1(b)) shall purchase bonds of the Authority that finance the program in an amount related to the amount of the loan.

Section 4.04. Tax Covenants Relating to Internal Revenue Code of 1986. In order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2011 Series B Bonds, the Authority shall comply with the provisions of the Code applicable to the 2011 Series B Bonds, including, without limitation, the provisions of the Code relating to the computation of the yield on investments of the Gross Proceeds (as defined in the Letter of Instructions) of the 2011 Series B Bonds, reporting of earnings on the Gross Proceeds of the 2011 Series B Bonds, and rebate of excess earnings to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Authority shall comply with the Letter of Instructions, to be delivered by Bond Counsel at the time the 2011 Series B Bonds are issued, as to compliance with the Code with respect to the 2011 Series B Bonds, as such letter may be amended from time to time, as a source of guidance for achieving compliance with the Code. All of the representations and warranties of the Authority contained in the Arbitrage Certificate and of the University contained in the Representation Letter are incorporated herein by reference with the same force and effect as if set forth in full herein.

The Authority may pay requisitions from 2011 Series B Bond proceeds or investment earnings thereon with respect to the Costs of Issuance of the 2011 Series B Bonds only to the extent that the aggregate requisitions paid with such proceeds with respect to the Costs of Issuance do not cause the amount paid for Costs of Issuance with the proceeds of the 2011 Series B Bonds or the investment earnings thereon to exceed two percent (2%) of the "proceeds" of the 2011 Series B Bonds (within the meaning of Section 147(g) of the Code).

The Authority shall not take or permit any action or fail to take any action that would adversely affect the status of the 2011 Series B Bonds as "qualified 501(c)(3) bonds" under Section 145(a) of the Code or otherwise cause the interest on the 2011 Series B Bonds to lose the exclusion from gross income for federal income tax purposes under Section 103 of the Code.

Notwithstanding any other provision of the Resolution and this 2011 Series B Series Resolution to the contrary, the covenants contained in this Section 4.04 shall survive the payment of the 2011 Series B Bonds and the interest thereon, including any payment or discharge thereof pursuant to Section 11.03 of the Resolution, as long as necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2011 Series B Bonds.

Section 4.05. Authorization to Invest 2011 Series B Bond Proceeds. Any Authorized Officer is authorized to enter into, or direct the Trustee to enter into, one or more agreements to invest the proceeds of the 2011 Series B Bonds as provided in Section 4.08 of the Resolution and Section 3.07 of this 2011 Series B Series Resolution, in the event that such Authorized Officer determines, in consultation with and with the consent of the University, that it is advantageous to the University for the Authority to invest any proceeds of the 2011 Series B Bonds as so provided in Section 4.08 of the Resolution and Section 3.07 of this 2011 Series B Series Resolution.

Section 4.06. Incidental Action. The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in order to (i) effectuate the delivery of the Preliminary Official Statement, the execution and delivery of Official Statement, the Loan Agreement, and the issuance and sale of the 2011 Series B Bonds, (ii) effectuate the 2011 Project, (iii) implement the DTC book-entry only system for the 2011 Series B Bonds, and (iv) maintain the tax-exempt status of the interest on the 2011 Series B Bonds (including the preparation and filing of any information reports or other documents with respect to the 2011 Series B Bonds as may at any time be required under Section 149 of the Internal Revenue Code of 1986, as amended, and any regulations thereunder).

Section 4.07. Conflict. All resolutions or parts of resolutions or other proceedings in conflict herewith are repealed insofar as such conflict exists.

Section 4.08. Effective Date. This 2011 Series B Series Resolution shall take effect as provided for under 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)
Steven D. Weinstein (represented by Elizabeth Garlatti)

NAY: None

ABSTAIN: None

ABSENT: None

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

THE TRUSTEES OF PRINCETON UNIVERSITY

LOAN AGREEMENT

Dated as of [July] 1, 2011

Relating to
New Jersey Educational Facilities Authority
\$275,000,000 Princeton University Revenue Bonds, 2011 Series B

PRELIMINARY OFFICIAL STATEMENT DATED [JUNE] __, 2011

NEW ISSUE

RATINGS: Moody's: Aaa
S&P: AAA

BOOK-ENTRY ONLY

In the opinion of McCarter & English, LLP, Bond Counsel to the Authority, assuming compliance by the Authority and the University (as defined below) with certain tax covenants described herein, under existing law, interest on the 2011 Series B Bonds (as defined below) is excluded for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the 2011 Series B Bonds is not an item of tax preference under Section 57 of the Code. Under existing law, interest on the 2011 Series B Bonds and net gains from the sale of the 2011 Series B Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act. In the case of certain corporate holders of the 2011 Series B Bonds, interest on the 2011 Series B Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the 2011 Series B Bonds in "adjusted current earnings" of certain corporations. See TAX EXEMPTION herein.

[NJEFA LOGO] NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY [PRINCETON LOGO]

\$275,000,000* Princeton University Revenue Bonds, 2011 Series B

Dated: Date of Delivery

Due: July 1, as shown on the inside cover hereof.

The New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2011 Series B (the "2011 Series B Bonds") will be issued by the New Jersey Educational Facilities Authority (the "Authority") as fully registered bonds by means of a book-entry system evidencing ownership and transfer thereof on the records of The Depository Trust Company, New York, New York ("DTC") and its participants. Purchases of the 2011 Series B Bonds will be made in book-entry form in denominations of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the 2011 Series B Bonds purchased. So long as DTC or its nominee is the registered owner of the 2011 Series B Bonds, payments of the principal and redemption premium, if any, of and interest on the 2011 Series B Bonds will be made directly to DTC. Disbursement of such payments to the Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners of the 2011 Series B Bonds is the responsibility of the Direct Participants and the Indirect Participants. See "DESCRIPTION OF THE 2011 SERIES B BONDS - Book-Entry Only System" herein. The Bank of New York Mellon, Woodland Park, New Jersey, shall act as Trustee, Registrar and Paying Agent for the 2011 Series B Bonds. The 2011 Series B Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity, as more fully described herein.

OFFICIAL NOTICE OF SALE

\$275,000,000*

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
Princeton University Revenue Bonds, 2011 Series B

Dated: Date of Delivery

NOTICE IS HEREBY GIVEN that bids will be received by the Executive Director of the New Jersey Educational Facilities Authority (the "Authority") until the hour of 10:30 a.m., New Jersey Time, on _____, June __, 2011 (the "Bid Date") either (a) electronically via the PARITY® Electronic Bid System ("PARITY®") of i-Deal LLC ("i-Deal") in the manner described below under the heading "Procedures Regarding Electronic Bidding", or (b) via hand delivery, at the Authority's offices located at 103 College Road East, Princeton, New Jersey; 08540-6612.

Such bids will be publicly opened at such time and such location. The Authority will not consider bids received by mail, by facsimile, by telecopy, or after 10:30 a.m., New Jersey Time (or the time for receipt set forth in any postponement notice), on the Bid Date. All bids must conform with every term, requirement and condition set forth in this Official Notice of Sale, subject to the Authority's rights set forth herein.

Said bids must be for the purchase, at a price (i) not less than 100% of par value (\$275,000,000*) and (ii) not greater than 110% of par value (\$302,500,000*), of all, but not less than all, of the Authority's Princeton University Revenue Bonds, 2011 Series B (the "2011 Series B Bonds"), dated the date of issuance thereof (expected to be July __, 2011), consisting of fully registered bonds, maturing; subject to the right of prior redemption as hereinafter described, on July 1 in each of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Preliminary Annual Principal Amount (\$)*</u>	<u>Year</u>	<u>Preliminary Annual Principal Amount (\$)*</u>
2013		2028	
2014		2029	
2015		2030	
2016		2031	
2017		2032	
2018		2033	
2019		2034	
2020		2035	
2021		2036	
2022		2037	
2023		2038	
2024		2039	
2025		2040	
2026		2041	

* Preliminary; subject to change.

OFFICIAL NOTICE OF SALE

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

\$ _____ * Princeton University Revenue Bonds, 2011-Series B-1

\$ _____ * Princeton University Revenue Bonds, 2011 Series B-2

Dated: Date of Delivery

NOTICE IS HEREBY GIVEN that bids will be received by the Executive Director of the New Jersey Educational Facilities Authority (the "Authority") until the hour of 10:30 a.m., for the Princeton University Revenue Bonds, 2011-Series B-1 (the "2011 Series B-1 Bonds") and [12:00 noon] for the Princeton University Revenue Bonds, 2011 Series B-2 (the "2011 Series B-2 Bonds" and together with the 2011 Series B-1 Bonds, the "2011 Series B Bonds"), New Jersey Time, on _____, June __, 2011 (the "Bid Date") either (a) electronically via the PARITY[®] Electronic Bid System ("PARITY[®]") of i-Deal LLC ("i-Deal") in the manner described below under the heading "Procedures Regarding Electronic Bidding", or (b) via hand delivery, at the Authority's offices located at 103 College Road East, Princeton, New Jersey, 08540-6612.

Such bids will be publicly opened at such time and such location. The Authority will not consider bids received by mail, by facsimile, by telecopy, or after 10:30 a.m. for the 2011 Series B-1 Bonds and [12:00 noon] for the 2011 Series B-2 Bonds, New Jersey Time (or the time for receipt set forth in any postponement notice), on the Bid Date. All bids must conform with every term, requirement and condition set forth in this Official Notice of Sale, subject to the Authority's rights set forth herein.

Said bids for the 2011 Series B-1 Bonds must be for the purchase, at a price (i) not less than 100% of par value (\$ _____*) and (ii) not greater than 110% of par value (\$ _____*), of all, but not less than all, of the 2011 Series B-1 Bonds, dated the date of issuance thereof (expected to be July __, 2011), consisting of fully registered bonds, maturing, subject to the right of prior redemption as hereinafter described, on July 1 in each of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Preliminary Annual Principal Amount (\$)*</u>	<u>Year</u>	<u>Preliminary Annual Principal Amount (\$)*</u>
2013		2021	
2014		2022	
2015		2023	
2016		2024	
2017		2025	
2018		2026	
2019		2027	
2020		2028	

* Preliminary; subject to change.

May 19, 2011

Summary Notice of Sale – New Issue

\$275,000,000*

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
PRINCETON UNIVERSITY REVENUE BONDS,
2011 SERIES B**

NOTICE IS HEREBY GIVEN that the Executive Director of the New Jersey Educational Facilities Authority (the "Authority") will receive **SEALED OR-ELECTRONIC BIDS** (via PARITY® in the manner described in the Official Notice of Sale) with respect to the Authority's \$275,000,000* aggregate principal amount of "New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2011 Series B" (the "Bonds") at the Authority's office located at 103 College Road East, Princeton, New Jersey 08540 (the "Authority's Office"), until 10:30 a.m., New Jersey Time, on _____,

[June] __, 2011

(the "Bid Date"), and then and there such bids will be publicly opened and announced by the Authority for the purchase of the Bonds.

The Authority will not consider bids received by mail, facsimile, telecopy or after 10:30 a.m., New Jersey Time (or the time for receipt of bids set forth in any postponement notice), on the Bid Date. All bids must conform with every term, requirement and condition set forth in the full Official Notice of Sale, dated [June] __, 2011 (the "Official Notice of Sale"), of which this is a summary, subject to the Authority's rights set forth therein. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Official Notice of Sale or in the Preliminary Official Statement, dated [June] __, 2011, issued by the Authority in connection with the sale of the Bonds (the "Preliminary Official Statement").

Bids must be for the purchase of all (but not less than all) of the Bonds at a purchase price (i) not less than 100% of their par value (\$275,000,000*), and (ii) not greater than 110% of their par value (\$302,500,000*), and must be accompanied by a certified or cashier's check payable to the Authority in the amount of \$2,750,000 as a good faith deposit, a Good Faith Deposit Financial Surety Bond payable to the Authority in the amount of \$2,750,000 issued by an insurance company acceptable to the Authority and licensed to issue such bond in New Jersey, or a wire transfer to The Bank of New York Mellon in accordance with the terms of the Official Notice of Sale, in the amount of \$2,750,000 as a good faith deposit.

The Bonds will mature, subject to the right of prior redemption as hereinafter described, on each July 1, beginning July 1, 20[13] through and including July 1, 20[41]. The Preliminary Annual Principal Amount of each individual maturity of the Bonds is subject to adjustment in accordance with the Official Notice of Sale.

The Authority may, in its sole discretion and prior to the opening of bids, adjust the Preliminary Amounts of the Bonds by issuing a notification of the adjusted amounts via Thomson Municipal Market Monitor (or some other Municipal News wire service recognized by

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ELECTING OFFICERS FOR THE PERIOD ENDING MAY 31, 2012**

Adopted: May 24, 2011

WHEREAS, the By-Laws of the Authority provide for the annual election by the Authority of a Chair, Vice-Chair, Treasurer, Secretary, Assistant Secretaries and other Officers; and

WHEREAS, the nominations for the Officers were as follows:

Mr. Hutchinson	Nominated	Roger B. Jacobs as Chair
Mr. Petrecca	Nominated	Ridgeley Hutchinson as Vice Chair
Mr. Hutchinson	Nominated	Joshua Hodes as Treasurer
Mr. Petrecca	Nominated	James Poole as Secretary
Mr. Petrecca	Nominated	Marie P. Mueller as Assistant Treasurer
Mr. Petrecca	Nominated	Jennifer Soyka as Assistant Secretary
Mr. Jacobs	Nominated	Sheryl Stitt as Assistant Secretary
Mr. Petrecca	Nominated	Katherine A. Newell as for Assistant Secretary

NOW, THEREFORE, BE IT RESOLVED, that the Authority elects the following individuals to serve in the capacities of Chair, Vice-Chair, Treasurer, Secretary, Assistant Treasurer and Assistant Secretaries for the period ending May 31, 2012:

Roger B. Jacobs	- Chair	Marie P. Mueller	- Assistant Treasurer
Ridgeley Hutchinson	- Vice-Chair	Jennifer Soyka	- Assistant Secretary
Joshua E. Hodes	- Treasurer	Sheryl Stitt	- Assistant Secretary
James Poole-	- Secretary	Katherine A. Newell	- Assistant Secretary

SECTION 1. In the event that the Election of Officers is not held prior to May 31, 2012, the Officers shall continue to serve in such capacity until their successors are elected.

SECTION 2. 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. Hodes_____ 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: Steven D. Weinstein (represented by Elizabeth Garlatti)

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE EVALUATION
COMMITTEE**

Adopted: May 24, 2011

WHEREAS, The Evaluation Committee has been established pursuant to Section 12 of the By-Laws (the "By-Laws") of the New Jersey Educational Facilities Authority (the "Authority"); and

WHEREAS, The By-Laws provide that the Evaluation Committee shall consist of three Members of the Authority elected at the Annual Meeting of the Members of the Authority or as soon as practicable thereafter; and

WHEREAS, Pursuant to Section 12 of the By-Laws, Members of the Audit Committee may also serve on the Evaluation Committee; and

WHEREAS, Ridgeley Hutchinson, Steven Petrecca and Joshua Hodes are Members of the Authority each of whom is willing to serve on the Evaluation Committee and each of whom meets the criteria of Executive Order No. 122;

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

Section 1. The Members of the Authority hereby elect Ridgeley Hutchinson, Steven Petrecca and Joshua Hodes to serve on the Evaluation Committee in accordance with Section 12 of the By-Laws and Executive Order No. 122.

Section 2. This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE AUDIT COMMITTEE**

Adopted: May 24, 2011

- WHEREAS,** The Audit Committee has been established pursuant to Section 12 of the By-Laws (the "By-Laws") of the New Jersey Educational Facilities Authority (the "Authority"); and
- WHEREAS,** The By-Laws provide that the Audit Committee shall consist of the Treasurer of the State of New Jersey (the "State Treasurer"), the Treasurer of the Authority (if the Authority's Treasurer is a Member of the Authority), the Chair (if the Treasurer is not a Member of the Authority), and a Member of the Authority with significant financial experience elected at the Annual Meeting of the Members of the Authority or as soon thereafter as practicable; and
- WHEREAS,** Pursuant to Section 12 of the By-Laws, Joshua Hodes is a member of the Audit Committee by virtue of his election as Treasurer of the Authority; and
- WHEREAS,** Pursuant to Section 12 of the By-Laws, the State Treasurer is a member of the Audit Committee *ex officio* and has designated Steven Petrecca, Assistant State Treasurer to serve as his representative on the Audit Committee; and
- WHEREAS,** Pursuant to Section 12 of the By-Laws, since the Treasurer is a Member of the Authority it is necessary to elect a Member of the Authority with significant financial experience to serve on the Audit Committee; and

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

- Section 1.** The Members of the Authority hereby elect Mr. Hutchinson to serve on the Audit Committee in accordance with Section 12 of the By-Laws and Executive Order No. 122.
- Section 2.** This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

_____ Mr. Hodes_____ 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)
Steven D. Weinstein (represented by Elizabeth Garlatti)

NAY: None

ABSTAIN: None

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY FOR THE
ADOPTION OF ANNUAL NOTICE OF MEETINGS**

Adopted: May 24, 2011

WHEREAS: The Authority desires to adopt an annual notice of meetings consistent with the requirements of the Open Public Meetings Law, N.J.S.A. 10:4-1 et seq.; and

WHEREAS: The adoption of regular meetings will enable the Authority to comply with the provisions of N.J.S.A. 10:4-18 which outlines requirements for dissemination of the notice of schedule adoption to the general public for inspection; and

WHEREAS: The Authority has determined that all notices for any regular, special or emergency meeting of the Authority be published in the Newark Star Ledger and The Times.

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

SECTION 1. The Authority hereby adopts the following schedule of meetings for the period June 28, 2011 through May 22, 2012.

SECTION 2. The New Jersey Educational Facilities Authority announces in accordance with the "Open Public Meetings Law," N.J.S.A. 10:4-1 et seq., that it will hold regular meetings, open to the public at 9:00 a.m. for the period June 28, 2011 through May 22, 2012, on the following specific dates:

June 28, 2011	December 27, 2011
July 26, 2011	January 24, 2012
August 23, 2011	February 28, 2012
September 27, 2011	March 27, 2012
October 25, 2011	April 24, 2012
November 22, 2011	May 22, 2012

Unless otherwise provided, meetings will be held at the offices of the New Jersey Educational Facilities Authority, 103 College Road-East in Princeton, New Jersey.

SECTION 3. In accordance with the By-Laws, the Authority may conduct a special meeting of the members consistent with the provisions of N.J.S.A. 10:4-9.

SECTION 4. 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)
Steven D. Weinstein (represented by Elizabeth Garlatti)

NAY: None

ABSTAIN: None

ABSENT: None

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2011 BUDGET VARIANCE ANALYSIS
FOR FOUR MONTHS ENDED APRIL 30, 2011**

Executive Summary

The NJEFA concluded the first four months of 2011 with net operating income in the amount of \$108,332, based on revenues of \$1,149,159 and expenses of \$1,040,827. As a result, net operating income is higher than budgeted by \$69,153. This difference is a result of less than budgeted expenses in the amount of \$149,279 partially offset by less than expected revenues in the amount of \$80,037.

Revenues

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

Expenses

Operating expenditures for the first four months of the year were favorable as compared to budget by \$149,190. Most of the line items display positive deviations and are primarily the result of timing.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
APRIL 2011

	Month Ended April 30, 2011			Four Months Ended April 30, 2011		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$279,924	\$279,924	\$ -	\$ 1,119,696	\$ 1,119,696	\$ -
Initial Fees	7,183	26,250	(19,067)	22,183	105,000	(82,817)
Investment Income	<u>2,579</u>	<u>1,125</u>	<u>1,454</u>	<u>7,280</u>	<u>4,500</u>	<u>2,780</u>
	<u>\$ 289,686</u>	<u>\$ 307,299</u>	<u>\$ (17,613)</u>	<u>\$ 1,149,159</u>	<u>\$ 1,229,196</u>	<u>\$ (80,037)</u>
<u>Operating Expenses</u>						
Salaries	\$ 144,933	\$ 168,106	\$ 23,173	\$ 447,487	\$ 503,138	\$ 55,651
Employee Benefits	30,583	38,004	7,421	273,133	288,590	15,457
Provision for Post Ret. Health Benefits	12,500	12,500	-	50,000	50,000	-
Office of The Governor	1,500	1,500	-	6,000	6,000	-
Office of The Attorney General	4,667	4,667	-	18,668	18,668	-
Sponsored Programs	-	1,250	1,250	-	5,000	5,000
Telephone	1,518	2,208	690	4,815	8,832	4,017
Gasoline & Auto Maintenance	-	1,555	1,555	646	5,065	4,419
Rent	18,184	19,667	1,483	72,737	78,668	5,931
Utilities	1,687	1,792	105	6,747	7,168	421
Postage	280	527	247	846	1,781	935
Office Supplies & Expenses	2,503	3,864	1,361	8,236	12,092	3,856
Travel & Official Receptions	930	2,209	1,279	2,273	6,827	4,554
Staff Training & Tuition Reimbursement	589	2,345	1,756	984	7,235	6,251
Insurance	2,873	2,873	-	9,755	11,492	1,737
Annual Report & Newsletters	900	2,417	1,517	3,330	9,668	6,338
Public Relations	-	750	750	-	3,000	3,000
Professional Services	4,267	400	(3,867)	72,699	98,500	25,801
Dues & Subscriptions	2,801	3,542	741	28,869	24,293	(4,576)
Data Processing	3,500	4,000	500	10,500	12,000	1,500
Maintenance of Equipment	1,467	3,667	2,200	5,770	14,668	8,898
Depreciation	4,333	4,333	-	17,332	17,332	-
Contingency	-	-	-	-	-	-
	<u>\$ 240,015</u>	<u>\$ 282,176</u>	<u>\$ 42,161</u>	<u>\$ 1,040,827</u>	<u>\$ 1,190,017</u>	<u>\$ 149,190</u>
Net Operating Income	<u>\$ 49,671</u>	<u>\$ 25,123</u>	<u>\$ 24,548</u>	<u>\$ 108,332</u>	<u>\$ 39,179</u>	<u>\$ 69,153</u>

RESOLUTION APPOINTING A DEPUTY EXECUTIVE DIRECTOR

Adopted May 24, 2011

- WHEREAS:** The Authority at its meeting on September 25, 2002 adopted a resolution establishing the Office of the Deputy Executive Director; and
- WHEREAS:** The position of Deputy Executive Director has been vacant since the retirement of Barbara L. Cannon on April 1, 2011; and
- WHEREAS:** The members have reviewed the experience, education and background of the current Director of Risk Management Katherine A. Newell.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1. The members of the Authority hereby appoint Katherine A. Newell as the Deputy Executive Director/Director of Risk Management of the Authority.

SECTION 2. This resolution shall take effect upon adoption in accordance with N.J.S.A. 18A:72A-1 et-seq.

Mr. Hodes 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

NAY: Andrew Sidamon-Eristoff (represented by Steven Petrecca)

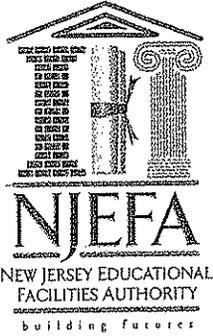
ABSTAIN: Steven D. Weinstein (represented by Elizabeth Garlatti)

ABSENT: None

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
 REPORT ON PENDING PROJECTS
 May 24, 2011

<u>Institution</u>	<u>Project</u>	<u>Estimated Size of Issue</u>	<u>Estimated Pricing Date</u>
<u>Private Institutions</u>			
Seton Hall University	Refunding of Certain Existing Indebtedness	\$45 Million	May 2011
Drew University	Reissuance	\$12 Million	May 2011
Princeton University	Acquisition, Construction, Renovation, Installation and Repair of Various Academic, Athletic, Residential and Administrative Facilities on the Main Campus and Forrestal Campus	\$250 Million	June 2011
<u>Public Institutions</u>			
Rowan University	Refunding of Certain Existing Indebtedness	\$30.045 Million	May 11, 2011
Montclair State University	Construction of Two New Academic Buildings and Related Capital Improvements	\$119 Million	June 2011
Thomas Edison State College	Replacement of The State Library's Shelving System and the Acquisition and Installation of Equipment (Equipment Lease Financing)	\$1 Million	July 2011



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BOND SALE SUMMARY

Borrower: Ramapo College of New Jersey, Mahwah, New Jersey

Issue: Series 2011 A

Amount: \$19,090,000

Purpose: To provide funds to finance: (i) the current refunding of all or a portion of the Authority's outstanding Series 1998 G, Series 1998 H, Series 2001 D, Series 2002 H, Series 2002 I and Series 2002 J bonds issued on behalf of the College; (ii) in whole or in part, the costs of renovating the Robert A. Scott Student Center, through repairs and replacement of the existing mechanical, plumbing, electrical and ceiling grid infrastructure and the acquisition and installation of materials to modernize the Center and improve energy efficiency; and (iii) the payment of certain costs of issuance.

Structure: Negotiated Sale, Fixed Rate

Final Maturity: July 1, 2021

True Interest Cost: 3.325%

Net Present Value Savings: \$424,713 / 3.69%

Bond Ratings: A2 - Moody's Investors Service
A- - Standard & Poor's Rating Services

Pricing: April 27, 2011

Closing: May 10, 2011

Professionals on the Transaction:

Bond Counsel:	DeCotiis, FitzPatrick & Cole, LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Senior Manager:	Bank of America Merrill Lynch
Co-Manager:	Siebert Brandford Shank & Co., LLC
Underwriters' Counsel:	Cozen O'Connor
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:	Hawkins, Delafield & Wood, LLP
Verification Agent:	Mercadien, P.C.

Bond Transactions from 1/09 - 12/10						
	Montclair State University Series 2008 J \$27,545,000 1/15/2009	UMDNJ Series 2009 B \$258,075,000 4/15/2009	Princeton Theological Seminary 2009 Series B \$14,435,000 4/30/2009	Kean University Series 2009 A \$179,380,000 6/24/2009	The College of New Jersey Series 2010 A & B \$44,500,000 1/6/2010	Princeton University 2010 Series B \$250,000,000 1/20/2010 (Competitive)
Bond Counsel	DeCotis	Gibbons	McManimon	McCarter	Gluck Walrath	McCarter
Senior Manager	Morgan Stanley	Morgan Stanley	RBC	Citi	Morgan Stanley	JP Morgan
Co-Senior Manager	-	Citi	-	RBC/Wachovia	-	-
Co-Manager(s)	Roosevelt & Cross Siebert	BofA/PNC/Powell Ramirez/RBC Roosevelt & Cross	-	Cabrera Fidelity Piper Jaffray	Lebenthal Raymond James	-
Selling Group	-	Merrill Lynch Wachovia	-	-	-	-
Financial Advisor	Acacia	Acacia	Phoenix	PFM	Phoenix	PFM
Trustee	US Bank	US Bank	BONY	US Bank	US Bank	BONY
Escrow Agent	-	BONY	BONY	US Bank	-	-
Verification Agent	-	Causey	Causey	Causey	-	-
Printer	ImageMaster	ImageMaster	ImageMaster	ImageMaster	ImageMaster	ImageMaster
Rating Agency	Moody's/Fitch	Moody's/Fitch	Moody's/S&P	Moody's/S&P	Moody's/Fitch/S&P	Moody's/S&P
Auditor	O'Connor Davies	Price Waterhouse	O'Connor Davies	Wiss	KPMG	Deloitte & Touche
LOC Bank	-	-	-	-	-	-
Remarketing Agent	-	-	-	-	-	-
Swap / Investment Advisor	-	PFM	-	PFM	-	-
Borrower's Counsel	-	McElroy	Drinker Biddle	-	-	-
Underwriters' Counsel	Ballard Spahr	Hawkins	Wilentz	Parker McCay	Cozen O'Connor	-
Trustee's Counsel	McManimon	McManimon	Hawkins	McManimon	McElroy	McManimon
Escrow Agent's Counsel	-	McManimon	Hawkins	McManimon	-	-
LOC Bank's Counsel	-	Edwards Angell	-	Riker	-	-
Remarketing Agent's Counsel	-	-	-	-	-	-
Borrower's Financial Advisor	-	-	-	-	-	Prager Sealy

Bond Transactions from 1/09 - 12/10

	Princeton Theological Seminary 2010 Series A \$68,785,000 2/3/2010	New Jersey City University Series 2010 F & G \$42,375,000 8/25/2010	New Jersey Institute of Technology Series 2010 H & I \$71,415,000 11/3/2010	Seton Hall University 2008 Series D Remarketing \$48,850,000 11/15/2010	Passaic County Community College Series 2010 C \$13,635,000 12/1/2010
Bond Counsel	DeCotis	McCarter	Gluck Wlarath	Wilentz	Gibbons
Senior Manager	Jefferies	Citi	Morgan Stanley	-	RBC
Co-Senior Manager	RBC	-	-	-	-
Co-Manager(s)	BB&T Jackson Securities NW Financial	JP Morgan Ramirez Wells Fargo	Fidelity Raymond James Rice Financial	-	-
Selling Group	-	-	-	-	-
Financial Advisor	Phoenix	Phoenix	-	-	-
Trustee	BONY	BONY	BONY	BONY	US Bank
Escrow Agent	-	BONY	US Bank	-	-
Verification Agent	-	Causy	BondResource Partners	-	-
Printer	ImageMaster	ImageMaster	ImageMaster	ImageMaster	ImageMaster
Rating Agency	Moody's/S&P	Moody's/Fitch	Moody's/S&P	Moody's/S&P	Moody's
Auditor	O'Connor Davies	KPMG	KPMG	Grant Thornton	& Doria
LOC Bank	-	-	-	TD Bank	-
Remarketing Agent	-	-	-	Citi	-
Swap / Investment Advisor	-	-	-	-	-
Borrower's Counsel	Drinker Biddle	-	-	Connell Foley	-
Underwriters' Counsel	McManimon	Wolff & Samson	Drinker Biddle	-	-
Trustee's Counsel	Hawkins	McManimon	McManimon	McManimon	McElroy
Escrow Agent's Counsel	-	McManimon	McManimon	-	-
LOC Bank's Counsel	-	-	-	Hill Wallack	-
Remarketing Agent's Counsel	-	-	-	McElroy	-
Borrower's Financial Advisor	-	Acacia	-	-	-

Direct Purchases / Leases from 1/09 - 12/10

	Seton Hall University 2009 Equipment Lease \$3,371,289 5/27/2009	Seton Hall University 2009 Series C \$7,955,000 11/13/2009	Kean University 2010 Equipment Lease \$10,000,000 6/10/2010	Thomas Edison State College 2010 Equipment Lease \$700,000 9/14/2010	Drew University 2010 Series C \$15,580,000 11/15/2010	Centenary College 2010 Series D \$13,974,000 12/15/2010
Bond Counsel	Gibbons	McCarter	Gibbons	Gibbons	McManimon	McManimon
Purchaser	-	Capital One	-	-	TD Bank	TD Bank
Lessor	TD Bank	-	TD Bank	Bank of America	-	-
Financial Advisor	-	-	-	-	PFM	-
Trustee	-	-	-	-	BONY	-
Escrow Agent	-	-	-	-	BONY	-
Verification Agent	-	Causey	-	-	Causey	-
Borrower's Counsel	Connell Foley	Connell Foley	-	-	Boyar Suozzo	Boyar Suozzo
Purchaser's Counsel	-	McManimon	-	-	Hill Wallack	Hill Wallack
Lessor's Counsel	Duane Morris	-	Parker McCay	Susan Ariel (In-house Counsel)	-	-
Trustee / Escrow Agent's Counsel	-	-	-	-	Hawkins	-

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.

**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 has 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).

**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.

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

AYE:

NAY:

ABSTAIN:

ABSENT:

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.

Annual Report 2010

for
New Jersey
and its
Higher Education
Community

Building Futures

NJEFA

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.**

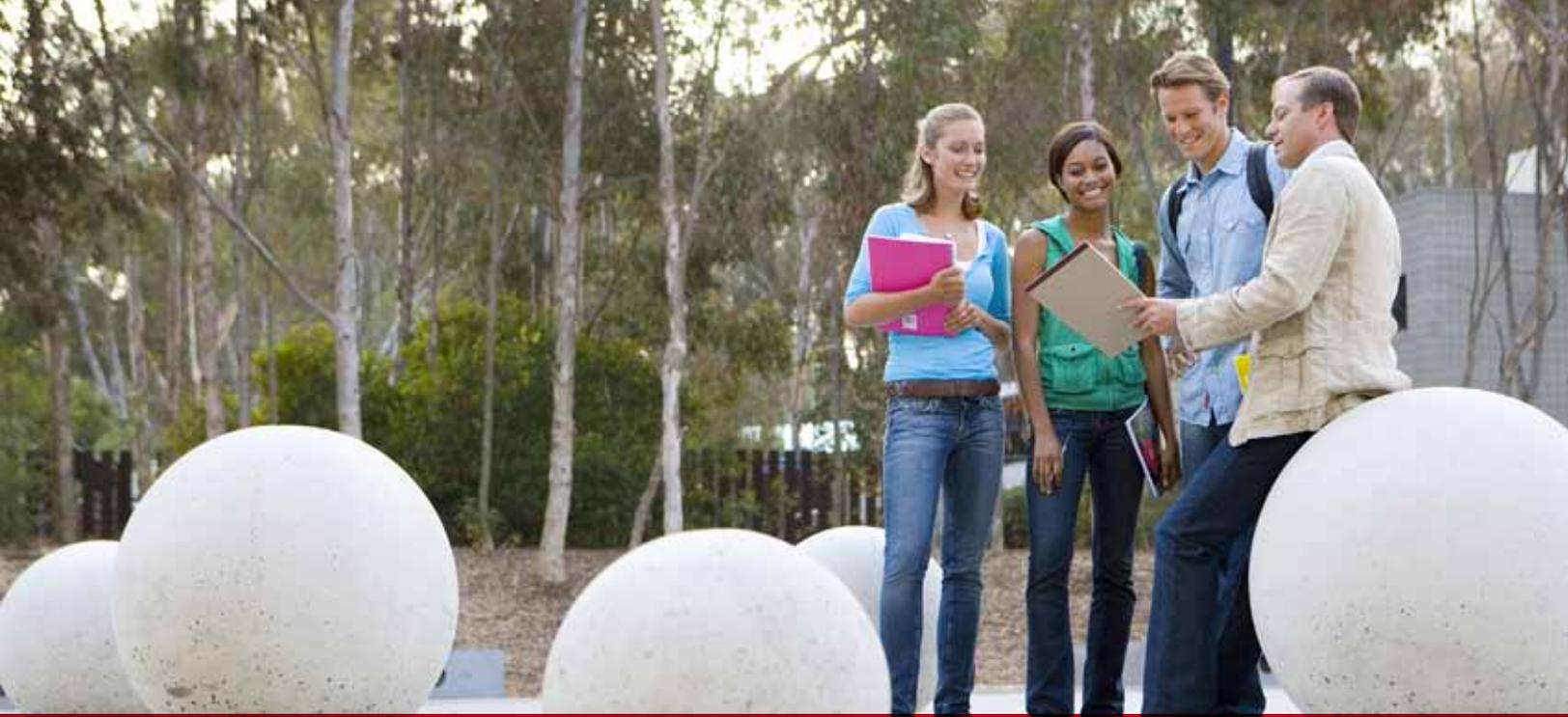


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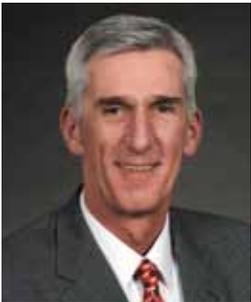
— 2010 Financial Statements and Supplemental Financial Information on CD

— 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 (NJFEA) 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, NJFEA 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 NJFEA'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 Hutchinsonson
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.

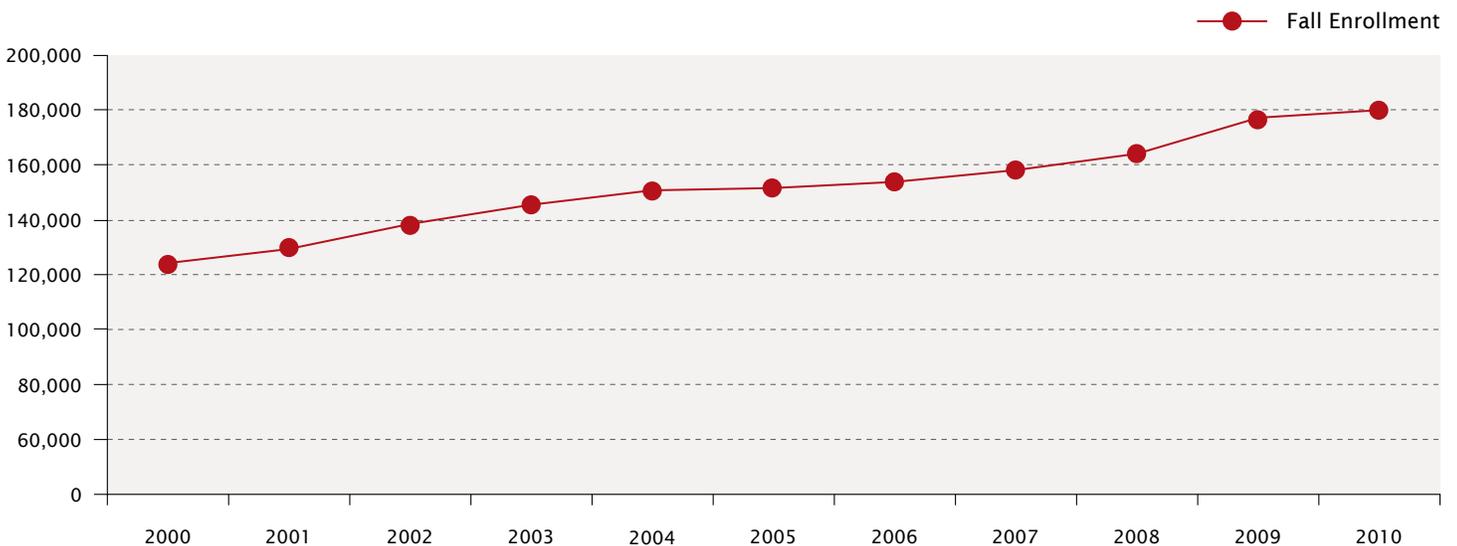
As the Authority and its clients benefitted from the BABs program, higher education officials in the rest of the country also were attracted to the low, long-term,

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**



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.

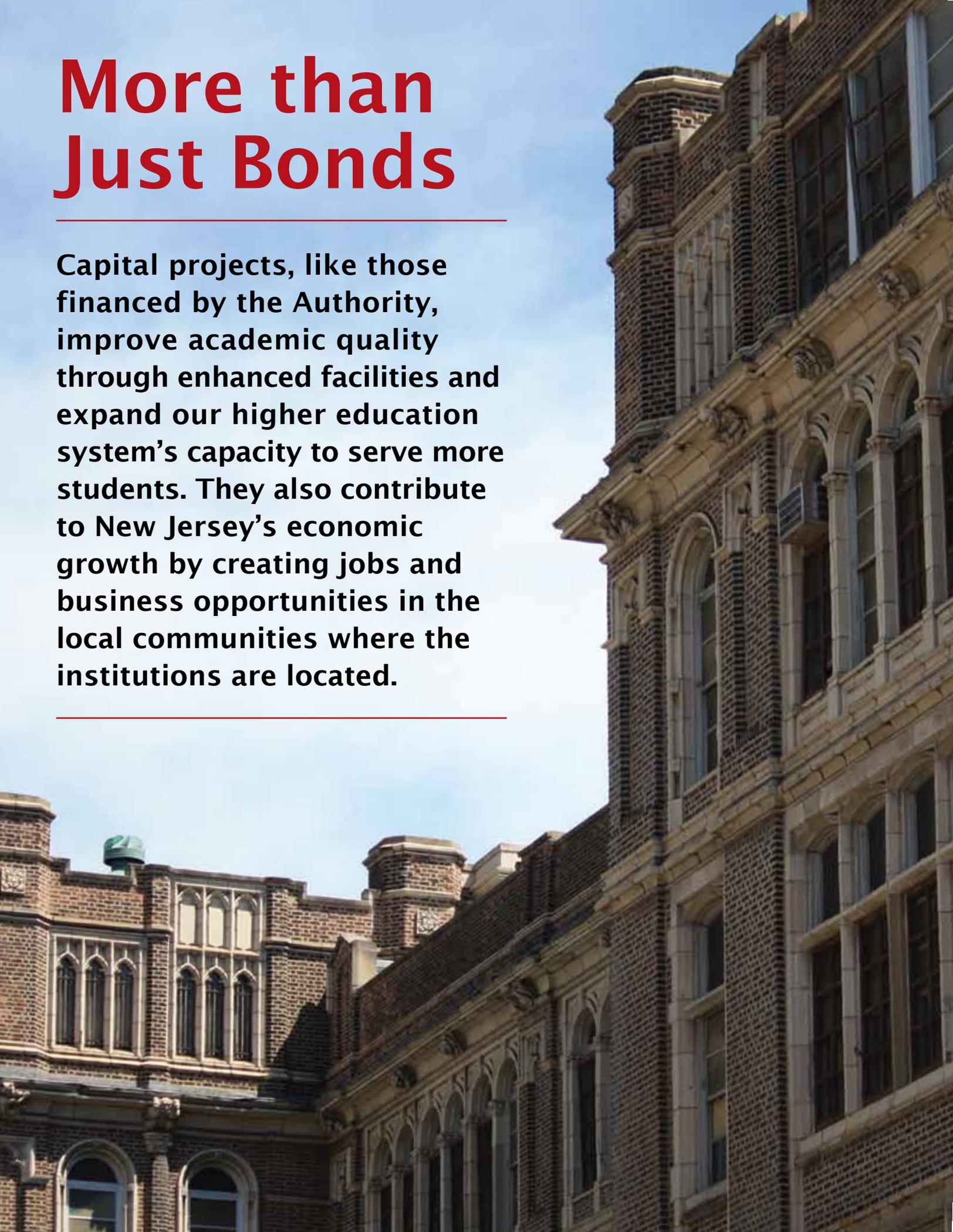
The 2010 Series D bonds were issued at a fixed rate for five years of 3.105 percent and a final maturity of January 1, 2041.

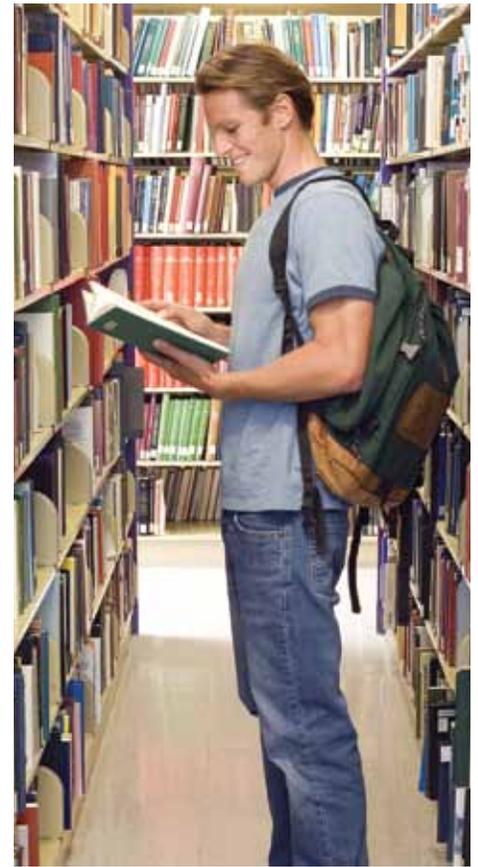
Type of School **4-Year • Private**

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."

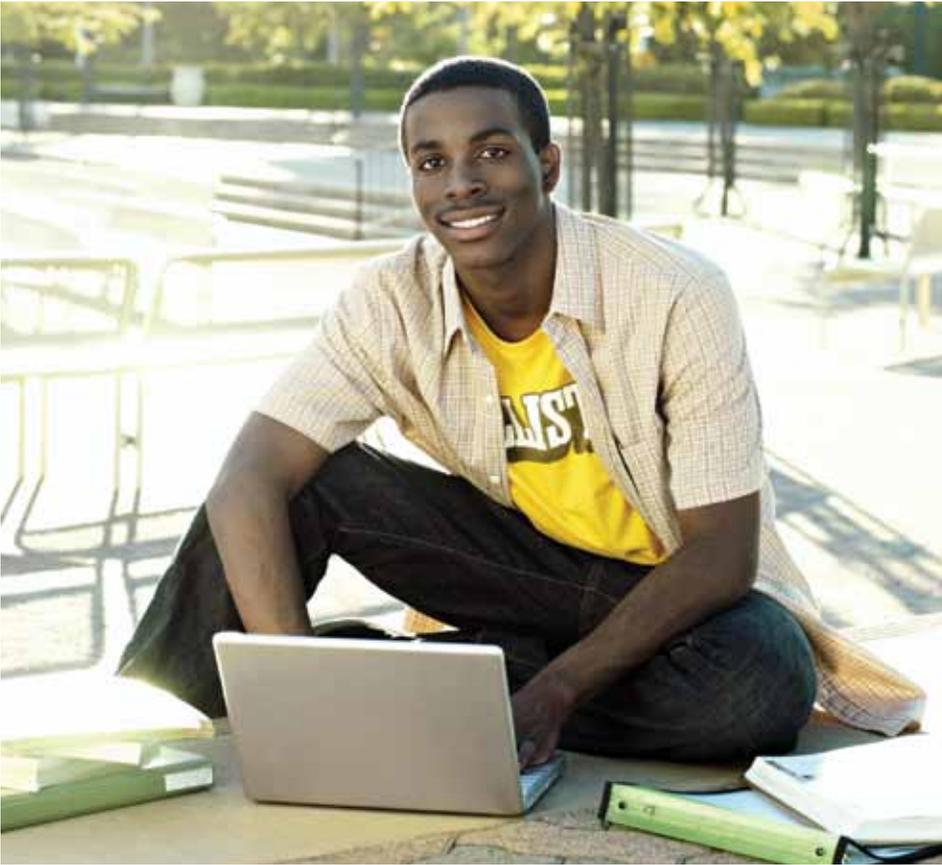
President Levao, who also serves as Treasurer of the New Jersey Presidents' Council,

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



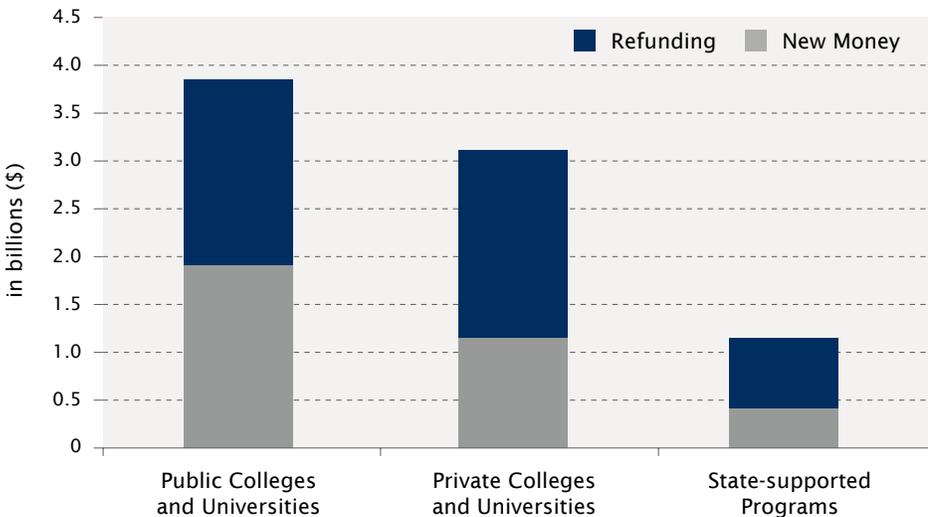
construction and related industries were created as a result of members investing \$677.5 million on capital construction and major maintenance projects. About 40% of that capital investment was financed through the Authority.

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)



Source: NJEFA

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.



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,

“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

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.



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

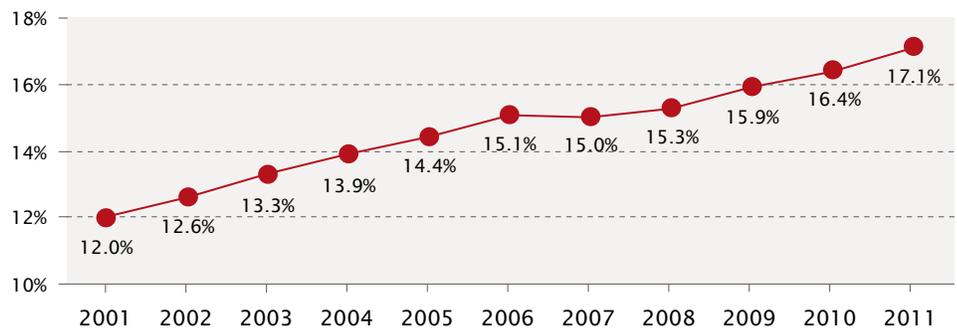
With record high graduates and enrollment, limited space is partially responsible for the fact that New Jersey now loses more of its college-bound students to other states than any other state in the nation. With more than 30,000 of our State's talented students leaving to attend college elsewhere, the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

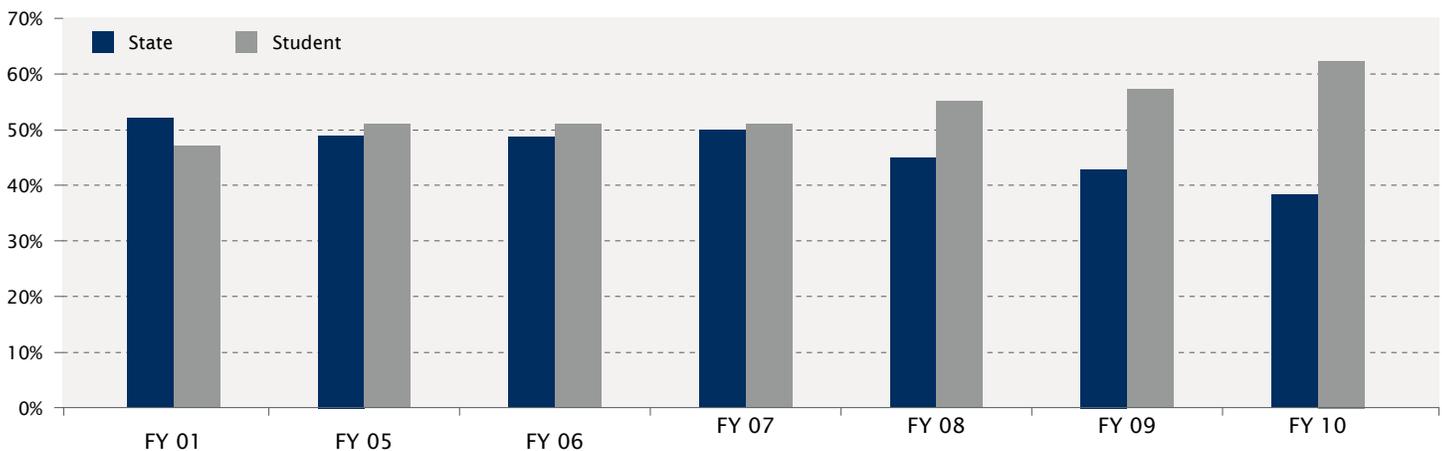
result has meant that while our colleges can now serve 100,000 more students today than they did 10 years ago, it has not kept up with the demand and it has come at a cost. Tuition and fees have increased and New Jersey's public colleges and universities are now more highly leveraged than most public 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
- **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 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

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

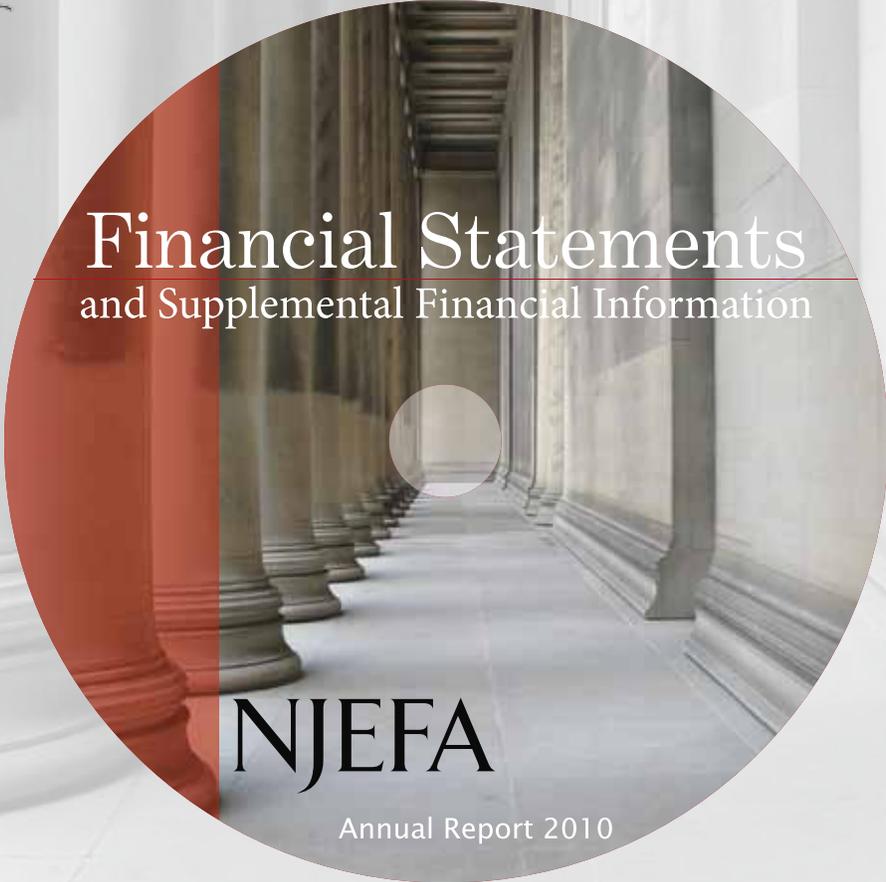
The New Jersey Educational Facilities Authority's 2010 Annual Report serves as the comprehensive annual report of the Authority's operations and finances in accordance with Executive Order No. 37.

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



Financial Statements and Supplemental Financial Information

NJEFA

Annual Report 2010

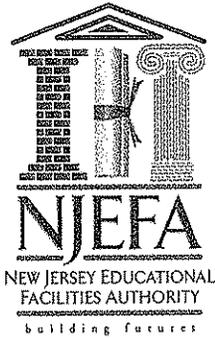
This annual report and the Authority's financial statements are available on our website, www.njefa.com.



NJEFA

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%

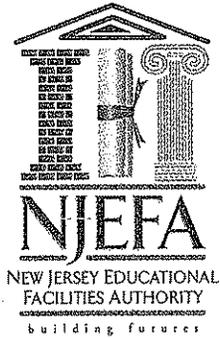
Bond Ratings: A2 - Moody's Investors Service
A+ - Standard & Poor's Rating Services

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