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103 College Road East • Princeton, New Jersey 08540
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Jim Poole
Executive Director

MEETING OF APRIL 26, 2011

AGENDA

1.	Reading of Public Notice and Roll Call	
2.	Welcome by Dr. Nancy Blattner, President, Caldwell College	
3.	Overview of Caldwell College	
4.	Approval of the Minutes of the Meeting of March 22, 2011	TAB 1
5.	Discussion of P.L. 2010, Chapter 107	TAB 2
6.	Reimbursement Resolution for Thomas Edison State College	TAB 3
7.	Equipment Lease Resolution for Thomas Edison State College	TAB 4
8.	Seton Hall University Issue, 2011 Series A, Refunding Bonds	
	Memo/Resolution	TAB 5
9.	Resolution of Appointment of Bond Counsel for Princeton University	TAB 6
10.	Solar Energy Services Resolution at The Richard Stockton College of New Jersey	TAB 7
11.	Modification Resolution of Drew University Issue, 2008 Series I	TAB 8

12.	**Resolution Authorizing Signing of NJEFA Bond Documents**	**TAB 9**
13.	**Resolution Appointing Financial Printer**	**TAB 10**
14.	**Appointment of Arbitrage Compliance Firms**	
	Memo/Resolution	**TAB 11**
15.	**Report on Operating Statements**	
	Results of Operations and Budget Variance Analysis	**TAB 12**
16.	**Next Meeting Date – May 24, 2011**	

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JIM POOLE
Executive Director

March 24, 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, March 22, 2011.

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

Sincerely,

James Poole

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, MARCH 22, 2011

The meeting was called to order at 9:05 a.m. by Chairman Jacobs. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 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
Andrew P. Sidamon-Eristoff, State Treasurer (represented by Steven Petrecca)

AUTHORITY MEMBERS ABSENT:

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

STAFF PRESENT:

James Poole, Executive Director
Barbara Cannon, Deputy Executive Director
Sheryl Stitt, Director of Communications
Marie Mueller, Controller
Kristen Middleton, Assistant Controller
Debra Paterson, Sr. Risk Manager
Gary Vencius, Senior Accountant
Jennifer Soyka, Esq., Project Manager
Jennifer LaMarsh, Project/Communications Assistant
Denise Carroll, Administrative Assistant
Linda Hazley, Office Manager
Sheila Toles, Exec. Assistant/Human Resources Specialist

ITEMS OF DISCUSSION

1. Resolution of Appreciation to Barbara L. Cannon

The Members were asked to consider the adoption of a resolution acknowledging and expressing appreciation to Barbara Cannon for her leadership as Deputy Executive Director to the Authority for the past eight years.

Ms. Cannon thanked the Members for their support and for giving her the opportunity to work with a wonderful staff that uses their extraordinary talent and dedication to serve the Authority's clients. Ms. Cannon stated that it had been a privilege to work for an Authority whose mission and good work had contributed so much to the growth and excellence of higher education in New Jersey and that she wished the Authority the best in future.

Mr. Jacobs thanked Ms. Cannon for her service to the Authority. He stated that she would be missed and that he could not imagine going on a campus visit without thinking of her. Mr. Jacobs thanked Ms. Cannon for her service and invited her to come back to the Authority for a visit anytime.

Mr. Poole commented that he had asked Ms. Cannon to reconsider her retirement and that it was the highest compliment he could give but she declined. Ms. Cannon thanked him for the offer.

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

RESOLUTION OF APPRECIATION TO BARBARA L. CANNON

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

The adopted resolution is appended as Exhibit I.

2. Approval of the Minutes of the Meeting of February 22, 2011

The minutes of the meeting of February 22, 2011 were hand delivered to Governor Chris Christie under the date of February 23, 2011. Mr. Hutchinson moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Petrecca and passed unanimously.

3. Approval of Resolution for Payment of a Portion of the Debt Service on the Authority's Higher Education Capital Improvement Fund Bonds

Mr. Poole reported that the resolution had been pulled from the agenda and would perhaps be brought back to the Members for the April meeting. Mr. Jacobs requested a written request from the State Treasurer's Office for the funds. Mr. Hodes asked why the funds were being given to the State and Mr. Petrecca responded that the funds would be used to pay a portion of the State's debt service due on the Higher Education Capital Improvement Fund bonds. Mr. Hutchinson mentioned that he had voiced concerns on how the transfer would affect the Authority's reserves. Mr. Petrecca advised that the Office of Management and Budget believed that the Authority would have working capital to continue to operate. Mr. Hodes then requested a written opinion from the Treasurer's Office and Mr. Petrecca advised that a written opinion had not been provided in the past and that the Authority has staff and auditors to answer the Members' questions and concerns.

Mr. Jacobs requested that, going forward, the Members receive meeting material in a timely fashion and that if there was a last minute addition, he requested that Mr. Poole call the Members to alert them prior to the meeting.

Mr. Jacobs acknowledged the prior reserve resolutions from years 2005 and 2008 that were displayed for the Members on the meeting table and questioned the changes since that time. Mr. Poole explained that he did not know why the funds had been reserved in the past and he went on to read a partial explanation from one of the resolutions that stated the funds would be used as a reserve to facilitate normal operations and for counsel and consultants, if needed, in the event of difficulties experienced by the Authority or its client colleges. Mr. Poole then stated that he had been informed by staff that none of the Authority's bonds had ever defaulted and that he did not know why the Authority needed $11,500,000.

No action was taken.

4. **Approval of Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, Rowan University Issue, Series 2011 C, In an Amount Not to Exceed $45,000,000**

Ms. Soyka reported the details of the proposed Series 2011 C bonds in an amount not to exceed $45,000,000 on behalf of Rowan University. The proceeds of the issue will be used for the current refunding of all or a portion of the Authority's outstanding Series 2001 C bonds; and certain costs of issuance.

The financing is structured as a fixed rate, negotiated transaction with an interest rate not to exceed 7.00%. The issue is tentatively scheduled to be sold the week of April 25, 2011 and to close the week of May 2, 2011.

Mr. Hodes asked if, going forward, reports could be provided to the Members explaining how the evaluation committees select bond counsel and financial advisors. Mr. Poole advised that the Members had been provided a revised memo with scores of all the firms that responded to the RFP's for the Rowan University transaction.

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

RESOLUTION AUTHORIZING ROWAN UNIVERSITY BONDS

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

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

5. **Approval of Resolution Accepting the Designation of Bond Counsel by the Attorney General in Connection with the Issuance of Refunding Bonds by the Authority on Behalf of Seton Hall University**

Ms. Soyka reported that Seton Hall University had requested that the Authority begin the process of procuring professionals for the refunding of several series of outstanding Authority bonds that are currently refundable as of April 1, 2011. She reported that on March 11, 2011, the Attorney General's Office, which appoints the Authority's bond counsel, distributed an RFP to 11 firms and that six responses were received. Ms. Soyka reported that the Attorney General had, on the basis of a competitive process, designated Gluck Walrath, LLP to act as bond counsel to the Authority in connection with the financing. Ms. Soyka advised that the resolution only accepts Gluck Walrath's appointment and that the Authority hopes to bring the resolution authorizing the issuance of the refunding bonds and the related documents to the Members for approval at the April meeting.

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

> RESOLUTION ACCEPTING THE DESIGNATION OF BOND COUNSEL BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY IN CONNECTION WITH THE ISSUANCE OF REFUNDING BONDS BY THE AUTHORITY ON BEHALF OF SETON HALL UNIVERSITY

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

The memo and resolution are appended as Exhibit III.

6. Approval of Resolution Appointing a Verification Agent and Accepting the Designation of Counsel by the Attorney General in Connection with the Defeasance of All of Monmouth University's Outstanding Bonds

Ms. Soyka reported that Monmouth University had decided to refund all of its outstanding tax-exempt bonds issued by the Authority with a bank loan. She reported that Monmouth University had a little over $14 million in bonds outstanding and that in order to legally defease the bonds, a verification report must be prepared and a defeasance opinion must be issued by bond counsel. Ms. Soyka reported that on March 2, 2011, the Attorney General's Office distributed an RFP to 11 firms to provide bond counsel services and that the Attorney General had, on the basis of a competitive process, designated the firm of McCarter & English, LLP to act as counsel to the Authority in connection with the defeasance and based on fee quotes received from the verification agent, Causey Demgen & Moore, Inc. was designated to act as verification agent.

Ms. Soyka added that the resolution also appoints an escrow agent which is not subject to an RFP process because the escrow agent is simply the trustee on the prior bonds.

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

> RESOLUTION APPOINTING A VERIFICATION AGENT AND ACCEPTING THE DESIGNATION OF COUNSEL BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY IN CONNECTION WITH THE DEFEASANCE OF ALL OF MONMOUTH UNIVERSITY'S OUTSTANDING BONDS

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

The memo and resolution are appended as Exhibit IV.

7. Report of the Authority's Audit Committee and Adoption of Resolution Accepting the Financial Statements and Auditors' Report for 2010

Mr. Hodes reported that the Audit Committee met on January 26, 2011 with both Randy Nelson of Ernst & Young, the Authority's external auditors, and Will SanFilippo of Vitt & SanFilippo, the Authority's internal auditors, to discuss the scope of and procedures for the audit of the Authority's financial statements. He reported that the Committee met again on March 21, 2011 to discuss and review the proposed financial statements and auditors' report for the calendar year ended December 31, 2010. Mr. Hodes then recommended that the Members approve the financial statements. Mr. Hutchinson added that everything seemed in order and moved to adopt the statements. Mr. Petrecca complimented staff on a job well done.

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

> RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR 2010

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

The adopted resolution is appended as Exhibit V.

Mr. Nelson advised that the financial statements that had been adopted included a Subsequent Event footnote that needed to be removed, but that was ministerial and would not require additional board action.

8. <u>Acceptance of Operating and Construction Fund Statements for January and February 2011</u>

Ms. Mueller reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for February 2011. Ms. Mueller reported that she had reviewed the January statements at last month's meeting and would be happy to answer any questions the Members might have.

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

The reports are appended as Exhibit VI.

9. <u>Next Meeting Date</u>

Chairman Jacobs announced that the next meeting will be on Tuesday, April 26, 2011 at Caldwell College in Caldwell, New Jersey and requested a motion to adjourn.

Mr. Hodes moved that the meeting be adjourned at 9:46 a.m.; the motion was seconded by Mr. Hutchinson and passed unanimously.

Respectfully submitted,

James Poole

James Poole
Secretary

RESOLUTION OF APPRECIATION

TO

BARBARA L. CANNON

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

March 22, 2011

WHEREAS, on March 31, 2003, Barbara L. Cannon was appointed as Deputy Executive Director and Assistant Secretary of the New Jersey Educational Facilities Authority (the "Authority") and has continued to serve in that position for eight years; and

WHEREAS, during her tenure as Deputy Executive Director, Ms. Cannon has served as the Authority's Liaison with New Jersey's higher education community, including the Commission on Higher Education, the New Jersey Presidents' Council and the Public Library Advisory Construction Board; and

WHEREAS, Ms. Cannon has also served as Coordinator for the Authority's outreach activities; Director of the Authority's Investor Relations Program, Ethics Liaison Officer, Director of Human Resources and EEO/Affirmative Action Officer; and

WHEREAS, Ms. Cannon's service to the Authority continued an already long and distinguished career in public service that included her election to three terms or twelve years as Mayor of Old Bridge, New Jersey; her election to three terms as Councilwoman of Old Bridge, where she also served as Council Vice President and President; and her service as Chairwoman of Governor Christine Todd Whitman's Property Tax Commission; among others; and

WHEREAS, Ms. Cannon has announced her retirement from the Authority effective April 1, 2011; and

WHEREAS, the Authority wishes to formally recognize this significant announcement and to pay tribute to Ms. Cannon for her extensive time, knowledge, expertise and professionalism that she has dedicated to the Authority and its college and university clients, as well as to her distinguished career in public service to the State of New Jersey;

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby expresses its sincere appreciation to Ms. Cannon for her many and significant contributions to the Authority, to the higher education community of New Jersey and to the State of New Jersey.

BE IT FURTHER RESOLVED, that the Authority hereby honors the employment service of Ms. Cannon to the Authority and recognizes that her service has greatly contributed to its success and to the enhancement of campus facilities at New Jersey's institutions of higher education, thereby benefiting all of the citizens of the State.

BE IT FURTHER RESOLVED, that on behalf of the many friends and colleagues of Ms. Cannon at the Authority and in higher education throughout New Jersey, the Members wish her a long and happy retirement and one that will afford her the opportunity to continue to enjoy her many civic interests, gardening, craft shows, travel and family time with her family; and

BE IT FURTHER RESOLVED, that a copy of this Resolution of Appreciation be given to Ms. Cannon as a tribute to her service to the New Jersey Educational Facilities Authority.

____ 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)

NAY: None

ABSTAIN: None

ABSENT: Steven D. Weinstein

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

EXHIBIT II

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TERM SHEET

Borrower:	Rowan University, Glassboro, New Jersey
Issue:	Series 2011 C
Amount:	Not to Exceed $45,000,000
Purpose:	To provide funds to finance: (i) the current refunding of all or a portion of the Authority's outstanding Series 2001 C bonds issued on behalf of the University; and (ii) the payment of certain costs of issuance.
Security:	General Obligation of the University
Structure:	Fixed Rate, Negotiated Sale
Term:	Not later than July 1, 2041
True Interest Cost:	Not to Exceed 7.00%
Expected Bond Ratings:	A2 - Moody's Investors Service A+ - Standard & Poor's Rating Services
Bond Insurance:	To Be Determined
Tentative Pricing:	Week of April 25, 2011
Tentative Closing:	Week of May 2, 2011

The Authority Members will be asked to adopt the Series 2011 C Bond Resolution which outlines the various parameters of the financing; authorizes the issuance of the revenue refunding bonds; authorizes and approves the form of all legal documents necessary for the financing, including a Trust Indenture between the Authority and the Trustee, the Lease and Agreement, Continuing Disclosure Agreement, Escrow Deposit Agreement, Preliminary Official Statement and Official Statement, and Contract of Purchase; and delegates to any Authorized Officer the ability to take all actions as may be necessary to sell and issue the bonds, execute the Contract of Purchase with the Underwriter as well as all other bond documents, and finalize this transaction.

Professionals on the Transaction:

Bond Counsel:	McManimon & Scotland, LLC
Authority's Counsel:	Attorney General of New Jersey
Financial Advisor:	Scott Balice Strategies
Senior Manager:	Morgan Stanley & Co., Inc.
Co-Manager:	Bank of America Merrill Lynch
Underwriters' Counsel:	To Be Determined
Trustee/Escrow Agent:	The Bank of New York Mellon
Trustee/Escrow Agent's Counsel:	Hawkins, Delafield & Wood, LLP
Verification Agent:	Causey Demgen & Moore, Inc.

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Jim Poole
Executive Director

Date: March 22, 2011

To: Members of the Authority

Re: Procurement of Professionals – Rowan University

Below please find the procurement procedures that were undertaken with respect to the various professional appointments in connection with the Rowan University transaction.

Bond Counsel

On March 2, 2011 the Attorney General's office circulated an RFP to 11 firms to provide bond counsel services in connection with the refunding of the Authority's outstanding bonds issued on behalf of Rowan University, Series 2003 C. On March 8, 2011, 8 responses were received. The responsive firms and their respective fees are as follows:

Firm	Fees
McManimon & Scotland, LLC	**$35,000**
Gluck Walrath LLP	$36,500
DeCotiis, Fitzpatrick & Cole, LLP	$37,500
McCarter & English, LLP	$40,000
Gibbons, PC	$45,000
Obermayer Rebmann Maxwell & Hippel LLP	$45,000
Windels Marx Lane & Mittendorf, LLP	$55,000
Hawkins Delafield & Wood LLP	$56,250

Senior Managing Underwriter

On March 4, 2011, Authority staff circulated an RFP to the 13 firms that are members of the Authority's pool of senior managing underwriters. On March 9, 2011, 10 responses were received. The responsive firms and their respective scores are as follows:

Firm	Evaluator #1	Evaluator #2	Evaluator #3	Fee	Total
Morgan Stanley	87	79.5	82	5.299	**248.5**
Citigroup	81	81	86	4.9298	**248**
Wells Fargo	77.5	72.5	90	4.55	**240**
RBC	83	83	73	6.08	**239**

JP Morgan	78	75.5	85.5	4.732	**239**
Ramirez	77.5	75	77.5	5.04	**230**
Barclays	74	74	79	5.07	**227**
Bank of America/Merrill Lynch	70	72.5	72.5	6.33	**215**
PNC	60	57.5	55	6.35-6.41	**172.5**
Jeffries	51	48.5	46	6.724	**145.5**

Co-Managing Underwriter

On March 9, 2011, Authority staff circulated an RFP to the 27 firms that are members of the Authority's pool of senior managing underwriters and co-managing underwriters. On March 15, 2011, 15 responses were received. The responsive firms and their respective scores are as follows:

Firm	**Score**
Bank of America Merrill Lynch	$131,235,000
Raymond James	$16,913,780
Fidelity Capital Markets	$13,902,304
Roosevelt & Cross	$12,893,540
NW Capital	$11,586,543
Loop Capital Markets	$8,694,200
Cabrera Capital Markets	$7,988,050
Lebenthal & Co.	$7,590,971
Ramirez & Co.	$6,017,733
George K. Baum	Non-Responsive
Jackson Securities	Non-Responsive
JP Morgan	Non-Responsive
PNC Capital Markets	Non-Responsive
Powell Capital Markets	Non-Responsive
Rice Financial	Non-Responsive

Financial Advisor

On March 4, 2011, Authority staff circulated an RFP to 60 financial advisory firms and posted the RFP on the Authority's and the State of New Jersey's websites. On March 10, 2011, 10 responses were received. The responsive firms and their respective scores are as follows:

Firm	**Evaluator #1***	**Evaluator #2**	**Evaluator #3**	**Fee***	**Total**
Scott Balice	81	95.5	77.5	$17,000	**254**
Phoenix	86.5	85.5	82	19,500	**254**
Prager	76	76.5	78	21,000	**230.5**
1st Southwest	70	70.5	71	23,000	**211.5**
Acacia	70.5	67.5	65	25,500	**203**
PFM	62.5	59.5	54.5	25,500	**176.5**
Butcher Mark	33	42	40	28,000	**115**

Stanley Stone	31	32.5	46	28,000	**109.5**
Fairmount	25.5	31.5	25.5	33,000	**82.5**
GMS	14.5	32	34.5	33,250	**81**

* In calculating the fee, if the fee was given in dollars/bonds, we assumed a $25 million transaction and if no cap on expenses was listed, we assumed a $3,000 cap on expenses.

Verification Agent

On March 11, 2011, Authority staff circulated an RFP to 4 firms that regularly perform verification agent services and posted the RFP on the Authority's and the State of New Jersey's websites. On March 15, 2011, three responses were received. The responsive firms and their respective fees are as follows:

Firm	Fees
Causey Demgen & Moore, Inc.	$1,640
BondResource Partners, LP	$2,100
Mercadien, P.C.	$3,000

Trustee

On March 3, 2011, Authority staff circulated an RFP to the three banks that comprise the Authority's pool of trustees. On March 9, 2011, two responses were received. The responsive firms and their respective fees are as follows:

Firm	Fees
The Bank of New York Mellon	$200
U.S. Bank, National Association	$400

Escrow Agent

The Escrow Agent is the trustee on the bonds being refunded. This role is not the subject of an RFP process.

RESOLUTION AUTHORIZING ROWAN UNIVERSITY BONDS

Adopted: March 22, 2011

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

WHEREAS, Rowan University ("**Rowan**") has determined to undertake a project (the "**Refunding Project**") consisting of: (i) the current refunding of bonds issued by the Authority, including, but not limited to, all or a portion of the Authority's outstanding $37,140,000 of the original principal amount of Revenue Bonds, Rowan University Issue, Series 2001 C (the "**Bonds to be Refunded**") and (ii) the payment of costs of issuance of the Bonds (as hereinafter defined) as presented, submitted and approved by Rowan's Board of Trustees; and

WHEREAS, the Authority, has determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Rowan University Issue, Series 2011 C" or such other designation as may be determined by the Authority (the "**Bonds**") for the purpose of providing funds to finance the Refunding Project; and

WHEREAS, the repayment of the Bonds will be secured by a Lease and Agreement between the Authority and Rowan (the "**Agreement**"). The Bonds are payable solely from Revenues (as defined in the Indenture), other than Additional Lease Payments (as defined in the Agreement), and from amounts on deposit in certain funds under the Indenture. The obligation of Rowan to make the payments required under the Agreement for the payment of debt service on the Bonds constitutes a general obligation of Rowan; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS, AS FOLLOWS:

ARTICLE I

AUTHORIZATION OF BONDS; APPROVAL OF DOCUMENTS; APPOINTMENTS

1.1. Purpose of Issuance of the Bonds.

The Authority hereby declares the Refunding Project to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice-Chair, Treasurer, Executive Director, Deputy Executive Director, Secretary, any Assistant Secretary and any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer") to execute and deliver all documents necessary to enable the Authority, as permitted by the Act, to finance, on behalf of Rowan, the costs of the Refunding Project, in whole or in part.

1.2. Authorization of Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds in an aggregate principal amount not to exceed of $45,000,000 in order to finance, on behalf of Rowan, the costs of the Refunding Project, in whole or in part.

(b) The Authority hereby finds and determines that the issuance of the Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26 (Whitman 1994), namely, volatile market conditions and a complex credit, and a competitive sale of the Bonds is not in the best interest of the Authority and Rowan.

(c) Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority a contract of purchase (the **"Contract of Purchase"**) by and between the Authority and senior managing underwriter, on behalf of itself and co-managing underwriter(s) (collectively, the **"Underwriter"),** in substantially the form presented to this meeting with such changes as shall be approved by an Authorized Officer, with the advice of McManimon & Scotland, L.L.C., Bond Counsel to the Authority **("Bond Counsel")** and the Attorney General of the State (such approval to be evidenced by such Authorized Officer's execution thereof) for the purchase of the Bonds at the price or prices to be agreed upon; provided; however, that the underwriter's discount for the Bonds shall not exceed $8.00 per $1,000.00 of the principal amount. A copy of the Contract of Purchase as executed shall be filed with the records of the Authority.

(d) The Chair, the Vice-Chair, and/or the Executive Director are hereby authorized to appoint any additional underwriters to purchase the Bonds as members of an underwriting syndicate headed by the Underwriter.

(e) The Bonds shall be issued in fully registered form, shall be in the denominations, and shall be numbered as shall be provided in the Indenture. The Bonds shall be dated, bear interest, mature and be executed and authenticated as shall be set forth in the Indenture; provided, however, that the final maturity date of the Bonds will be no later than July 1, 2041. The Bonds shall bear interest at a fixed rate as described in the Indenture, with a true interest cost not to exceed 7.00% per annum. The Bonds shall be subject to redemption as provided in the Indenture; provided, however, that the redemption premium on the Bonds, if any, shall not exceed 5.0%.

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

(g) The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director and its official common seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary, any Assistant Secretary, Executive Director or Deputy Executive Director (provided the same has not executed such Bond).

(h) Following the execution of the Bonds, any Authorized Officer is hereby authorized to deliver the Bonds to the Trustee for authentication and, after authentication, to deliver the Bonds to the Underwriter or its agent against receipt of the purchase price or unpaid balance thereof.

1.3. Approval of Preliminary Official Statement and Final Official Statement.

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

1.4. Approval of Agreement.

The form of the Agreement presented to the meeting at which this Resolution is adopted (a copy of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Agreement with Rowan in substantially such form, with such changes therein (including, without limitation, the date thereof) and any supplements thereto as Bond Counsel and the Attorney General of the State may advise and the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof.

1.5. Authorization of Escrow Deposit Agreement

Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Escrow Deposit Agreement, in such form as shall be approved, upon the advice of Bond Counsel and the Attorney General of the State, such approval to be conclusively evidenced by such Authorized Officer's execution thereof.

1.6. Approval of Indenture.

The form of the Indenture presented to the meeting at which this Resolution is adopted (a copy of which shall be filed with the records of the Authority), is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to, the Indenture in substantially such form, with such insertions and changes therein (including, without limitation, the date thereof and the initial interest payment date contained therein and provisions relating to a policy of insurance insuring principal and interest when due on the Bonds) and any supplements thereto as Bond Counsel and the Attorney General of the State may advise and the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof.

1.7. Book Entry System for the Bonds.

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

1.8. Appointments.

(a) Morgan Stanley & Co., Inc. is hereby appointed as the senior managing underwriter in connection with the refunding of all or any portion of the Bonds to be Refunded pursuant to the terms of the Contract of Purchase.

(b) Bank of America Merrill Lynch is hereby appointed as the co manager in connection with the refunding of all or any portion of the Bonds to be Refunded.

(c) The Bank of New York Mellon is hereby appointed as the escrow agent (the "**Escrow Agent**") under the Escrow Deposit Agreement. The Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the Escrow Deposit Agreement by the Escrow Agent's execution thereof.

(d) Causey Demgen & Moore Inc. is hereby appointed to act as verification agent in connection with the refunding of all or any portion of the Bonds to be Refunded pursuant to the terms of the Escrow Deposit Agreement.

(e) Scott Balice Strategies LLC is hereby appointed as the financial advisor to the Authority in connection with the Bonds.

(f) The Bank of New York Mellon is hereby appointed as the Trustee under the Indenture. The Trustee's acceptance of the duties and obligations imposed upon it by the Indenture shall be evidenced by the execution of the Indenture by the Trustee

1.9. Continuing Disclosure.

Pursuant to the Agreement, Rowan shall undertake all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the holders of the Bonds or any other person with respect to such disclosure matters. The form of the Continuing Disclosure Agreement (the "**Continuing Disclosure Agreement**") by and between Rowan and the Trustee, as Dissemination Agent, presented at this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. The failure of Rowan to comply with the requirements of the Continuing Disclosure Agreement shall not constitute a default under the Indenture or the Agreement.

1.10. Bond Insurance Authorized.

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

ARTICLE II
MISCELLANEOUS

2.1. Authorization to Invest Bond Proceeds.

Any Authorized Officer is authorized to enter into, or direct the Trustee to enter into, one or more agreements to invest the proceeds of the Bonds as permitted by the Indenture ("**Eligible Investments**"), which include investment agreements and repurchase agreements, in the event that such Authorized Officer determines, in consultation with and with the consent of Rowan, that it is advantageous to Rowan for the Authority to invest any proceeds of the Bonds in Eligible Investments, which includes investment agreements and repurchase agreements.

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

2.2. Incidental Action.

(a) The Authorized Officers are hereby authorized to refund the Bonds to be Refunded selected by Rowan, in consultation with the Authority and its financial advisors; and

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

(c) The Authorized Officers of the Authority are hereby authorized and directed to take such actions from time to time as may be necessary or appropriate to: (i) determine the specific real and/or personal property to be subject to the Agreement and to accept conveyance of, or convey such property to, Rowan or other applicable entity; (ii) grant and execute such consents, licenses, easements and other actions requested and agreed to by Rowan; and (iii) amend, modify and supplement documents relating to the Bonds with the consent of Rowan; (iv) 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 implement actions authorized under paragraphs (i) through (iv) of this Section 2.2(c) in the form approved by the Authorized Officer(s), execution being conclusive evidence of approval; provided however that in the case of actions authorized by paragraphs (i) through (iv) of this Section 2.2(c), the Authority is advised by Bond Counsel and the Attorney General that the action does not adversely affect the tax-exempt status of the Bonds or the security of the holder of the Bonds and that the action and documentation is undertaken in accordance with the documentation of the Bonds.

2.3. Extension of Time for Compliance with Certain Environmental Conditions.

In connection with the issuance of the Bonds to be Refunded, the Authority financed the acquisition of certain parcels of land on which educational facilities were or are to be constructed. Certain of the parcels; however, required environmental remediation (the "Remediable Subject Properties"). Rowan agreed to complete the remediation within a designated time period and to deposit the deeds and certain monies associated with the Remediable Subject Properties with The Bank of New York Mellon, as the escrow agent (the "Environmental Escrow Agent"), pursuant to an environmental escrow agreement dated as of June 17, 2002, as amended (the "Environmental Escrow Agreement") by and among the Authority, Rowan and the Environmental Escrow Agent to be held until remediation is complete. The designated time period will expire in the near future and Rowan has requested an extension of the designated time period for remediation and the Authority has determined that such extension is necessary and appropriate for the Authority and Rowan. The

Authority hereby approves the extension of the time period for remediation associated with the Remediable Subject Properties until such time as a No Further Action Letter is received from the New Jersey Department of Environmental Protection for each Remediable Subject Property. The Authority further authorizes and directs the Authorized Officers to execute any amendments to the Environmental Escrow Agreement and any other documents necessary or appropriate to effect the extension in such form as is accepted by the Authorized Officer executing the same, such execution to be conclusive evidence of the acceptance thereof.

2.4. Prior Resolutions.

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

2.5. Effective Date.

This Resolution shall take effect in accordance with the Act.

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

AYE:	Roger B. Jacobs Ridgeley Hutchinson Joshua Hodes Andrew Sidamon-Eristoff (represented by Steven Petrecca)
NAY:	None
ABSTAIN:	None
ABSENT:	Steven D. Weinstein

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

Draft dated March 12, 2006

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
$__________ Revenue Refunding Bonds, Rowan University Issue, Series 2011 C

CONTRACT OF PURCHASE

__________, 2011

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

Rowan University
Office of the Vice President for Finance and Treasurer
201 Mullica Hill Road
Glassboro, New Jersey 08028

Ladies and Gentlemen:

Morgan Stanely & Co., Inc., as Representative (the "Representative"), on behalf of itself and Bank of America Merrill Lynch (collectively, the "Underwriters"), hereby offers to enter into this Contract of Purchase (this "Purchase Contract") with you, the New Jersey Educational Facilities Authority (the "Authority") and Rowan University (the "Public College"), which, upon your acceptance of this offer, will be binding upon the Authority, the Public College and the Underwriters. This offer is made subject to the acceptance by the Authority and the Public College at or prior to 8:00 p.m., prevailing Eastern Standard time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the Authority at any time prior to acceptance hereof by the Authority. Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture (as defined herein).

1. Purchase and Sale of the Bonds and Payment of Underwriters' Discount. On the basis of the representations, warranties, covenants and agreements herein contained or referred to, but subject to the terms and conditions herein set forth, the Underwriters hereby agree to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriters, all (but not less than all) of its $______________ New Jersey Educational Facilities Authority Revenue Refunding Bonds, Rowan University Issue, Series 2011 C (the "Bonds"), at an aggregate purchase price equal to $__________ (such purchase price reflecting Underwriters' discount of $___________ and a net reoffering [premium] [discount] of $___________ in connection with the Bonds). The Bonds will be issued under and pursuant to a Resolution adopted by the Authority on March 22, 2011 (the "Resolution") and a Trust Indenture, dated as of __________, 2011 (the "Indenture"), between the Authority and _____________, as trustee (the "Trustee"). The Bonds will be issued in the principal amounts, at interest rates and maturing on and having mandatory sinking fund payments due on the dates, specified on the Pricing Summary attached as Exhibit A hereto and having the other redemption provisions as set forth in the Indenture.

TRUST INDENTURE

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

THE BANK OF NEW YORK MELLON,

as Trustee

$[45,000,000]

New Jersey Educational Facilities Authority

Revenue Refunding Bonds, Rowan University Issue,

Series 2011 C

Dated

as of

[May 1], 2011

CONTINUING DISCLOSURE AGREEMENT

BY AND BETWEEN

ROWAN UNIVERSITY

AND

THE BANK OF NEW YORK MELLON,
AS DISSEMINATION AGENT AND TRUSTEE

Dated as of [May 1], 2011

Entered into with respect to the

$[________] New Jersey Educational Facilities Authority
Revenue Refunding Bonds, Rowan University Issue, Series 2011

471460.1

IN CONNECTION WITH THE OFFERING OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BONDS, ROWAN UNIVERSITY ISSUE, SERIES 2011 C (THE "SERIES 2011 C BONDS"), THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2011 C BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2011 C BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

No dealer, broker, salesman or other person has been authorized by the New Jersey Educational Facilities Authority (the "Authority") or Rowan University (the "Public College") to give any information or to make any representations with respect to the Series 2011 C Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Series 2011 C Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Certain information contained herein has been obtained from the Public College and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and it is not to be construed as a representation of the Authority. The information set forth herein relative to The Depository Trust Company ("DTC") and DTC's book-entry only system has been supplied to the Authority by DTC for inclusion herein, and the Authority takes no responsibility for the accuracy thereof. Such information has not been independently verified by the Authority and the Authority makes no representation as to the accuracy or completeness of such information.

The Series 2011 C Bonds have not been registered under the Securities Act of 1933, as amended, and neither the Resolution nor the Trust Indenture has been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the Series 2011 C Bonds and the security therefor, including an analysis of the risk involved. The Series 2011 C Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the Series 2011 C Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the Series 2011 C Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the Series 2011 C Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

The information set forth under the caption "BOND INSURANCE" herein has been provided by Financial Guaranty Insurance Company ("Financial Guaranty" or the "Insurer"). The Authority has not confirmed the accuracy or completeness of the information relating to the Insurer or the municipal bond insurance policy to be issued by the Insurer or the payment of the principal amount of (but not redemption premium, if any) and interest on the Series 2011 C Bonds (the "Policy"). Therefore, the Authority disclaims any responsibility for the accuracy or completeness of the information relating to the Insurer or the Policy.

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

103 College Road East • Princeton, New Jersey 08540
phone 609-987-0880 • fax 609-987-0850 • jpoole@njefa.com

Jim Poole
Executive Director

Date: March 22, 2011

To: Members of the Authority

Re: Acceptance of Bond Counsel Appointment

On March 11, 2011 the Attorney General's office sent out an RFP to 11 firms to provide bond counsel services in connection with a refunding bond issue by the Authority on behalf of Seton Hall University. Responses are due back on March 16, 2011. The Attorney General received 6 responses. The responsive firms and their fees are as follows:

Firm	**Fee**
Gluck Walrath LLP	**$30,000**
McManimon & Scotland, LLC	$34,000
Windels Marx Lane & Mittendorf, LLP	$40,000
Obermayer Rebmann Maxwell & Hippel LLP	$45,000
Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C.	$67,500
McCarter & English. LLP	$70,000

You have before you a resolution accepting the Attorney General's appointment of Gluck Walrath LLP as bond counsel on the transaction. We hope to bring the resolution authorizing the issuance of the refunding bonds and the related documents to the Authority for approval at the Authority's April board meeting.

RESOLUTION ACCEPTING THE DESIGNATION OF BOND COUNSEL BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY IN CONNECTION WITH THE ISSUANCE OF REFUNDING BONDS BY THE AUTHORITY ON BEHALF OF SETON HALL UNIVERSITY

ADOPTED MARCH 22, 2011

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

WHEREAS, Seton Hall University (the "University") has requested that the Authority begin the process of procuring professionals in connection with the refunding of several series of outstanding Authority bonds issued for the University which are currently refundable as of April 1, 2011 (the "Financing"); and

WHEREAS, the Attorney General has, on the basis of a competitive process, designated the firm of Gluck Walrath LLP to act as Bond Counsel to the Authority in connection with the Financing;

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

1. **Acceptance of the Designation of Bond Counsel by the Attorney General.** The Authority hereby accepts the designation by the Attorney General of Gluck Walrath LLP to act as Bond Counsel to the Authority in connection with the Financing.

2. **Authorization of Action.** The Chair, Vice-Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Secretary or any Assistant Secretary of the Authority, and/or any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer"), is authorized to take any and all action necessary or appropriate to implement this Resolution.

3. **Effective Date.** This Resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: Steven D. Weinstein

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

EXHIBIT IV

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

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

JIM POOLE
Executive Director

Date: March 22, 2011

To: Members of the Authority

Re: Acceptance of Counsel Appointment for Monmouth University transaction

On March 2, 2011 the Attorney General's office sent out an RFP to 11 firms to provide counsel services in connection with the defeasance of all of the Authority's outstanding bonds issued on behalf of Monmouth University. On March 10, 2011, 7 responses were received. The responsive firms and their respective fees are as follows:

Firm	Fees
McCarter & English, LLP	$8,000
Windles Marx Lane & Mittendorf, LLP	$8,000
DeCotiis, Fitzpatrick & Cole, LLP	$12,500
Gluck Walrath LLP	$15000
Hawkins Delafield & Wood LLP	$5,000 for each issue to be currently refunded $10,000 for each issue to be advance refunded
Gibbons, PC	$25,000
Obermayer Rebmann Maxwell & Hippel LLP	$45,000

Attached is a resolution accepting the Attorney General's appointment of McCarter & English, LLP to serve as counsel on the defeasance. In addition, the resolution appoints The Bank of New York to serve as escrow agent. The escrow agent is the trustee on the bonds being defeased and is not subject to the RFP process.

RESOLUTION APPOINTING A VERIFICATION AGENT AND ACCEPTING THE DESIGNATION OF COUNSEL BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY IN CONNECTION WITH THE DEFEASANCE OF ALL OF MONMOUTH UNIVERSITY'S OUTSTANDING BONDS

ADOPTED MARCH 22, 2011

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

WHEREAS, Monmouth University (the "University") has decided to refund all of the outstanding tax-exempt bonds (the "Bonds") issued by the Authority for the University (the "Defeasance"); and

WHEREAS, pursuant to the resolutions authorizing the issuance of the Bonds, in order to legally defease the Bonds, a verification report must be prepared and a defeasance opinion must be issued by counsel; and

WHEREAS, Authority staff circulated a Request for Proposals for Verification Agent Services (the "RFP") to four firms, posted the RFP on the Authority's website, and received the following bids:

Causey Demgen & Moore, Inc.	$1,740
BondResource Parters, LP	$1,850
Mercadien, P.C.	$3,000

WHEREAS, the Attorney General has, on the basis of a competitive process, designated the firm of McCarter & English, LLP to act as Counsel to the Authority in connection with the Defeasance.

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

1. **Appointment of Verification Agent.** Causey Demgen & Moore, Inc. is hereby appointed to act as verification agent in connection with the Defeasance.

2. **Appointment of Escrow Agent.** The Bank of New York Mellon is hereby appointed to act as escrow agent in connection with the Defeasance.

3. **Acceptance of the Designation of Counsel by the Attorney General.** The Authority hereby accepts the designation by the Attorney General of McCarter & English, LLP to act as Counsel to the Authority in connection with the Defeasance.

4. **Authorization of Action.** The Chair, Vice-Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Secretary or any Assistant Secretary of the Authority, and/or any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer"), is authorized to take any and all action necessary or appropriate to effectuate the Defeasance or to implement this Resolution.

5. **Prior Actions Ratified.** All actions previously undertaken by the Authorized Officers in implementing the financing of the Project authorized by this Resolution are hereby ratified and confirmed.

6. **Effective Date.** This Resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: Steven D. Weinstein

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR 2010

MARCH 22, 2011

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") annually prepares financial statements and this year engaged the independent auditing firm of Ernst & Young, LLP (the "Independent Auditors") to perform an audit of the Authority's financial statements for the year ended December 31, 2010 (the "2010 Financial Statements"); and

WHEREAS: The members of the Authority's Audit Committee have received and reviewed the 2010 Financial Statements and the unqualified Report of the Independent Auditors thereon dated March 2011 (the "Independent Auditors' Report"); and

WHEREAS: The members of the Authority's Audit Committee have met with representatives of the Independent Auditors and have discussed with them the 2010 Financial Statements and the Independent Auditors' Report; and

WHEREAS: The members of the Authority have received the 2010 Financial Statements and the Independent Auditors' Report; and

WHEREAS: The members of the Authority's Audit Committee have recommended that the members of the Authority accept the 2010 Financial Statements and the Independent Auditors' Report; and

WHEREAS: The members of the Authority wish to accept and adopt the 2010 Financial Statements and the Independent Auditors' Report.

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

SECTION 1. The Authority hereby accepts and adopts the 2010 Financial Statements and the Independent Auditors' Report, as attached hereto and incorporated by reference as if set forth in full herein.

SECTION 2. This resolution shall take effect in accordance with N.J.S.A. 18A:72A-4(i).

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

AYE:	Roger B. Jacobs Ridgeley Hutchinson Joshua Hodes Andrew Sidamon-Eristoff (represented by Steven Petrecca)
NAY:	None
ABSTAIN:	None
ABSENT:	Steven D. Weinstein

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2011 BUDGET VARIANCE ANALYSIS
FOR THE MONTH ENDED JANUARY 31, 2011

Executive Summary

The NJEFA concluded the first month of 2011 with net operating income in the amount of $94,021, based on revenues of $281,729 and expenses of $187,708. As a result, net operating income is slightly less than budgeted. This difference is a result of less than expected revenues in the amount of $25,570 partially offset by less than budgeted expenses in the amount of $20,605.

Revenues

Revenues were below budget for the month of January due to lower than expected Initial Fees Income.

Expenses

Operating expenditures for the first month of the year were favorable as compared to budget by $20,605. Most of the line items display positive deviations and are primarily the result of timing.

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

	Month Ended January 31, 2011		
	Actual	**Budget**	**Variance**
Operating Revenues			
Annual Administrative Fees	$279,924	$ 279,924	$ -
Initial Fees	-	26,250	(26,250)
Investment Income	1,805	1,125	680
	$ 281,729	$ 307,299	$ (25,570)
Operating Expenses			
Salaries	$ 103,923	$ 111,284	$ 7,361
Employee Benefits	30,435	33,963	3,528
Provision for Post Ret. Health Benefits	12,500	12,500	-
Office of The Governor	1,500	1,500	-
Office of The Attorney General	4,667	4,667	-
Sponsored Programs	-	1,250	1,250
Telephone	-	2,208	2,208
Gasoline & Auto Maintenance	124	400	276
Rent	18,184	19,667	1,483
Utilities	1,687	1,792	105
Postage	32	200	168
Office Supplies & Expenses	254	500	246
Travel & Official Receptions	194	200	6
Staff Training & Tuition Reimbursement	-	200	200
Insurance	1,137	2,873	1,736
Annual Report & Newsletters	-	2,417	2,417
Public Relations	-	750	750
Professional Services	-	400	400
Dues & Subscriptions	7,402	3,542	(3,860)
Data Processing	-	-	-
Maintenance of Equipment	1,336	3,667	2,331
Depreciation	4,333	4,333	-
Contingency	-	-	-
	187,708	208,313	20,605
Net Operating Income	$ 94,021	$ 98,986	$ (4,965)

New Jersey Educati Facilities Authority
Summary of Construction Funds
As of January 31, 2011

Institution	Issue	Description	Bond Proceeds	Net Disbursed	Balance	% Complete
Private						
Institute for Advanced Study	2006 Series C	Biology Bldg., & Renovations	$ 19,939,000.00	$ (16,647,502.51)	$ 3,291,497.49	83%
Saint Peter's College	2008 Series H	Various Construction & Renovations	5,075,000.00	(4,542,788.22)	532,211.78	90%
Princeton University	2010 Series B	Various Construction & Renovations	261,506,999.13	(162,052,096.48)	99,454,902.65	62%
Princeton Theological Seminary	2010 Series A	New Housing- West Windsor Campus	75,316,239.56	(14,780,331.49)	60,535,908.07	20%
Sub Total			$ 361,837,238.69	$ (198,022,718.70)	$ 163,814,519.99	
Public						
Kean University	Series 2005 B	Various Projects & Renovations	$ 91,383,145.08	$ (78,816,475.66)	$ 12,566,669.42	86%
Montclair State University	Series 2006 A	Rec. Center, Parking & Renovations	99,691,116.44	(71,802,776.08)	27,888,340.36	72%
Rowan University	Series 2006 G	Various Renovations	46,527,357.07	(39,052,552.52)	7,474,804.55	84%
Rowan University	Series 2006 H	Property Acquisition, Renovations	19,797,386.13	(17,088,774.95)	2,708,611.18	86%
Kean University	Series 2007 D	2 Residence Halls, Dining, Parking	124,287,050.02	(95,261,278.67)	29,025,771.35	77%
Richard Stockton College of New Jersey	Series 2007 G	Housing V, Various Upgrades & Renov	40,242,421.65	(21,935,125.77)	18,307,295.88	55%
William Paterson University	Series 2008 C	Science Hall Expansion & Renovation	83,907,460.92	(52,137,528.62)	31,769,932.30	62%
Richard Stockton College of New Jersey	Series 2008 A	Campus Ctr, Science Ctr, College Walk	105,482,763.92	(65,130,549.46)	40,352,214.46	62%
Montclair State University	Series 2008 J	New Student Housing Facility	27,157,619.62	(19,153,040.77)	8,004,578.85	71%
The College of New Jersey	Series 2010 A&B	Construct School of Education	44,293,116.12	(8,174,246.10)	36,118,870.02	18%
New Jersey City University	Series 2010 F	Various Capital Improvements	14,717,070.83	(342,089.70)	14,374,981.13	2%
New Jersey City University	Series 2010 G	Various Capital Improvements	18,201,075.23	(365,895.13)	17,835,180.10	2%
New Jersey Institute of Technology	Series 2010 I	Acqu., Renov., & Equip Former H.S.	20,336,331.08	(68,023.69)	20,268,307.39	0%
Passaic County Community College	Series 2010 C	Construct & Equip. 3-Story Bldg.	13,312,936.20	(57,323.12)	13,255,613.08	0%
Sub Total			$ 749,336,850.31	$ (469,385,680.24)	$ 279,951,170.07	
Other Programs						
Public Library Grant Program	Series 2002 A	Library Grants	$ 45,380,714.58	$ (45,308,109.58)	$ 72,605.00	> 99%
Sub Total			$ 45,380,714.58	$ (45,308,109.58)	$ 72,605.00	
Grand Total			$ 1,156,554,803.58	$ (712,716,508.52)	$ 443,838,295.06	

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2011 BUDGET VARIANCE ANALYSIS
FOR TWO MONTHS ENDED FEBRUARY 28, 2011

Executive Summary

The NJEFA concluded the first two months of 2011 with net operating income in the amount of $176,084, based on revenues of $578,460 and expenses of $402,376. As a result, net operating income is higher than budgeted by $8,099. This difference is a result of less than budgeted expenses in the amount of $44,237 partially offset by less than expected revenues in the amount of $36,138.

Revenues

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

Expenses

Operating expenditures for the first two months of the year were favorable as compared to budget by $44,237. Most of the line items display positive deviations and are primarily the result of timing.

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

	Month Ended February 28, 2011			Two Months Ended February 28, 2011		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenues						
Annual Administrative Fees	$ 279,924	$ 279,924	$ -	$ 559,848	$ 559,848	$ -
Initial Fees	15,000	26,250	(11,250)	15,000	52,500	(37,500)
Investment Income	1,807	1,125	682	3,612	2,250	1,362
	$ 296,731	$ 307,299	$ (10,568)	$ 578,460	$ 614,598	$ (36,138)
Operating Expenses						
Salaries	$ 104,747	$ 111,284	$ 6,537	$ 208,670	$ 222,568	$ 13,898
Employee Benefits	32,246	33,963	1,717	62,681	67,926	5,245
Provision for Post Ret. Health Benefits	12,500	12,500		25,000	25,000	-
Office of The Governor	1,500	1,500	-	3,000	3,000	-
Office of The Attorney General	4,667	4,667	-	9,334	9,334	-
Sponsored Programs	-	1,250	1,250	-	2,500	2,500
Telephone	1,629	2,208	579	1,629	4,416	2,787
Gasoline & Auto Maintenance	450	1,555	1,105	574	1,955	1,381
Rent	18,184	19,667	1,483	36,368	39,334	2,966
Utilities	1,686	1,792	106	3,373	3,584	211
Postage	107	527	420	139	727	588
Office Supplies & Expenses	4,309	3,864	(445)	4,563	4,364	(199)
Travel & Official Receptions	841	2,209	1,368	1,035	2,409	1,374
Staff Training & Tuition Reimbursement	-	2,345	2,345	-	2,545	2,545
Insurance	2,872	2,873	1	4,009	5,746	1,737
Annual Report & Newsletters	2,430	2,417	(13)	2,430	4,834	2,404
Public Relations	-	750	750	-	1,500	1,500
Professional Services	16,656	17,387	731	16,656	17,787	1,131
Dues & Subscriptions	1,357	3,542	2,185	8,759	7,084	(1,675)
Data Processing	3,500	4,000	500	3,500	4,000	500
Maintenance of Equipment	654	3,667	3,013	1,990	7,334	5,344
Depreciation	4,333	4,333	-	8,666	8,666	-
Contingency	-	-	-	-	-	-
	$ 214,668	$ 238,300	$ 23,632	$ 402,376	$ 446,613	$ 44,237
Net Operating Income	$ 82,063	$ 68,999	$ 13,064	$ 176,084	$ 167,985	$ 8,099

New Jersey Educati Facilities Authority
Summary of Construction Funds
As of February 28, 2011

Institution	Issue	Description	Bond Proceeds	Net Disbursed	Balance	% Complete
Private						
Institute for Advanced Study	2006 Series C	Biology Bldg., & Renovations	$ 19,939,000.00	$ (16,646,504.72)	$ 3,292,495.28	83%
Saint Peter's College	2008 Series H	Various Construction & Renovations	5,075,000.00	(4,542,788.22)	532,211.78	90%
Princeton University	2010 Series B	Various Construction & Renovations	261,506,999.13	(177,312,465.65)	84,194,533.48	68%
Princeton Theological Seminary	2010 Series A	New Housing- West Windsor Campus	75,316,239.56	(18,134,145.10)	57,182,094.46	24%
Sub Total			$ 361,837,238.69	$ (216,635,903.69)	$ 145,201,335.00	
Public						
Kean University	Series 2005 B	Various Projects & Renovations	$ 91,383,145.08	$ (78,815,957.68)	$ 12,567,187.40	86%
Montclair State University	Series 2006 A	Rec. Center, Parking & Renovations	99,691,116.44	(71,802,776.08)	27,888,340.36	72%
Rowan University	Series 2006 G	Various Renovations	46,527,357.07	(40,801,503.34)	5,725,853.73	88%
Rowan University	Series 2006 H	Property Acquisition, Renovations	19,797,386.13	(17,435,474.30)	2,361,911.83	88%
Kean University	Series 2007 D	2 Residence Halls, Dining, Parking	124,287,050.02	(95,261,278.67)	29,025,771.35	77%
Richard Stockton College of New Jersey	Series 2007 G	Housing V, Various Upgrades & Renov	40,242,421.65	(22,558,438.62)	17,683,983.03	56%
William Paterson University	Series 2008 C	Science Hall Expansion & Renovation	83,907,460.92	(54,213,005.73)	29,694,455.19	65%
Richard Stockton College of New Jersey	Series 2008 A	Campus Ctr, Science Ctr, College Walk	105,482,763.92	(65,488,391.98)	39,994,371.94	62%
Montclair State University	Series 2008 J	New Student Housing Facility	27,157,619.62	(19,153,040.77)	8,004,578.85	71%
The College of New Jersey	Series 2010 A&B	Construct School of Education	44,293,116.12	(8,146,052.20)	36,147,063.92	18%
New Jersey City University	Series 2010 F	Various Capital Improvements	14,717,070.83	(342,088.48)	14,374,982.35	2%
New Jersey City University	Series 2010 G	Various Capital Improvements	18,201,075.23	(365,893.79)	17,835,181.44	2%
New Jersey Institute of Technology	Series 2010 I	Acqu., Renov., & Equip Former H.S.	20,336,331.08	(6,011,924.13)	14,324,406.95	30%
Passaic County Community College	Series 2010 C	Construct & Equip. 3-Story Bldg.	13,312,936.20	(455,980.70)	12,856,955.50	3%
Sub Total			$ 749,336,850.31	$ (480,851,806.47)	$ 268,485,043.84	
Other Programs						
Public Library Grant Program	Series 2002 A	Library Grants	$ 45,380,714.58	$ (45,308,109.58)	$ 72,605.00	> 99%
Sub Total			$ 45,380,714.58	$ (45,308,109.58)	$ 72,605.00	
Grand Total			$ 1,156,554,803.58	$ (742,795,819.74)	$ 413,758,983.84	

Financial Statements and Supplemental Financial Information

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)
Years Ended December 31, 2010 and 2009
With Report of Independent Auditors

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)

Financial Statements and Supplemental Financial Information

December 31, 2010 and 2009

Contents

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

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Report of Management

Management of the Authority is responsible for the preparation, integrity, and fair presentation of these financial statements. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States, and, consequently, they reflect certain amounts based upon the best estimates and judgment of management.

The financial statements have been audited by the independent firm of Ernst & Young LLP, which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Authority. The independent auditor's opinion is presented on page 2.

The Authority maintains a system of internal controls to provide reasonable assurance that transactions are executed in accordance with management's authorization, that financial statements are prepared in accordance with accounting principles generally accepted in the United States, that assets of the Authority are properly safeguarded, and that the covenants of all financing agreements are honored. There are, however, inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls. Accordingly, even an effective internal control system can provide only reasonable assurance that its goals are achieved.

Consistent with Executive Order No. 122, the Authority, through its Audit and Evaluation Committees, engages the independent auditors. The Audit and Evaluation Committees comprise individuals who are not employees of the Authority, and who meet certain standards of independence and financial expertise. The Audit Committee periodically meets with both the independent auditors and the internal auditors, and is responsible for assisting the Members of the Authority in overseeing the Authority's compliance with legal, regulatory and ethical requirements, as well as overseeing the integrity and quality of the Authority's financial statements. Both the independent auditors and the internal auditors have unrestricted access to the Audit Committee.

James Poole
James Poole
Executive Director

Marie P Mueller
Marie P. Mueller
Controller

March ____, 2011

Report of Independent Auditors

To the Members of the
New Jersey Educational Facilities Authority

We have audited the accompanying balance sheets of the New Jersey Educational Facilities Authority, a component unit of the State of New Jersey, as of December 31, 2010 and 2009, and the related statements of revenues, expenses and changes in fund net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Authority's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Jersey Educational Facilities Authority as of December 31, 2010 and 2009, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2010, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the schedule of funding progress, on pages 4 to 6, and page 19, respectively are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of this required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental financial information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

March 10, 2011

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis

Year Ended December 31, 2010

Introduction

This section of the New Jersey Educational Facilities Authority's (the Authority's) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended December 31, 2010 and the two immediately preceding years. It should be read in conjunction with the Authority's financial statements and accompanying notes.

Overview of the Financial Statements

The Authority is supported entirely by fees charged for the services it provides. Accordingly, the Authority is considered an Enterprise Fund and utilizes the accrual basis of accounting. The Basic Financial Statements for an Enterprise Fund include: Balance Sheets; Statements of Revenues, Expenses and Changes in Fund Net Assets; and Statements of Cash Flows. These statements provide, respectively, a view of the Authority's financial position as of the end of the year, a description of the financial activity during the year, and a description of the cash activity during the year.

Condensed Financial Information

The following table represents condensed balance sheet information and changes between December 31, 2009 and December 31, 2010 and between December 31, 2008 and December 31, 2010:

	2010	2009	2008	Increase (Decrease) 2009 to 2010	Increase (Decrease) 2008 to 2010
Current assets	**$ 11,478,450**	$ 10,332,098	$ 9,686,984	11.09%	18.49%
Noncurrent assets	**140,939**	168,072	210,313	(16.14%)	(32.99%)
Total assets	**11,619,389**	10,500,170	9,897,297	10.66%	17.40%
Current liabilities	**292,387**	315,304	334,945	(7.27%)	(12.71%)
Noncurrent liabilities	**254,632**	137,740	132,021	84.86%	92.87%
Total liabilities	**547,019**	453,044	466,966	20.74%	17.14%
Total net assets	**$ 11,072,370**	$ 10,047,126	$ 9,430,331	10.20%	17.41%

The following table represents condensed information from the Statements of Revenues, Expenses, and Changes in Fund Net Assets, and changes between 2009 and 2010 and between 2008 and 2010:

	2010	2009	2008	Increase (Decrease) 2009 to 2010	Increase (Decrease) 2008 to 2010
Operating revenues:					
Administrative fees	**$ 3,710,465**	$ 3,360,604	$ 3,351,932	10.41%	10.70%
Total operating revenues	**3,710,465**	3,360,604	3,351,932		
Operating expenses:					
Salaries and related expenses	**1,884,807**	1,840,368	1,817,110	2.41%	3.72%
Provision for (benefit from) postemployment benefits	**120,000**	95,554	(220,790)	25.58%	154.35%
General expenses	**694,480**	825,642	967,372	(15.89%)	(28.21%)
Total operating expenses	**2,699,287**	2,761,564	2,563,692	(2.25%)	5.29%
Net operating income	**1,011,178**	599,040	788,240	68.80%	28.28%
Nonoperating revenues:					
Investment income	**14,066**	17,755	223,087	(20.78%)	(93.69%)
Change in net assets	**1,025,244**	616,795	1,011,327	66.22%	1.38%
Net assets beginning of year	**10,047,126**	9,430,331	8,419,004	6.54%	19.34%
Net assets end of year	**$ 11,072,370**	$ 10,047,126	$ 9,430,331	10.20%	17.41%

Analysis of Overall Financial Position and Results of Operations

The Authority's solid financial position and strong operating results continued.

Financial Highlights:

- The Authority issued over $530 million of conduit debt for educational institutions during 2010.
- Net Assets increased $1,025,244, or 10.2% in 2010.
- The Authority's 2010 operating margin (operating income as a percentage of operating revenues) was 27.25%.
- At 12/31/2010, Net Assets represent 4.10 times 2010 Total Operating Expenses.

During 2010, the Authority's financing activity was $42 million greater than 2009 volume and included over $79 million in Build America Bonds. The Authority continued to work with the State's public and private institutions on their multi-year plans to invest in the upgrading of their capital facilities, technology infrastructures and capital equipment to accommodate growing demand for higher education. The Authority also helped New Jersey colleges and universities restructure outstanding issues for the greatest benefit to the institutions.

Revenues

The Authority's revenues are derived primarily from two fees; annual fees charged to existing bond issues, and initial fees charged with respect to the issuance of new debt. Total revenues for 2010 increased almost $350,000 from 2009 and $358,000 from 2008.

Expenses

Operating expenses in 2010 decreased 2.3% from 2009 but increased 5.3% from 2008. The decrease in operating expenses from 2009 is primarily related to lower general, administrative and professional fee expenses.

Assets and Liabilities

Net assets increased $1.025 million, or 10.2% from 2009 to 2010 and $1.6 million, or 17.4% from 2008 to 2010.

Contacting the Authority's Financial Management

If you have questions about this report or need additional financial information, contact the Office of the Controller, New Jersey Educational Facilities Authority, 103 College Road East, Princeton, NJ 08540-6612. Readers are invited to visit the Authority's website at www.njefa.com.

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)

Balance Sheets

	December 31 2010	December 31 2009
Assets		
Current assets:		
Cash	$ **64,116**	$ 65,486
Investments, principally U.S. Government obligations	**11,388,904**	10,145,780
Fees receivable	**8,310**	79,130
Prepaid expenses and other assets	**17,120**	41,702
Total current assets	**11,478,450**	10,332,098
Noncurrent assets:		
Capital assets, at cost, less accumulated depreciation of $578,497 and $546,911 during 2010 and 2009, respectively	**140,939**	168,072
Total assets	**$ 11,619,389**	$ 10,500,170
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	$ **292,387**	$ 315,304
Noncurrent liabilities:		
Postemployment benefits other than pension	**218,480**	98,480
Project obligations	**36,152**	39,260
Total noncurrent liabilities	**254,632**	137,740
Net assets:		
Unrestricted	**10,931,431**	9,879,054
Invested in capital assets	**140,939**	168,072
Total net assets	**11,072,370**	10,047,126
Total liabilities and net assets	**$ 11,619,389**	$ 10,500,170

See accompanying notes.

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)

Statements of Revenues, Expenses and Changes in Fund Net Assets

	Year Ended December 31 2010	2009
Operating revenues:		
Administrative fees	**$ 3,710,465**	$ 3,360,604
Total operating revenues	**3,710,465**	3,360,604
Operating expenses:		
Salaries and related expenses	**1,884,807**	1,840,368
General and administrative expenses	**602,021**	716,441
Provision for postemployment benefits	**120,000**	95,554
Professional fees	**92,459**	109,201
Total operating expenses	**2,699,287**	2,761,564
Net operating income	**1,011,178**	599,040
Nonoperating revenue:		
Investment income	**14,066**	17,755
Net changes in net assets	**1,025,244**	616,795
Net assets at beginning of year	**10,047,126**	9,430,331
Net assets at end of year	**$ 11,072,370**	$ 10,047,126

See accompanying notes.

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)

Statements of Cash Flows

	Year Ended December 31 2010	2009
Cash flows from operating activities		
Cash received from administrative fees	$ 3,805,867	$ 3,297,753
Cash payments for operating expenses	(2,549,426)	(2,698,188)
Net cash provided by (used in) operating activities	1,256,441	599,565
Cash flows from investing activities		
Purchase of investments	(42,293,966)	(21,634,090)
Sale and maturity of investments	41,051,396	21,026,116
Investment income	13,512	42,511
Net cash (used in) provided by investing activities	(1,229,058)	(565,463)
Cash flows from capital and related financing activities		
Purchase of capital assets	(28,753)	(27,783)
Net cash used in capital and related financing activities	(28,753)	(27,783)
Net increase (decrease) in cash	(1,370)	6,319
Cash at beginning of year	65,486	59,167
Cash at end of year	$ 64,116	$ 65,486
Reconciliation of net operating income to net cash provided by (used in) operating activities:		
Net operating income	$ 1,011,178	$ 599,040
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	55,886	70,024
Changes in assets and liabilities:		
Fees receivable and prepaids	95,402	(55,577)
Accounts payable	(22,917)	(19,641)
Project obligations	(3,108)	(89,835)
Postemployment benefits obligation	120,000	95,554
Net cash provided by (used in) operating activities	$ 1,256,441	$ 599,565
Supplemental schedule of noncash investing activities		
Change in fair value of investments	$ 554	$ (24,756)

See accompanying notes.

1. Organization and Function of the Authority

The New Jersey Educational Facilities Authority (the "Authority"), a component unit of the State of New Jersey, was created under the provisions of Chapter 106 of New Jersey Public Laws of 1966 as a public body corporate and politic. The powers of the Authority permit the sale of notes, bonds and other obligations to support the construction, acquisition and equipping of educational facilities for public and private institutions of higher education in the State of New Jersey. The Authority is also authorized, pursuant to statutory amendments, to issue State supported bonds to fund matching grants to qualified public libraries for capital improvements. The obligations issued by the Authority are not guaranteed by, nor do they constitute a debt or obligation of, the State of New Jersey.

The Authority is exempt from both federal and state taxes.

2. Significant Accounting Policies

The accounts are maintained on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board (GASB). Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are followed by the Authority to the extent that those standards do not conflict with or contradict guidance of the GASB.

Administrative Fees

The Authority charges administrative fees to its client institutions for which bond and note sales have been completed. Such fees are considered operating revenue and are charged for services related to the structuring and administration of Authority financings, investment management of bond proceeds, monitoring of financial performance and other project costs and services. These fees are recognized as earned. The fees are used to provide sufficient funds to ensure that the Authority's operating expenses will be met, and that sufficient reserves will be available to provide for the Authority's needs.

Depreciation

Furniture and equipment are carried at cost and depreciated over their useful lives using the straight-line method.

3. Cash and Investments

At year-end, the Authority's bank balance was $67,698 all of which was covered by FDIC insurance.

The types of securities which are permitted investments for Authority funds are established by New Jersey Statutes. All funds of the Authority may be invested in obligations of, or guaranteed by, the United States Government. In addition, certain funds of the Authority may be invested in: obligations of agencies of the U.S. government; obligations of, or guaranteed by, the State of New Jersey; collateralized certificates of deposit and repurchase agreements; commercial paper; and other securities which shall be authorized for the investment of funds in the custody of the Treasurer of the State of New Jersey.

Investments of the Authority comprise the following:

	2010	**2009**
Investments:		
U.S. Treasury Bills	**$11,387,857**	$10,145,355
Money Market Mutual Fund	**1,047**	425
Total investments	**$11,388,904**	$10,145,780

In 2010 and 2009, the Authority had $1,047 and $425, respectively, invested in a money market mutual fund, which invests in short-term and other obligations of the U.S. Treasury. All investments are carried at fair value.

In accordance with Governmental Accounting Standards Board Statement No. 40 "Deposit and Investment Risk Disclosures" ("GASB 40"), the Authority has assessed the Custodial Credit Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its Cash and Investments.

(a) Custodial Credit Risk – The Authority's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of the

3. Cash and Investments (continued)

failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority and are held by either: the counterparty or the counterparty's trust department or agent but not in the Authority's name. The risk is that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

At December 31, 2010 and 2009, the Authority's bank balances were not exposed to custodial credit risk since the full amount was covered by FDIC insurance.

As of December 31, 2010 and 2009, the Authority's investments consisted of U.S. Treasury Bills in the amount of $11,387,857 and $10,145,355, respectively. Since the investments are registered in the Authority's name they are not exposed to custodial credit risk. The Authority does not have a written policy for investment securities custodial credit risk but its practice has been to maintain a safekeeping account for the securities at a financial institution.

(b) Concentration of Credit Risk – This is the risk associated with the amount of investments the Authority has with any one issuer that exceed five percent of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The Authority places no limit on the amount it may invest in any one issuer, but its practice has been to invest, almost exclusively, in U.S. Treasury Securities. At December 31, 2010 or 2009, the Authority was not exposed to a concentration of credit risk.

(c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Authority does not have an investment policy regarding credit risk except to the extent previously outlined under the Authority's investment policy. The Authority's Money Market Mutual Fund is not rated.

3. Cash and Investments (continued)

(d) Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a written policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations, but the Authority does from time to time evaluate its investment portfolio to determine if, based on the interest rate environment, other investment vehicles would provide higher yields that lower the cost and risk. As of December 31, 2010, the U.S. Treasury Bills had maturities ranging from March 10, 2011 through July 28, 2011.

For the years ended December 31, 2010 and 2009, investment income comprised the following:

	2010	**2009**
Interest earnings	**$ 13,512**	$ 42,511
Net increase(decrease) in fair value of investments	**554**	(24,756)
	$ 14,066	$ 17,755

4. Retirement Plans

The Authority's employees participate in the Public Employees Retirement System of New Jersey (PERS), a cost sharing multiple-employer defined benefit plan. The Authority's contribution is determined by State statute and is based upon an actuarial computation performed by the PERS. All benefits are established by State statute. The Authority's required contribution and pension expense for the years ended December 31, 2010, 2009 and 2008 was $119,428, $93,726 and $77,042, respectively. Employees of the Authority also contribute a percentage of their wages to the pension system; the percentage range of contributions, as determined by PERS, was 5.5% for 2010, 2009 and 2008.

The PERS is administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employees hired after July 1, 2007 participate in PERS, the defined benefit plan, up to the annual maximum wage for social security. The employee contributions based on wages in excess of the

4. Retirement Plans (continued)

annual maximum wage are contributed to the Defined Contribution Retirement Program (DCRP). The Authority contributes 3% to the participants' accounts on wages in excess of the social security limit.

In addition to the Plans noted above, employees may elect to make tax-deferred contributions to a 457 deferred compensation plan.

5. Postemployment Benefits Other Than Pension

The Authority, as permitted by Chapter 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, provides postemployment medical benefits for eligible retired employees through participation in the New Jersey Health Benefits Program as sponsored and administered by the State of New Jersey. The Authority does not issue a publicly available financial report for the plan which for financial reporting purposes is considered a single employer defined benefit health care plan. Employees become eligible for these benefits upon retirement after 25 years of creditable service in the PERS.

Benefit provisions for the plan are established and amended by the Authority's Members, and there is no statutory requirement for the Authority to continue this plan for future Authority employees. The plan is a non-contributory plan with all payments for plan benefits being funded by the Authority.

The Authority applies the accounting provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* This statement establishes guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are actuarially calculated based on benefits (other than pensions), that current and retired employees have accrued as a result of their respective years of employment service.

The Authority's annual OPEB cost for the plan is calculated based on the annual required contribution "ARC", an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or

5. Postemployment Benefits Other Than Pension (continued)

funding excess) over a period not to exceed thirty years. The Authority's annual OPEB cost for the year ended December 31, 2010 and 2009 and the related information for the plan are as follows (dollar amounts in thousands):

	2010	2009
Annual required contribution (benefit)	$ 120	$ 95
Contributions made	–	–
Increase (decrease) in net OPEB obligation	120	95
Net OPEB obligation – beginning of year	98	3
Net OPEB obligation – end of year	$ 218	$ 98

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for fiscal years 2007 through 2010 were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost (Benefit)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2010	$ 120	0.00%	$ 218
December 31, 2009	$ 95	0.00%	$ 98
December 31, 2008	$ (221)	N/A	$ 3
December 31, 2007	$ 156	14.20%	$ 2,224

In April 2008, the Authority established and funded an irrevocable trust in the amount of $2,000,000 to pay for the employee postemployment medical benefits. At December 31, 2010 and 2009, the fair value of this trust fund was $1,966,023 and $1,993,464, respectively. As of December 31, 2010 and 2009, the actuarial liability for benefits was $2,218,480 and $2,098,480, respectively, which, due to the establishment of the trust, is now approximately 95% funded. The difference of 5% is reported as a liability on the Authority's books.

The most recent actuarial valuation date is January 1, 2008. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the

5. Postemployment Benefits Other Than Pension (continued)

future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Authority and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

For the January 1, 2008 actuarial valuation, the Authority continued to use the actuarial assumptions of a 4% discount rate and an annual healthcare cost trend rate of 9% grading down to an ultimate rate of 5% in 2012.

At December 31, 2010, the Plan had 19 participants of which 16 were active employees and 3 were retirees. Of the Plan participants, 3 retirees and 2 active employees were eligible to receive benefits.

6. Conduit Debt

Due to the fact that the bonds and notes issued by the Authority are nonrecourse conduit debt obligations of the Authority, the Authority has, in effect, none of the risks and rewards of the related financings. Accordingly, with the exception of certain fees generated as a result of the financing transaction, the financing transaction is given no accounting recognition in the accompanying financial statements. At December 31, 2010, the amount of conduit debt outstanding totaled $5,473,925,526.

7. Commitments and Contingencies

The Authority has an operating lease commitment for its offices at an annual rental of approximately $218,212 through December 31, 2016.

The Authority, in the normal course of business, is involved in various legal matters. Under the terms of the agreements between the Authority and the public and private institutions of higher education, any costs associated with litigation are the obligation of the institution involved. It is the opinion of the Authority after consultation with legal counsel that its financial position will not be adversely affected by the ultimate outcome of any existing legal proceedings.

8. Net Assets

The Authority's net assets represent the excess of assets over liabilities and are categorized as follows:

- Invested in Capital Assets are the amounts expended by the Authority for the acquisition of capital assets, net of accumulated depreciation.

- Unrestricted Net Assets are the remaining net assets, which can be further categorized as designated or undesignated. Designated assets are not governed by statute or contract but are committed for specific purposes pursuant to Authority policy and/or directives. Designated assets include funds and assets committed to working capital.

8. Net Assets (continued)

The Members of the Authority passed three resolutions between 1995 and 2008 to designate a portion of the Authority's operating fund balance as a reserve to facilitate the normal operations of the Authority and for counsel and consultants, if needed, in the event of difficulties experienced by the Authority or any of its client colleges. At December 31, 2010 the amount designated for this purpose is $5,500,000.

Changes in Net Assets

The changes in net assets are as follows:

	Invested in Capital Assets	Unrestricted	Total
Net assets at December 31, 2008	$ 210,313	$ 9,220,018	$ 9,430,331
Net asset change	–	616,795	616,795
Capital asset additions	27,783	(27,783)	–
Depreciation	(70,024)	70,024	–
Net assets at December 31, 2009	168,072	9,879,054	10,047,126
Net asset change	–	1,025,244	1,025,244
Capital asset additions	28,753	(28,753)	–
Depreciation	(55,886)	55,886	–
Net assets at December 31, 2010	$ 140,939	$10,931,431	$ 11,072,370

9. Subsequent Event

At its regular meeting of March 22, 2011, the Members of the Authority passed a resolution authorizing the use of $8.0 million of available funds to provide the State of New Jersey with a portion of the debt service payment in support of several programs benefiting the State's institutions of higher education.

Required Supplementary Information

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)

Required Supplementary Information

Schedule of Funding Progress for the Retiree Healthcare Plan
(Dollars in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Level Dollar (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
January 1, 2008	$ –	$ 1,826	$ 1,826	0%	$ 1,415	129%
January 1, 2006	–	2,090	2,090	0	1,269	165

Note: In April 2008, the Authority established and funded an irrevocable trust in the amount of $2 million. At December 31, 2010, the fair value of this trust was $1,966,023.

Supplemental Financial Information

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)

Balance Sheets – Trustee Held Funds

	December 31 2010	2009
Assets		
Cash	$ –	$ 729
Investments, principally U.S. Government obligations	**729,451,952**	574,625,825
Accrued interest receivable	**74,317**	288,997
Due from colleges and universities	**20,073**	213,255
Loans and leases receivable	**5,431,878,442**	5,147,581,178
U.S. Government debt service subsidies receivable	**178,420**	45,375
	$ 6,161,603,204	$ 5,722,755,359
Liabilities		
Accounts payable and accrued expenses	**$ 26,772,994**	$ 33,757,726
Accrued interest payable	**111,349,887**	106,499,525
Bonds and notes payable	**5,473,925,526**	5,184,511,177
Funds held in trust	**549,554,797**	397,986,931
	$ 6,161,603,204	$ 5,722,755,359

The accompanying notes to supplemental financial statements are an integral part of this statement.

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)

Statements of Changes in Trustee Held Funds

	Year Ended December 31 2010	2009
Funds held in trust at beginning of year	**$ 397,986,931**	$ 911,163,346
Additions:		
Proceeds from sale of bonds and issuance of notes:		
Par amount	**522,831,972**	492,188,943
Bond premium (discount), net	**22,840,716**	(8,803,828)
Annual loan and rental requirements	**422,891,484**	380,033,459
Investment income	**2,647,094**	9,505,358
U.S. Government debt service subsidies	**1,292,070**	276,713
Change in investment valuation reserve	**(236,773)**	(4,146,948)
Total additions	**972,266,563**	869,053,697
Deductions:		
Debt service:		
Interest	**255,321,477**	244,643,639
Principal	**171,777,333**	157,599,212
Project costs	**305,886,301**	542,918,314
Issuance costs	**4,323,546**	20,764,312
Administrative fees	**3,154,642**	3,093,025
College and university (contributions) returned	**7,381,193**	663,547
Transfers to escrow accounts for defeasance of refunded issues	**72,854,205**	412,548,063
Total deductions	**820,698,697**	1,382,230,112
Increase(Decrease) in funds held in trust	**151,567,866**	(513,176,415)
Funds held in trust at end of year	**$ 549,554,797**	$ 397,986,931

The accompanying notes to supplemental financial statements are an integral part of this statement.

1. Introduction

Under the terms of the Authority's enabling legislation, the Authority has the power to issue bonds and notes on behalf of public and private institutions of higher education in the State of New Jersey. The obligations issued by the Authority are conduit debt and are not guaranteed by, nor do they constitute a debt or obligation of, the State of New Jersey.

Because the bonds and notes issued by the Authority are nonrecourse conduit debt obligations of the Authority, the Authority has, in effect, none of the risks and rewards of the related financings. The supplemental financial statements presented herein include information pertaining to funds held by Trustees of the various bond and note issuances of the Authority.

2. Significant Accounting Policies

The Trustee Held Funds as presented is an agency fund and as such is custodial in nature and does not present results of operations and utilizes the accrual basis of accounting.

3. Funds Held in Trust

Funds held in trust include amounts in the construction, debt service and debt service reserve funds and the renewal and replacement accounts established for each bond issue. Balances maintained in the construction funds represent unexpended proceeds allocated for specific projects; the debt service fund, debt service reserve fund, and renewal and replacement account balances represent amounts reserved for payment of debt service and the renewal and replacement of major components of projects as required by the provisions of the various series resolutions. The following is a schedule of the aggregate funds held in trust as of December 31, 2010 and 2009:

	2010	**2009**
Construction funds	**$ 433,028,449**	$ 276,160,776
Debt service funds	**17,650,124**	8,859,617
Debt service reserve funds	**88,636,986**	95,513,276
Renewal and replacement accounts	**10,239,238**	17,453,262
	$ 549,554,797	$ 397,986,931

4. Cash and Investments

Investments permitted in the Trustee Held Funds are authorized by the respective Bond Resolutions. All funds held by the trustees may be invested in obligations of, or guaranteed by, the United States Government. In addition, certain funds may be invested in: obligations of agencies of the U.S. government; obligations of, or guaranteed by, the State of New Jersey; collateralized certificates of deposit and repurchase agreements; commercial paper; and other securities which shall be authorized for the investment of funds in the custody of the Treasurer of the State of New Jersey.

Investments held by trustees are carried at fair value and comprise the following:

	2010	2009
Investments:		
Collateralized investment agreements	$ 2,474,556	$ 1,364,000
U.S. Treasury and agency obligations*	726,977,396	573,261,825
Total investments	$ 729,451,952	$ 574,625,825

* Includes $148,253,486 and $123,909,347 of investments in pooled U.S. Treasury funds at December 31, 2010 and 2009, respectively, which are uncategorized.

5. Loans and Leases Receivable

Since its inception, the Authority has issued obligations of $12,666,342,299 and $12,143,510,327 as of December 31, 2010 and 2009, respectively, for the benefit of various public and private institutions of higher education. The obligations are secured by loans, mortgages, leases and other agreements, the terms of which generally correspond to the amortization of the related bond issues.

The loans and mortgages are secured by revenues produced by the facilities and by other legally available funds of the institutions. The Authority is the owner of those projects under lease agreements. It is the intention of the Authority to transfer title in the projects at the expiration of the leases. Accordingly, the leases are being accounted for as financing transactions.

5. Loans and Leases Receivable (continued)

Restricted fund receivables comprise the following:

	December 31 2010	December 31 2009
Loans:		
Institute for Advanced Study	$ 57,695,000	$ 60,310,000
Princeton University	1,611,517,500	1,403,557,500
Mortgages:		
Caldwell College	19,035,000	19,700,000
Centenary College	37,971,773	24,694,521
College of Saint Elizabeth	22,990,000	23,590,000
Drew University	65,173,311	60,225,943
Fairleigh Dickinson University	98,106,970	101,465,292
Felician College	9,000,000	9,570,000
Georgian Court University	29,069,124	30,282,199
Institute for Defense Analyses	13,670,000	14,135,000
Monmouth University	13,535,000	15,145,000
New Jersey Institute of Technology	142,202,500	131,580,000
Princeton Theological Seminary	106,000,000	39,432,500
Rider University	49,205,000	51,825,000
Saint Peter's College	42,777,228	43,792,428
Seton Hall University	121,354,748	129,486,553
Stevens Institute of Technology	76,882,500	77,192,500
University of Medicine and Dentistry of New Jersey	258,075,000	258,075,000
Leases:		
Kean University	346,277,791	340,206,833
Montclair State University	350,385,000	355,250,000
New Jersey City University (formerly Jersey City State College)	134,215,000	106,345,000
Passaic County Community College	13,635,000	–
Ramapo College of New Jersey	226,620,490	233,241,219
Rowan University (formerly Glassboro State College)	320,492,500	328,775,000
Thomas Edison State College	2,395,507	2,307,190
The College of New Jersey	365,385,000	324,832,500
The Richard Stockton College of New Jersey	248,069,000	251,741,500
The William Paterson University of New Jersey	163,882,500	170,417,500
Equipment Leasing Fund	450,000	940,000
Higher Education Capital Improvement Fund	409,105,000	432,680,000
Higher Education Facilities Trust Fund	–	20,460,000
County College Capital Projects Fund	8,580,000	10,485,000
Dormitory Safety Trust Fund	34,520,000	40,170,000
Library Grant Program	33,605,000	35,670,000
	$ 5,431,878,442	$ 5,147,581,178

New Jersey Educational Facilities Authority
(A Component Unit of the State of New Jersey)

Notes to Supplemental Financial Statements (continued)

6. Bonds, Notes and Leases Payable

Bonds, notes and leases payable comprise the following:

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31 2010	2009
Bonds Payable					
Caldwell College:					
2006 Series F	$ 21,400,000	7/1/2032	Variable	$ 19,035,000	$ 19,700,000
Centenary College:					
2003 Series A	14,775,000	10/1/2033	Variable	10,490,000	10,990,000
2006 Series J	9,154,113	11/1/2036	Variable	8,920,363	9,040,363
2007 Series B	4,784,617	11/1/2036	Variable	4,587,410	4,664,158
2010 Series D	13,974,000	1/1/2041	Variable	13,974,000	–
Drew University:					
2003 Series C	20,855,000	7/1/2021	3.888%	14,975,000	18,110,000
2007 Series D	29,135,000	7/1/2037	4.601%	27,055,000	28,530,000
2008 Series B	10,765,000	7/1/2017	4.234%	10,165,000	10,765,000
2008 Series I	40,000,000	6/25/2018	Variable	8,265,830	3,603,443
2010 Series C	15,580,000	6/1/2024	Variable	5,369,981	–
Dormitory Safety Trust Fund:					
Series 2001 A	67,970,000	3/1/2016	4.239%	29,130,000	33,985,000
Series 2001 B - taxable	5,800,000	3/1/2016	6.117%	2,480,000	2,895,000
Series 2003 A	5,440,000	3/1/2018	3.752%	2,910,000	3,290,000
Equipment Leasing Fund:					
Series 2003 A	12,620,000	9/1/2011	2.517%	450,000	940,000
Fairleigh Dickinson University:					
2002 Series D	63,650,000	7/1/2032	6.114%	56,830,000	58,100,000
2004 Series C	35,285,000	7/1/2023	5.534%	28,820,000	30,355,000
2006 Series G	14,505,000	7/1/2028	4.954%	13,215,000	13,665,000
2006 Series H	2,147,554	7/1/2027	4.954%	936,970	972,792
Felician College:					
2006 Series I	11,445,000	11/1/2022	4.749%	9,050,000	9,615,000
Georgian Court University:					
1998 Series, Project B	6,455,000	7/1/2015	4.198%	1,525,000	2,170,000
2003 Series, Project C	15,215,000	7/1/2033	5.991%	905,000	905,000
2007 Series D	26,980,000	7/1/2037	5.022%	26,390,000	26,780,000
2007 Series H	1,050,000	10/1/2022	5.296%	891,624	944,699

6. Bonds, Notes and Leases Payable (continued)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31 2010	2009
Bonds Payable (continued)					
Higher Education Facilities Trust Fund:					
Series 2005 A	$ 90,980,000	9/1/2010	3.286%	$ –	$ 20,460,000
Higher Education Capital Improvement Fund:					
Series 2000 A	132,800,000	9/1/2020	5.242%	**13,245,000**	19,375,000
Series 2000 B	145,295,000	9/1/2020	5.003%	**14,770,000**	21,540,000
Series 2002 A	194,590,000	9/1/2022	4.599%	**18,685,000**	25,560,000
Series 2004 A	76,725,000	9/1/2024	4.352%	**40,385,000**	43,390,000
Series 2005 A	169,790,000	9/1/2019	4.121%	**168,580,000**	168,840,000
Series 2006 A	155,460,000	9/1/2024	4.421%	**153,440,000**	153,975,000
Institute for Advanced Study:					
2001 Series A	11,000,000	7/1/2031	5.101%	**2,480,000**	2,735,000
2006 Series B	29,600,000	7/1/2031	3.990%	**28,600,000**	28,800,000
2006 Series C	20,000,000	7/1/2036	Variable	**18,800,000**	19,200,000
2008 Series C	11,255,000	7/1/2021	3.619%	**7,815,000**	9,575,000
Institute for Defense Analyses:					
2000 Series D	16,695,000	10/1/2030	Variable	**13,670,000**	14,135,000
Kean University:					
Series 1998 B	25,995,000	7/1/2027	4.872%	**6,245,000**	6,665,000
Series 2003 D	75,000,000	7/1/2033	4.811%	**13,290,000**	13,290,000
Series 2005 B	101,915,000	7/1/2037	4.681%	**23,525,000**	23,890,000
Series 2007 D	117,795,000	7/1/2039	4.553%	**115,955,000**	117,795,000
Series 2009 A	179,380,000	9/1/2036	6.404%	**179,380,000**	179,380,000
Library Grant Program:					
Series 2002 A	45,000,000	9/1/2022	4.560%	**33,605,000**	35,670,000
Monmouth University:					
1993 Series A	14,365,000	7/1/2013	5.538%	**3,315,000**	4,295,000
1997 Series C	12,910,000	7/1/2022	5.732%	**6,970,000**	7,365,000
1998 Series D	8,815,000	7/1/2024	5.225%	**4,080,000**	4,265,000

6. Bonds, Notes and Leases Payable (continued)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31 2010	2009
Bonds Payable (continued)					
Montclair State University:					
Series 2002 F	$ 78,500,000	7/1/2032	4.489%	$ **22,375,000**	$ 22,375,000
Series 2003 E	23,425,000	7/1/2033	4.445%	**18,425,000**	18,625,000
Series 2003 L	94,540,000	7/1/2034	4.541%	**27,960,000**	28,110,000
Series 2006 A	98,090,000	7/1/2036	4.816%	**92,505,000**	94,290,000
Series 2006 B	9,970,000	7/1/2012	4.133%	**4,255,000**	6,235,000
Series 2006 J	154,110,000	7/1/2034	4.300%	**154,110,000**	154,110,000
Series 2007 A	6,150,000	7/1/2021	4.022%	**5,885,000**	6,150,000
Series 2008 J	27,545,000	7/01/2038	5.100%	**27,545,000**	27,545,000
New Jersey City University (formerly Jersey City State College):					
Series 1977 C	8,570,000	7/1/2010	6.290%	–	580,000
Series 1999 B	17,795,000	7/1/2025	4.807%	–	12,320,000
Series 2002 A	15,115,000	7/1/2032	4.949%	**1,880,000**	2,215,000
Series 2003 B	2,300,000	7/1/2018	5.659%	**1,800,000**	2,000,000
Series 2007 F	17,910,000	7/1/2032	4.337%	**17,480,000**	17,725,000
Series 2008 E	68,445,000	7/1/2035	4.763%	**65,650,000**	67,075,000
Series 2008 F	6,175,000	7/1/2036	7.039%	**6,175,000**	6,175,000
Series 2010 F	24,065,000	7/1/2028	3.313%	**24,065,000**	–
Series 2010 G	18,310,000	7/1/2040	4.062% **	**18,310,000**	–
New Jersey Institute of Technology:					
Series 2001 G	62,335,000	7/1/2031	4.932%	–	57,085,000
Series 2001 H – taxable	12,570,000	7/1/2016	6.259%	**6,425,000**	7,290,000
Series 2004 B	73,530,000	7/1/2025	4.016%	**66,465,000**	69,590,000
Series 2010 H	50,965,000	7/1/2031	4.280%	**50,965,000**	–
Series 2010 I	20,450,000	7/1/2040	4.304% **	**20,450,000**	–
Passaic County Comm College					
Series 2010 C	13,635,000	7/1/2041	5.355%	**13,635,000**	–
Princeton Theological Seminary:					
2002 Series G	26,125,000	7/1/2032	4.824%	**25,465,000**	25,565,000
2009 Series B	14,435,000	12/1/2032	2.878%	**13,505,000**	14,330,000
2010 Series A	68,785,000	7/1/2030	3.745%	**68,785,000**	–
Princeton University:					
1999 Series A	45,500,000	7/1/2029	4.798%	–	3,575,000
2000 Series E	50,000,000	7/1/2010	5.355%	–	2,330,000
2000 Series H	100,000,000	7/1/2010	5.336%	–	2,285,000
2003 Series D	114,495,000	7/1/2019	3.727%	**81,010,000**	84,345,000
2003 Series E	112,510,000	7/1/2028	3.944%	**57,900,000**	61,085,000
2004 Series D	175,000,000	7/1/2029	4.497%	**33,375,000**	37,970,000

6. Bonds, Notes and Leases Payable (continued)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31 2010	2009
Bonds Payable (continued)					
Princeton University (continued):					
2005 Series A	$ 139,590,000	7/1/2030	4.405%	$ **133,955,000**	134,570,000
2005 Series B	114,645,000	7/1/2035	4.236%	**78,750,000**	81,015,000
2006 Series D	74,290,000	7/1/2031	4.391%	**68,800,000**	70,720,000
2006 Series E	93,285,000	7/1/2027	4.504%	**92,375,000**	92,500,000
2007 Series E	325,000,000	7/1/2037	4.534%	**307,995,000**	313,885,000
2007 Series F	67,620,000	7/1/2030	4.392%	**67,385,000**	$ 67,500,000
2008 Series J	250,000,000	7/1/2038	4.391%	**245,590,000**	250,000,000
2008 Series K	208,805,000	7/1/2023	4.356%	**186,160,000**	197,535,000
2010 Series B	250,000,000	7/1/2040	4.034%	**250,000,000**	–
Ramapo College of New Jersey:					
Series 1998 G	16,845,000	7/1/2028	4.832%	**12,785,000**	13,220,000
Series 1998 H	2,000,000	7/1/2013	4.309%	**530,000**	685,000
Series 2001 D	40,480,000	7/1/2031	5.105%	**4,195,000**	5,135,000
Series 2002 H	28,655,000	7/1/2032	4.485%	**16,925,000**	17,585,000
Series 2002 I	2,145,000	7/1/2032	4.485%	**1,210,000**	1,255,000
Series 2002 J	29,620,000	7/1/2032	4.485%	**17,505,000**	18,185,000
Series 2003 F	1,820,000	7/1/2013	3.257%	**730,000**	960,000
Series 2003 G	9,300,000	7/1/2013	3.110%	**2,325,000**	3,775,000
Series 2003 H	18,930,000	7/1/2029	4.346%	**18,010,000**	18,635,000
Series 2004 E	53,980,000	7/1/2034	4.630%	**13,450,000**	13,680,000
Series 2006 D	49,085,000	7/1/2036	4.521%	**35,965,000**	36,970,000
Series 2006 I	106,820,000	7/1/2036	4.417%	**106,165,000**	106,485,000
Rider University:					
2002 Series A	27,560,000	7/1/2017	4.709%	**15,930,000**	17,810,000
2004 Series A	14,735,000	7/1/2034	5.301%	**13,375,000**	13,665,000
2007 Series C	22,000,000	7/1/2037	5.172%	**21,240,000**	21,630,000
Rowan University (formerly Glassboro State College):					
Series 1983 D	3,500,000	7/1/2013	3.000%	**525,000**	690,000
Series 2000 B	51,620,000	7/1/2010	5.566%	–	1,210,000
Series 2001 B	8,790,000	7/1/2031	5.025%	**210,000**	210,000
Series 2001 C	60,930,000	7/1/2031	4.943%	**37,140,000**	38,850,000
Series 2002 K	14,920,000	7/1/2033	4.866%	**665,000**	665,000
Series 2003 I	64,910,000	7/1/2030	4.714%	**5,585,000**	6,880,000
Series 2004 C	61,275,000	7/1/2034	4.697%	**8,680,000**	8,680,000
Series 2005 D	51,840,000	7/1/2030	4.532%	**50,960,000**	51,360,000
Series 2006 G	69,405,000	7/1/2031	4.362%	**66,530,000**	67,915,000
Series 2007 B	121,355,000	7/1/2034	4.266%	**119,500,000**	119,500,000
Series 2008 B	35,205,000	7/1/2027	4.839%	**35,205,000**	35,205,000

6. Bonds, Notes and Leases Payable (continued)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31 2010	2009
Bonds Payable (continued)					
Saint Peter's College:					
2007 Series G	$ 36,053,465	7/1/2027	4.217%	$ **36,053,466**	$ 36,053,466
2007 Series I	3,848,462	1/1/2013	3.925%	**2,758,462**	3,333,462
2008 Series H	5,000,000	7/1/2018	3.925%	**3,965,300**	4,405,500
Seton Hall University:					
1999 Refunding Series	50,450,000	7/1/2018	5.122%	**23,270,000**	26,905,000
2001 Refunding Series A	22,840,000	7/1/2016	4.314%	**5,180,000**	5,845,000
2001 Refunding Series B	11,600,000	7/1/2016	4.314%	**5,275,000**	6,090,000
2001 Series Project G	8,740,000	7/1/2026	4.598%	**8,740,000**	8,740,000
2008 Series D	49,760,000	7/1/2037	Variable	**48,850,000**	49,760,000
2008 Series E	24,340,000	7/1/2037	6.127%	**24,340,000**	24,340,000
2009 Series C	7,955,000	9/1/2036	6.404%	**7,925,000**	7,955,000
Stevens Institute of Technology:					
1998 Series I	17,000,000	7/1/2028	5.109%	**5,980,000**	6,285,000
2007 Series A	71,060,000	7/1/2034	4.977%	**71,060,000**	71,060,000
The College of New Jersey:					
Series 2002 C	53,155,000	7/1/2019	4.480%	**36,120,000**	38,965,000
Series 2008 D	287,790,000	7/1/2035	5.086%	**286,790,000**	287,790,000
Series 2010 A	3,410,000	7/1/2015	2.411%	**3,410,000**	–
Series 2010 B	41,090,000	7/1/2040	4.748% **	**41,090,000**	–
The College of Saint Elizabeth:					
2008 Series F	24,090,000	7/1/2036	Variable	**22,990,000**	23,590,000
The Richard Stockton College of New Jersey:					
Series 1988 A	3,294,000	7/1/2016	3.000%	**829,000**	969,000
Series 2002 B	8,340,000	7/1/2010	3.482%	**–**	820,000
Series 2005 F	28,180,000	7/1/2028	4.458%	**23,715,000**	24,595,000
Series 2006 F	50,365,000	7/1/2036	4.460%	**49,360,000**	50,365,000
Series 2007 G	40,250,000	7/1/2037	4.500%	**39,115,000**	39,895,000
Series 2008 A	136,910,000	7/1/2038	5.309%	**136,910,000**	136,910,000
University of Medicine and Dentistry of New Jersey:					
Series 2009 B	258,075,000	12/1/2032	7.472%	**258,075,000**	258,075,000

6. Bonds, Notes and Leases Payable (continued)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31 2010	2009
Bonds Payable (continued)					
The William Paterson University of New Jersey:					
Series 1981 B	5,000,000	7/1/2011	3.000%	**270,000**	520,000
Series 2000 A	26,425,000	7/1/2010	5.515%	–	570,000
Series 2002 E	42,125,000	7/1/2027	4.714%	**17,610,000**	19,660,000
Series 2004 A	30,035,000	7/1/2028	4.131%	**23,115,000**	24,320,000
Series 2005 E	42,295,000	7/1/2030	4.546%	**40,420,000**	41,170,000
Series 2008 C	88,670,000	7/1/2038	4.724%	**85,860,000**	87,320,000
Notes Payable					
Princeton University:					
Various Commercial Paper	120,000,000*	N/A	Variable	**17,110,000**	12,680,000
Leases Payable					
Kean University	916,666	6/1/2014	4.064%	**337,791**	499,333
Kean University	10,000,000	7/1/2020	3.140%	**9,750,000**	–
Ramapo College of New Jersey	1,377,090	10/1/2010	Various	**490**	58,719
Seton Hall University	3,371,289	5/27/2011	3.040%	**719,332**	2,409,053
Thomas Edison State College	1,800,000	3/8/2012	3.647%	**190,033**	381,496
Thomas Edison State College	2,700,000	9/28/2022	Variable	**1,538,541**	1,925,694
Thomas Edison State College	700,000	9/14/2015	2.370%	**666,933**	–
Treasurer, State of New Jersey, Series 1999 A	19,295,000	9/1/2014	4.705%	**1,600,000**	1,955,000
Essex County, Series 1999 C	4,570,000	9/1/2014	5.177%	**1,540,000**	1,880,000
Hudson County, Series 1999 D	7,750,000	9/1/2014	5.177%	**2,610,000**	3,190,000
Middlesex County, Series 1999 E	4,370,000	9/1/2014	5.053%	**1,470,000**	1,795,000
Passaic County, Series 1999 F	2,015,000	9/1/2014	5.125%	**675,000**	825,000
Hudson County Community College (Chapter 78), Series 1999 G	2,035,000	9/1/2014	5.177%	**685,000**	840,000
				$ 5,473,925,526	$ 5,184,511,177

* Maximum authorized amount.
** Build America Bond

6. Bonds, Notes and Leases Payable (continued)

The minimum aggregate principal maturities for each of the following five year periods are as follows:

2011 – 2015	$ 933,114,806
2016 – 2020	1,183,132,399
2021 – 2025	1,166,444,274
2026 – 2030	1,042,731,716
2031 – 2035	824,026,131
2036 – Thereafter	324,476,210
	$ 5,473,925,536

7. Refunded Bond Issues

When conditions have warranted, the Authority has sold various issues of bonds to provide for the refunding of previously issued obligations.

The proceeds received from the sales of the bond issues were used to refund currently the outstanding bond issues or to deposit in an irrevocable escrow fund held by the Escrow Agent, an amount which, when combined with interest earnings thereon, is at least equal to the sum of the outstanding principal amount of the bonds, the interest to accrue thereon to and including the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date. Accordingly, the trust account assets and the liability for defeased bonds are not included in the Authority's financial statements.

Certain transactions defeased the outstanding bond issues with a resultant reduction in annual debt service during the term of the issues. The debt service savings, together with any accounting gain or loss that will be deferred, accrue to the respective institutions.

7. Refunded Bond Issues (continued)

Refunded bonds outstanding at December 31, 2010 comprise the following:

Issue	Principal Amount Outstanding December 31, 2010	Refunded Issues: Principal Amount Refunded	Refunded Issues: Call Date	Debt Service Savings	Refunding Issues: Date of Issuance	Refunding Issues: Issue	Refunding Issues: Original Amount of Issue
Princeton University							
2000 Series E	$ –	$ 27,615,000	7/1/2010	$ 5,434,717	10/23/2003	2003 Series D	$ 114,495,000
2000 Series H	–	26,700,000	7/1/2010				
Higher Educational Capital Improvement Fund							
Series 2000 A	–	59,405,000	9/1/2010	5,080,385	8/10/2005	Series 2005 A	169,790,000
Series 2000 B	–	65,675,000	9/1/2010				
Series 2002 A	41,850,000	41,850,000	9/1/2012				
Rowan University							
Series 2000 B	–	45,445,000	7/1/2010	1,912,380	4/13/2005	Series 2005 D	51,840,000
Princeton University							
2000 Series E	–	3,935,000	7/1/2010	4,243,735	4/12/2005	2005 Series A	139,590,000
2000 Series H	–	45,435,000	7/1/2010				
2003 Series E	25,000,000	25,000,000	7/1/2013				
2004 Series D	31,470,000	31,470,000	7/1/2014				
The William Paterson University of New Jersey							
Series 2000 A	–	22,395,000	7/1/2010	1,420,584	11/10/2005	Series 2005 E	42,295,000
Series 2002 E	11,305,000	11,305,000	7/1/2012				
Institute for Advanced Study							
2001 Series A	–	7,190,000	7/1/2010	2,100,572	7/19/2006	2006 Series B	11,000,000
Princeton University							
2000 Series H	–	10,615,000	7/1/2010	2,755,549	8/10/2006	2006 Series E	45,500,000
2003 Series E	5,950,000	5,950,000	7/1/2013				100,000,000
2004 Series D	49,045,000	49,045,000	7/1/2014				112,510,000
2005 Series B	7,820,000	7,820,000	7/1/2015				175,000,000
							114,645,000

7. Refunded Bond Issues (continued)

Issue	Principal Amount Outstanding December 31, 2010	Refunded Issues Principal Amount Refunded	Refunded Issues Call Date	Debt Service Savings	Refunding Issues Date of Issuance	Refunding Issues Issue	Refunding Issues Original Amount of Issue
Rowan University							
Series 2002 K	$ 4,805,000	$ 4,805,000	7/1/2012	$ 738,003	11/16/2006	Series 2006 G	$ 14,920,000
Series 2003 I	17,225,000	17,385,000	7/1/2013				64,910,000
Higher Education Capital Improvement Fund							
Series 2000 A	–	10,545,000	9/1/2010	4,438,363	10/26/2006	Series 2006 A	132,800,000
Series 2000 B	–	11,405,000	9/1/2010				145,295,000
Series 2002 A	102,810,000	102,810,000	9/1/2012				194,590,000
Series 2004 A	22,760,000	22,760,000	9/1/2014				76,725,000
Ramapo College of New Jersey							
Series 2001 D	30,435,000	32,130,000	7/1/2011	3,510,943	11/28/2006	Series 2006 I	40,480,000
Series 2002 H	7,930,000	8,795,000	7/1/2012				28,655,000
Series 2002 I	570,000	615,000	7/1/2012				2,145,000
Series 2002 J	8,205,000	8,835,000	7/1/2012				29,620,000
Series 2004 E	40,300,000	40,300,000	7/1/2014				53,980,000
Series 2006 D	11,145,000	11,145,000	7/1/2016				49,085,000
Montclair State University							
Series 2001 F	18,695,000	18,695,000	7/1/2011	6,194,157	12/14/2006	Series 2006 J	18,695,000
Series 2002 F	43,775,000	56,125,000	7/1/2010				78,500,000
Series 2003 E	–	4,600,000	7/1/2010				23,425,000
Series 2003 L	57,425,000	64,290,000	7/1/2014				94,540,000
New Jersey City University							
Series 2002 A	10,855,000	11,785,000	7/1/2012	696,503	4/4/2007	Series 2007 F	15,115,000
Kean University							
Series 2001 A	3,120,000	4,790,000	7/1/2011	14,985,307	4/13/2007	Series 2007 E	156,240,000
Series 2003 D	54,420,000	60,395,000	7/1/2013				
Series 2005 B	72,755,000	77,530,000	7/1/2016				
Stevens Institute of Technology							
1998 Series I	5,130,000	6,050,000	No Call	N/A*	8/2/2007	2007 Series A	71,060,000
2002 Series C	46,150,000	49,355,000	7/1/2013				
2004 Series B	12,085,000	12,825,000	7/1/2014				
Princeton University							
2003 Series E	4,270,000	4,270,000	7/1/2013	2,361,004	6/19/2007	2007 Series F	67,620,000
2004 Series D	36,805,000	36,805,000	7/1/2014				
2005 Series A	2,095,000	2,095,000	7/1/2015				
2005 Series B	17,625,000	17,625,000	7/1/2015				

7. Refunded Bond Issues (continued)

Issue	Principal Amount Outstanding December 31, 2010	Refunded Issues		Debt Service Savings	Refunding Issues		
		Principal Amount Refunded	Call Date		Date of Issuance	Issue	Original Amount of Issue
Rowan University							
Series 2001 B	$ 7,035,000	$ 7,610,000	7/1/2011	$ 4,465,765	4/5/2007	Series 2007 B	$ 121,355,000
Series 2001 C	7,055,000	7,850,000	7/1/2011				
Series 2002 K	7,435,000	8,340,000	7/1/2012				
Series 2003 I	32,930,000	35,615,000	7/1/2013				
Series 2004 C	47,905,000	51,595,000	7/1/2014				
Georgian Court University							
2003 Series, Project C	12,790,000	13,585,000	7/1/2013	1,034,788	7/19/2007	2007 Series D	26,980,000
Beth Medrash Govoha							
2000 Series G	–	7,450,000	7/1/2010	N/A*	N/A	N/A	N/A
Drew University							
2003 Series C	2,390,000	2,390,000	7/1/2013	N/A*	11/15/2010	2010 Series C	15,580,000
2007 Series D	1,255,000	1,255,000	7/1/2013				
New Jersey City University							
Series 1999 B	–	11,615,000	10/4/2010	1,175,021	9/2/2010	Series 2010 F	24,065,000
New Jersey Institute of Technology							
Series 2001 G	56,305,000	56,305,000	7/1/2011	3,683,210	11/12/2010	Series 2010 H	50,965,000

* Debt restructuring

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Members of the
New Jersey Educational Facilities Authority

We have audited the financial statements of the New Jersey Educational Facilities Authority as of and for the year ended December 31, 2009, and have issued our report thereon dated March 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Members of the New Jersey Educational Facilities Authority, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

March 10, 2010

Independent Auditors' Report on Bond Resolution Compliance

To the Members of the
New Jersey Educational Facilities Authority

We have audited, in accordance with auditing standards generally accepted in the United States, the balance sheet of the New Jersey Educational Facilities Authority as of December 31, 2010, and the related statement of revenues, expenses and changes in fund net assets, and cash flows for the year then ended, and have issued our report thereon dated March 10, 2011.

Pursuant to the General Revenue Bond Resolution adopted October 10, 1968 and amended January 12, 1971, the General Higher Educational Facilities Revenue Bond Resolution adopted October 10, 1968 and amended April 13, 1971, applicable Series Resolutions and applicable Trust Indentures during the period under audit, the Authority had outstanding the authorized bonds and obligations listed in Exhibit A of this report as of December 31, 2010.

In connection with our audit, nothing came to our attention that caused us to believe that the New Jersey Educational Facilities Authority failed to comply with the terms, covenants, provisions, or conditions of the Resolutions and Indentures referred to above, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. In addition, in our opinion, on December 31, 2010, the balance in the Debt Service Reserve Funds and the Renewal and Replacement Accounts for each outstanding bond issue where applicable and the insurance coverage maintained meet the requirements of the aforementioned General Resolutions, applicable Series Resolutions and applicable Trust Indentures.

This report is intended solely for the information and use of the Members and management of the New Jersey Educational Facilities Authority and the Trustees under the Resolutions and Indentures and is not intended to be and should not be used by anyone other than these specified parties.

EY

March 10, 2011

Exhibit A

New Jersey Educational Facilities Authority

Outstanding Bonds and Obligations

December 31, 2010

Institution	**Issue**
Caldwell College	- 2006 Series F
Centenary College	- 2003 Series A - 2006 Series J - 2007 Series B - 2010 Series D
Drew University	- 2003 Series C - 2007 Series D - 2008 Series B - 2008 Series I - 2010 Series C
Essex County	- Series 1999 C
Fairleigh Dickinson University	- 2002 Series D - 2004 Series C - 2006 Series G - 2006 Series H
Felician College	- 2006 Series I
Georgian Court University	- 1998 Series, Project B - 2003 Series, Project C - 2007 Series D - 2007 Series H
Hudson County	- Series 1999 D
Hudson County Community College	- Series 1999 G

Exhibit A

New Jersey Educational Facilities Authority

Outstanding Bonds and Obligations (continued)

December 31, 2010

Institution	**Issue**
Institute for Advanced Study	- 2001 Series A
	- 2006 Series B
	- 2006 Series C
	- 2008 Series C
Institute for Defense Analyses	- 2000 Series D
Kean University	- Series 1998 B
	- Series 2003 D
	- Series 2005 B
	- Series 2007 D
	- 2007 Tax Exempt Lease
	- Series 2009 A
	- 2010 Tax Exempt Lease
Middlesex County	- Series 1999 E
Monmouth University	- 1993 Series A
	- 1997 Series C
	- 1998 Series D
Montclair State University	- Series 2002 F
	- Series 2003 E
	- Series 2003 L
	- Series 2006 A
	- Series 2006 B
	- Series 2006 J
	- Series 2007 A
	- Series 2008 J
New Jersey City University	- Series 1977 C*
(formerly Jersey City State College)	- Series 1999 B
*Jersey City State College issue	- Series 2002 A
	- Series 2003 B
	- Series 2007 F
	- Series 2008 E
	- Series 2008 F
	- Series 2010 F
	- Series 2010 G

Exhibit A

New Jersey Educational Facilities Authority

Outstanding Bonds and Obligations (continued)

December 31, 2010

Institution	**Issue**
New Jersey Institute of Technology	- Series 2001 G - Series 2001 H-Taxable - Series 2004 B - Series 2010 H - Series 2010 I
Passaic County	- Series 1999 F
Passaic County Community College	- Series 2010 C
Princeton Theological Seminary	- 2002 Series G - 2009 Series B - 2010 Series A
Princeton University	- Various - Commercial paper - 1999 Series A - 2000 Series E - 2000 Series H - 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 - 2010 Series B
Ramapo College of New Jersey	- Series 1998 G - Series 1998 H - 2000 Lease Purchase

New Jersey Educational Facilities Authority

Outstanding Bonds and Obligations (continued)

December 31, 2010

Institution	**Issue**
Ramapo College of New Jersey (continued)	- Series 2001 D
	- Series 2002 H
	- Series 2002 I
	- Series 2002 J
	- Series 2003 F
	- Series 2003 G
	- Series 2003 H
	- Series 2004 E
	- Series 2006 D
	- Series 2006 I
Rider University	- 2002 Series A
	- 2004 Series A
	- 2007 Series C
Rowan University (Formerly Glassboro State College) * Glassboro State College issue	- Series 1983 D*
	- Series 2000 B
	- Series 2001 B
	- Series 2001 C
	- Series 2002 K
	- Series 2003 I
	- Series 2004 C
	- Series 2005 D
	- Series 2006 G
	- Series 2007 B
	- Series 2008 B

Exhibit A

New Jersey Educational Facilities Authority

Outstanding Bonds and Obligations (continued)

December 31, 2010

Institution	**Issue**
Saint Peter's College	- 2007 Series G - 2007 Series I - 2008 Series H
Seton Hall University	- 1999 Refunding Series - 2001 Refunding Series A - 2001 Refunding Series B - 2001 Series Project G - 2008 Series D - 2008 Series E - 2009 Series C - 2009 Tax Exempt Lease
Stevens Institute of Technology	- 1998 Series I - 2007 Series A
The College of New Jersey	- Series 2002 C - Series 2008 D - Series 2010 A - Series 2010 B
The College of Saint Elizabeth	- 2008 Series F
The Richard Stockton College of New Jersey	- Series 1988 A - Series 2002 B - Series 2005 F - Series 2006 F - Series 2007 G - Series 2008 A
Thomas Edison State College	- 2005 Lease Purchase - 2007 Tax Exempt Lease - 2010 Tax Exempt Lease

New Jersey Educational Facilities Authority

Outstanding Bonds and Obligations (continued)

December 31, 2010

Institution	**Issue**
University of Medicine and Dentistry of New Jersey	- Series 2009 B
William Paterson University of New Jersey	- Series 1981 B - Series 2000 A - Series 2002 E - Series 2004 A - Series 2005 E - Series 2008 C
Treasurer, State of New Jersey	- Series 2005 A, Higher Education Facilities Trust Fund - Series 1999 A, County College Capital Project Fund - Series 2000 A, Higher Education Capital Improvement Fund - Series 2000 B, Higher Education Capital Improvement Fund - Series 2002 A, Higher Education Capital Improvement Fund

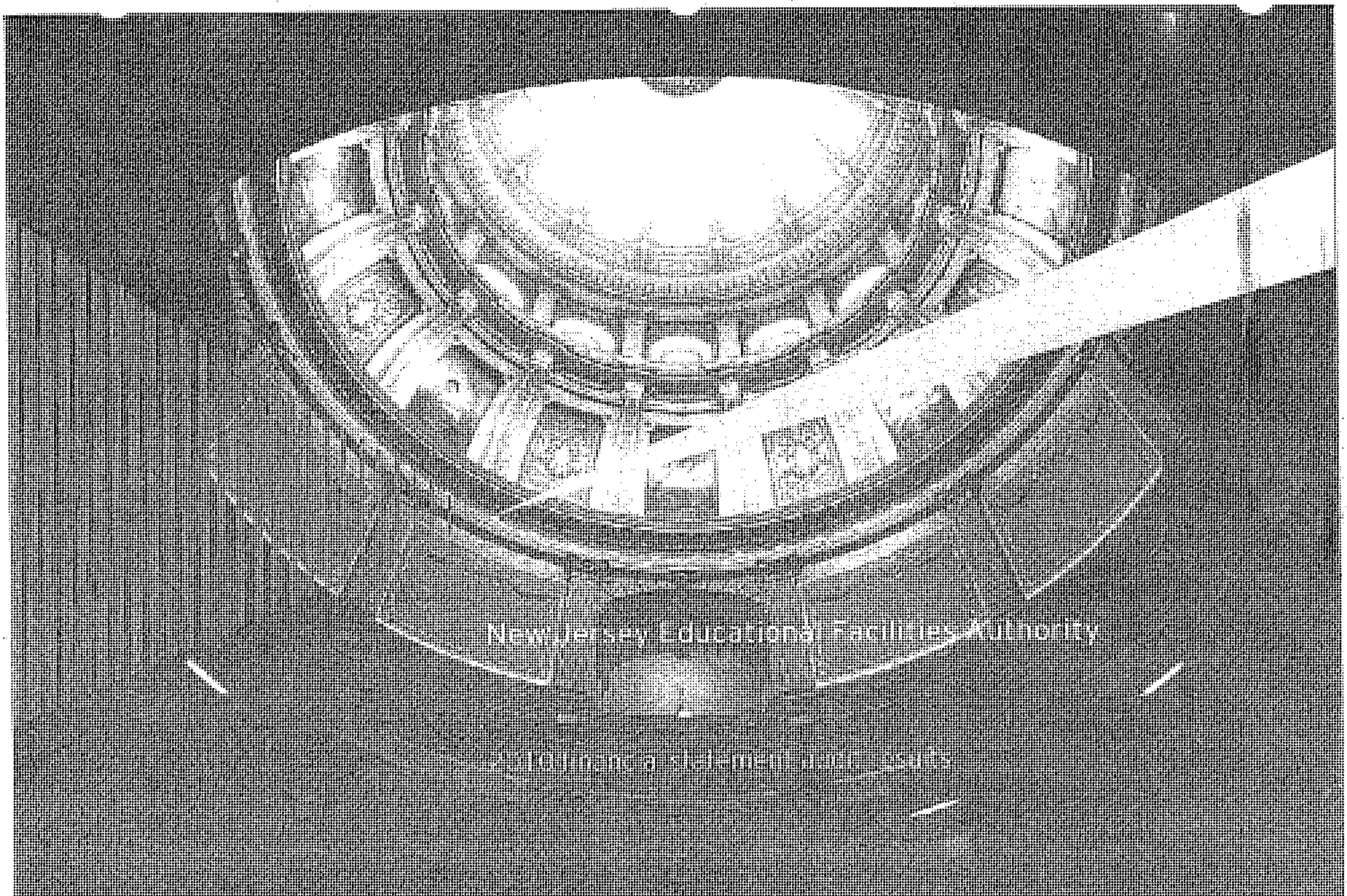
Exhibit A

New Jersey Educational Facilities Authority

Outstanding Bonds and Obligations (continued)

December 31, 2010

Institution	**Issue**
Treasurer, State of New Jersey (continued)	- Series 2004 A, Higher Education Capital Improvement Fund
	- Series 2005 A, Higher Education Capital Improvement Fund
	- Series 2006 A, Higher Education Capital Improvement Fund
	- Series 2001 A, Dormitory Safety Trust Fund
	- Series 2001 B, Taxable, Dormitory Safety Trust Fund
	- Series 2003 A, Dormitory Safety Trust Fund
	- Series 2003 A, Equipment Leasing Fund
	- Series 2002 A, Library Grant Program


New Jersey Educational Facilities Authority
2010 financial statement audit results

ERNST & YOUNG

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March 21, 2011
The Audit Committee of the New Jersey Educational Facilities Authority

Dear Members of the Audit Committee,

We are pleased to present the results of our audit of the financial statements of the New Jersey Educational Facilities Authority (the "Authority"). This report also includes the status of our final procedures.

We received the full support and assistance of the Authority's personnel in conducting our audit. We appreciate this opportunity to share our insights resulting from our audit of the Authority.

At Ernst & Young, we continually evaluate the quality of our professionals' work, with a focus on our goal to deliver remarkable client service. We strive to provide you with audit services of the highest quality that will meet or exceed your expectations, and we encourage you to participate in Assessment of Service Quality (ASQ) process to provide your input on our performance. The ASQ process is a critical tool in enabling us to continually monitor and improve the quality of our audit services to the Authority.

This report is intended solely for the information and use of the Audit Committee, the Board and management. It is not intended to be, and should not be, used by anyone other than these specified parties.

We look forward to meeting with you to discuss the contents of this report and answer any questions you may have about the results of our audit.

Very truly yours,

Ernst & Young LLP

Table of contents

Deliverables

	Services and deliverables	Status update
Opinions	▸ Express an opinion on the financial statements of the Authority ▸ Express an opinion on the Authority's compliance with its various bond resolutions	▸ Status of 2010 audit: ▸ Obtain a letter of representations from management. ▸ Independent partner review to be completed.
Internal Control Communications	▸ Issue a written communication to management and the Audit Committee describing significant deficiencies or material weaknesses, if any, identified during our audit. ▸ Issue a management letter that provides our recommendations regarding internal controls and opportunities for improvement of efficiency, based on observations made during the course of our audit. ▸ Issue a Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.	▸ All work completed

Required communications

Area	Comments
Auditor's responsibilities under generally accepted auditing standards The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States, as established by the American Institute of Certified Public Accountants, to obtain reasonable, rather than absolute assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we will express no such opinion.	Our responsibilities are included in our audit engagement letter. A copy of such agreement has previously been provided to you. Upon completion of our remaining audit procedures, we currently expect to issue an unqualified opinion on the Authority's financial statements for the year ended December 31, 2010.
Our views about the qualitative aspects of the Authority's significant accounting practices We have open and constructive discussions with those charged with governance about qualitative aspects of the entity's significant accounting practices, including acceptability. These discussions may include: ▸ The appropriateness of accounting policies to the particular circumstances of the Authority, including the adoption of, or a change in, an accounting policy ▸ The effect of significant accounting polices in controversial or emerging areas ▸ Significant accounting estimates ▸ Financial statement disclosures and other related matters	The significant policies of the Authority are described in Note 2 to the financial statements. The Authority's policies are consistent with generally accepted accounting principles.
Other information in documents containing audited financial statements AICPA AU section 550 establishes the auditor's responsibility for other information prepared by management that accompanies the audited financial statements. If the Authority includes other information in documents containing auditing financial statements, we review such other information and consider whether such information, or the manner of its presentation, is materially inconsistent with the audited financial statements. If we conclude that a material inconsistency exists, we determine whether the financial statements, our auditor's report, or, both require revision.	We will review any other documents containing audited financial statements (eg annual report), as applicable, to determine whether such information is consistent with the audited financial statements.

Required communications

Area	Comments
Our views about the qualitative aspects of the Authority's significant accounting practices: ▸ **The appropriateness of accounting policies to the particular circumstances of the Authority including, the adoption of, or a change in, an accounting policy** As part of our discussion about the qualitative aspects of the Authority's significant accounting practices, we discuss our views about the adoption of, or a change in accounting policies which may include the following: ▸ The initial selection of new, or changes in, significant accounting policies, including the application of new accounting pronouncements ▸ The effect of the timing and method of adopting a change in accounting policy on current and future earnings of the entity (or expected new accounting pronouncements) ▸ The appropriateness of the accounting policies to the particular circumstances of the entity ▸ Where acceptable alternative accounting policies exist, the identification of financial statement items that are affected by the chose of significant policies as well as information on accounting policies used by similar entities	There were no new GASB statements implemented by the Authority during the current year.
Our views about the qualitative aspects of the Authority's significant accounting practices: ▸ **The effect of significant accounting polices in controversial or emerging areas** As part of our discussion about the qualitative aspects of the Authority's significant accounting practices, we may discuss with those charged with governance effects of significant accounting policies in controversial or emerging areas (or those unique to an industry), particularly when there is a lack of authoritative guidance or consensus.	There were no significant accounting policies used by the Authority in controversial or emerging areas for which there is a lack of authoritative guidance.

Required communications

Area	Comments
Our views about the qualitative aspects of the Authority's significant accounting practices: ▸ **Significant accounting estimates** As part of our discussion about the qualitative aspects of the Authority's significant accounting practices, we discuss our views about the Authority's accounting estimates which may include the following: ▸ Management's identification of accounting estimates ▸ Management's process for making accounting estimates ▸ Risks of material misstatement ▸ Indicators of possible management bias ▸ Disclosure of estimation uncertainty in the financial statements	Management makes estimates and assumptions in preparing the financial statements when evaluating the need for potential allowances for uncollectible receivables as well as developing the calculation of other postemployment benefits and payroll related liabilities. The methodology used in calculating these estimates was consistent with prior years.
Significant difficulties encountered in dealing with management when performing the audit We inform those charged with governance of any significant difficulties encountered in dealing with management related to the performance of the audit which may include such matters as: ▸ Significant delays in management providing required information ▸ An unnecessarily brief time within which to complete the audit ▸ The unavailability of expected information ▸ Restrictions imposed on us by management ▸ Management's unwillingness to provide information about management's plans for dealing with the adverse effects of the conditions or events that lead us to believe there is substantial doubt about the entity's ability to continue as a going concern.	There were none.

Required communications

Area	Comments
Unrecorded misstatements We discuss with those charged with governance uncorrected misstatements and the effect that they may have on our opinion in the auditor's report. We also discuss with those charged with governance the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. In addition, we discuss with those charged with governance the implications of a failure to correct known and likely misstatements, if any, considering qualitative as well as quantitative considerations, including the possible implications in relation to future financial statements.	There were no unrecorded misstatements.
Material corrected misstatements We discuss with those charged with governance material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. In addition, we may discuss with those charge with governance other corrected immaterial misstatements, such as frequently recurring immaterial misstatements that may indicate a particular bias in the preparation of the financial statements.	There were no material corrected misstatements brought to the attention of management as a result of such procedures.
Disagreements with management We discuss with those charged with governance any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Authority's financial statements or our auditor's report. For purposes of this discussion, disagreements do not include differences of opinion based on incomplete facts or preliminary information that are later resolved.	There were none.
Representations we are requesting from management We discuss with those charged with governance representation we are requesting from management.	We will obtain the standard letter of representation from management.

Required communications

Area	Comments
Management's consultation with other accountants When we are aware that management has consulted with other accountants about auditing or accounting matters, we discuss with those charged with governance our views about significant matters that were the subject of such consultation.	None of which we are aware.
Significant issues, if any, arising from the audit that were discussed, or the subject of, correspondence with management We discuss with those charged with governance any significant matters that were discussed with, or the subject of correspondence, with management, including: - Business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatements - Discussions or correspondence in connection with our initial or recurring retention as the auditor, including, among other matters, any discussions regarding the application of accounting principles and auditing standards	None
Communication of independence matters Although the auditor's report affirms our independence, in certain situations, we discuss with those charged with governance circumstances of relationships (e.g. financial interests, business or family relationships, or non-audit services provided or expected to be provided) that in our professional judgment may reasonably be thought to bear on independence and that we gave significant consideration to in reaching the conclusion that independence has not been impaired.	There are no matters that, in our professional judgment, may reasonably be thought to bear on our independence or that we gave significant consideration to in reaching the conclusion that independence has not been impaired.
Fraud and illegal acts involving senior management and fraud and illegal acts that cause a material misstatement of the financial statements We communicate with those charged with governance fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements. In addition, we discuss any misappropriations perpetrated by lower level employees, based on our understanding with those charged with governance regarding the nature and extent of communications with them about such matters.	We are not aware of any matters that require communication. Refer to the "Fraud considerations" section for more information about our procedures related to the risks of material misstatement due to fraud.

Required communications

Area	Comments
Significant deficiencies and material weaknesses in internal control We communicate all significant deficiencies and material weaknesses in internal control that were identified during the course of our audit.	No material weaknesses were noted.
AICPA ethics ruling regarding third-party service providers From time to time and depending upon the circumstances, third-party service providers, independent contractors, and consultants to Ernst & Young may participate in providing professional services. AICPA Ethics Ruling No. 112 under Rule 102, *Integrity and Objectivity*, requires that we inform clients whenever we use a third-party service provider in providing professional services to a client. The Rule has broadly defined "third-party service provider" to include an individual who is not employed by our US firm. Accordingly, third-party service providers might include, but not be limited to, the following examples: non US personnel who work for Ernst & Young affiliate firms (e.g., Ernst & Young United Kingdom), non US personnel working in the US on a foreign secondment, non US personnel working at Ernst & Young shared service centers.	No services were subcontracted or completed by a third-party service provider.
Other findings or issues regarding the oversight of the financial reporting process We communicate other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process.	There are no other findings or issues arising from the audit that are, in our judgment, significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

2010 audit results

Financial statement accounts and disclosures

Key issue/risk area	Summary of procedures and findings
Revenue	
Revenue recognition	▶ We tested the internal controls over cash receipts as well as vouched investment income. No exceptions noted.
Expenses	
Operating expenses and project disbursements	▶ We tested the internal controls over project disbursements/operating disbursements. No exceptions noted.
Assets	
Cash and investments	▶ We performed an evaluation of the accounting and reporting related to cash, investments and investment risk under GASB 40. We confirmed cash and investments and tested the valuation of the portfolio. No exceptions were noted.
Capital assets	▶ We vouched additions to capital assets and tested for classification errors. Depreciation expense was also recalculated.. No exceptions were noted.
Liabilities	
Litigation and loss contingencies	▶ We evaluated the assumptions, disclosures, and reporting of on-going litigation. We obtained written confirmation from the counsel regarding outstanding pending litigation.
Accrued liabilities, including liabilities for school facilities project costs and environmental liabilities	▶ We tested the analyses of accrued liabilities and evaluated the assumptions and various factors that effect the liabilities. No exceptions noted.
Obligations for postemployment benefits other than pensions	▶ The Authority has not obtained a new actuarial valuation for 2010. In the prior year, we performed testing of the census data used to calculate the obligation and evaluated the assumptions utilized by the Authority's independent actuary in completing their actuarial valuation.
Net assets	▶ We tested changes to net assets and evaluated the classification of net asset balances. No exceptions noted.

Accounting and auditing developments

Accounting and auditing developments	Summary	Effect on the Authority
Accounting and Financial Reporting for Service Concession Arrangements (GASB Statement No. 60)	- The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. - This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. A transferor reports the facility subject to an SCA as its capital asset, generally following existing measurement, recognition, and disclosure guidance for capital assets. New facilities constructed or acquired by the operator or improvements to existing facilities made by the operator are reported at fair value by the transferor. A liability is recognized, for the present value of significant contractual obligations to sacrifice financial resources imposed on the transferor, along with a corresponding deferred inflow of resources. Revenue is recognized by the transferor in a systematic and rational manner over the term of the arrangement. - This Statement also provides guidance for governments that are operators in an SCA. The governmental operator reports an intangible asset at cost for its right to access the facility and collect third-party fees; it amortizes the intangible asset over the term of the arrangement in a systematic and rational manner. For existing facilities, a governmental operator's cost may be the amount of an up-front payment or the present value of installment payments. For new or improved facilities, a governmental operator's cost may be its cost of improving an existing facility or constructing or acquiring a new facility. - For revenue sharing arrangements, this Statement requires governmental operators to report all revenues and expenses. A transferor reports its portion of the shared revenues. - This Statement requires disclosures about an SCA including a general description of the arrangement and information about the associated assets, liabilities, and deferred inflows, the rights granted and retained, and guarantees and commitments.	- The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. This Standard will not have an impact on the Authority.

Accounting and auditing developments

Accounting and auditing developments	Summary	Effect on the Authority
Financial Reporting Entity: Omnibus- an amendment of GASB Statements No. 14 and No. 34 (GASB Statement No. 61)	- The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements–and Management's Discussion and Analysis–for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. - This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination. - This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility (as defined in paragraph 8a) for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. Lastly, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting.	- For periods beginning after June 15, 2012. Early application is encouraged. This Standard will not have an impact on the Authority.

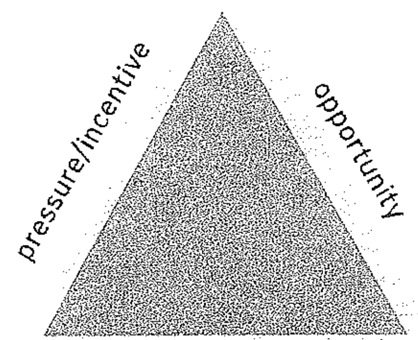
Accounting and auditing developments	Summary	Effect on the Authority
Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (GASB Statement No. 62)	The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations 2) Accounting Principles Board Opinions 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements." This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement. The requirements in this Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This effort brings the authoritative accounting and financial reporting literature together in one place, with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. It will eliminate the need for financial statement preparers and auditors to determine which FASB and AICPA pronouncement provisions apply to state and local governments, thereby resulting in a more consistent application of applicable guidance in financial statements of state and local governments. In addition, all FASB and AICPA pronouncements became nonauthoritative literature for the private sector on July 1, 2009, the effective date of the *FASB Accounting Standards Codification™*. Although certain FASB and AICPA pronouncements are still available in the archive section of the FASB's Codification on a limited basis, this Statement will make accessible in the GASB's authoritative literature all applicable accounting and financial reporting guidance previously residing only in the FASB and AICPA pronouncements.	► The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

Fraud considerations and the risk of management override

We are responsible for planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or by fraud (SAS No. 99, *Consideration of Fraud in a Financial Statement Audit*).

Our audit procedures will encompass the requirements of SAS 99: brainstorming, gathering information to facilitate the identification of and response to fraud risks and performing mandatory procedures to address the risk of management override (including examining journal entries, reviewing accounting estimates and evaluating the business rationale of significant unusual transactions).

- We evaluate the risk of management override using the fraud triangle and consider the actions management has taken to respond to those risks.
- We consider, among other things:
  - Code of conduct/ethics
  - Effective and independent oversight by audit committee
  - Process for dealing with whistle-blower allegations
  - Adequacy of internal audit oversight of activity
  - Entity's risk assessment processes
- Role and oversight responsibilities of the audit committee:
  - Management's assessment of the risks of fraud
  - Programs and controls to mitigate the risk of fraud
  - Process for monitoring multiple locations for fraud
  - Management communication to employees on its views on business practices and ethical behavior



Occupational Fraud and Abuse, by Joseph T. Wells, CPA, CFR (Obsidian Publishing Co, 1997);
Fraud Examination, by W. Steve Albrecht (Thomson South-Western Publishing, 2003)

Timing of required communications

	Communicate when event occurs	Communicate on a timely basis, at least annually
Our responsibility under generally accepted auditing standards, including discussion of the type of opinion we are issuing		X
Overview of planned scope and timing		X
Other information in documents containing audited financial statements		X
Our views about the qualitative aspects of the Authority's significant accounting practices, including:		
▸ The appropriateness of accounting policies to the particular circumstances of the company including, the adoption of, or a change in, an accounting policy	X	
▸ The effect of significant accounting polices in controversial or emerging areas	X	
▸ Significant accounting estimates		X
▸ Financial statement disclosures and related matters		X
Significant difficulties encountered in dealing with management when performing the audit	X	
Unrecorded misstatements		X
Material corrected misstatements		X
Disagreements with management	X	
Representations we are requesting from management		X
Management's consultations with other accountants	X	
Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management	X	
Communication of independence matters	X	
Fraud and illegal acts involving senior management and fraud and illegal acts that cause a material misstatement of the financial statements	X	
Significant deficiencies and material weaknesses in internal control		X
AICPA ethics ruling regarding third-party service providers		X
Other findings or issues regarding the oversight of the financial reporting process	X	

Appendix A - Independence considerations

The independence landscape

The AICPA's auditor independence rules, interpretations and rulings are founded on the following seven broad categories of threats to an auditor's independence, whether in fact or appearance:

- Self-review, such as an auditor auditing his/her own work
- Advocacy, such as an auditor promoting an audit client's interests or position
- Adverse interest, such as actions or interests that are in opposition between the auditor and the audit client
- Familiarity, such as inappropriate relationships, including certain employment relationships
- Undue influence, such as coercing or exercising excessive influence over the auditor
- Financial self-interest, such as an auditor having financial interests in the audit client
- Management participation, such as an auditor functioning in the role of management

The AICPA categorizes safeguards that may mitigate or eliminate threats to independence into three broad categories:

- Safeguards created by the profession, legislation or regulation
- Safeguards implemented by the audit client
- Safeguards implemented by the audit firm, including policies and procedures to implement professional and regulatory requirements

Such safeguards address the threats to independence so as to reduce the risk that an auditor is not independent or would be perceived by a reasonable and informed third party having knowledge of all relevant information as not being independent.

Ernst & Young's focus on independence

Independence is fundamental to EY, our audit clients, and the public interest. Our approach to maintaining independence includes implementing policies, processes and systems with both "prevent" and "detect" type controls to provide reasonable assurance that a breach of independence will not occur and, in the event one does, will not go undetected nor unremediated. We proactively reexamine, monitor and test our policies, processes and systems so that they are current, thorough and effective. We reinforce our policies, processes and systems through continuous independence training of our professionals. We continually reinforce to all our people that compliance with our independence policies is essential, and that non-compliance has consequences.

Independence Organization

- Global network of independence leaders in every country where we operate
- Independence specialists support the global network
- Clear accountability - centralized independence functions report to Global Managing Partner - Quality and Risk Management (Q&RM) and Americas Vice Chair - Q&RM

Independence Processes and Systems

- Monitoring of compliance with our firm's independence requirements relating to matters such as investment holdings, lending relationships and family employment relationships, which are periodically confirmed by our professionals
- Monitoring business relationships between EY and our audit clients and their officers, directors, and substantial shareholders
- Detailed programs and procedures to evaluate independence in connection with client acceptance and ongoing monitoring
- Consultation processes and documented conclusions

Independence Policies

- EY Global independence policies based on International Federation of Accountants (IFAC) and SEC rules, unless local independence rules are more restrictive
- A comprehensive independence manual with rules all in one place
- A Code of Conduct that highlights the importance of maintaining our objectivity and independence and with which our personnel are required to confirm their compliance annually

Independence Training and Compliance

- Mandatory, continuous independence training for all professionals globally
- Independence content is included in many other core learning and industry related programs
- Conducting ongoing compliance audits of partners and other professionals regarding personal independence
- Global Independence Compliance Team focused on scope of services and business relationships

Ernst & Young's personal independence reporting

- Robust, web-based independence monitoring system facilitates reporting and monitoring for client-serving personnel
- Annual confirmations for partners and client-serving employees
- Quarterly confirmations for managers through partners
- Compliance audits cover all Firm leaders on a three-year cycle, US partners on a five-year cycle, newly promoted partners and direct admit partners before starting
- All global partners have been audited
- Compliance audits include review of tax returns of personnel, dependents, trusts, and spouses
- Failure to sign a quarterly confirmation triggers a compliance audit
- Personnel must sign our Code of Conduct annually

Independence considerations for the Authority

- Ensuring auditor independence is a responsibility of both the auditor and the Authority, with the Authority's management, the Board, and Audit Committee having a shared responsibility to ensure that the auditors are independent. Accordingly, companies should have policies and procedures in place to ensure their auditor is and remains independent.
- Independence considerations for your Authority could include:
  - Approaching auditor independence compliance like a system of internal controls, including both prevent and detect controls
  - Evaluating your reporting and confirmation process for financial, employment, family and business interests, and relationships
  - Maintaining the proper Tone at the Top – communicating the importance of independence and conflicts of interest
  - Assigning a person with the responsibility of understanding the independence rules and interfacing with auditors

Appendix B - Peer review report

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System Review Report

To the Partners of Ernst & Young LLP
and the National Peer Review Committee of the AICPA Peer Review Board

We have reviewed the system of quality control for the accounting and auditing practice of Ernst & Young LLP (the firm) applicable to non-SEC issuers, in effect for the year ended June 30, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Ernst & Young LLP, applicable to non-SEC issuers, in effect for the year ended June 30, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Ernst & Young LLP has received a peer review rating of *pass*.

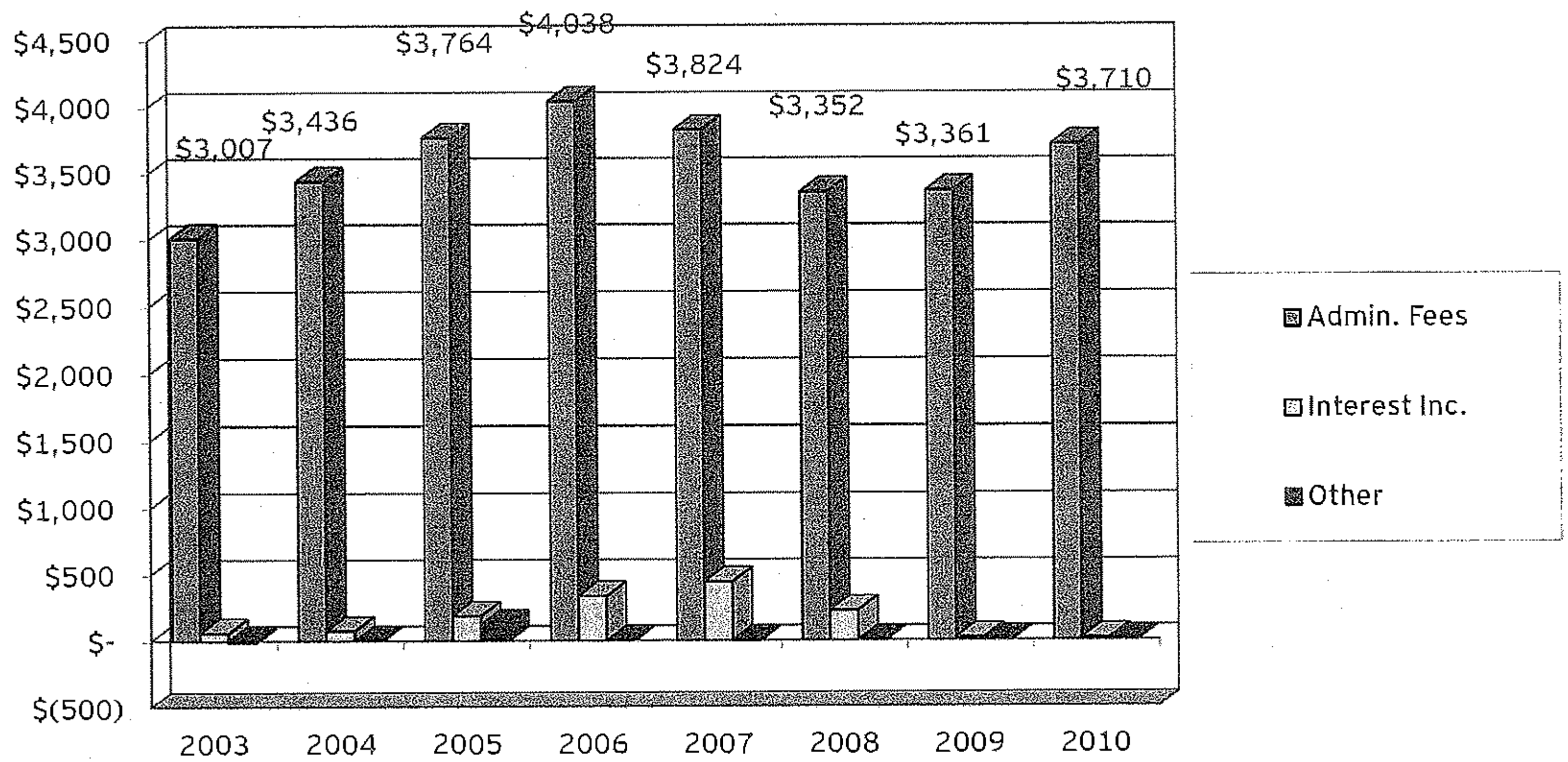
KPMG LLP

December 06, 2010

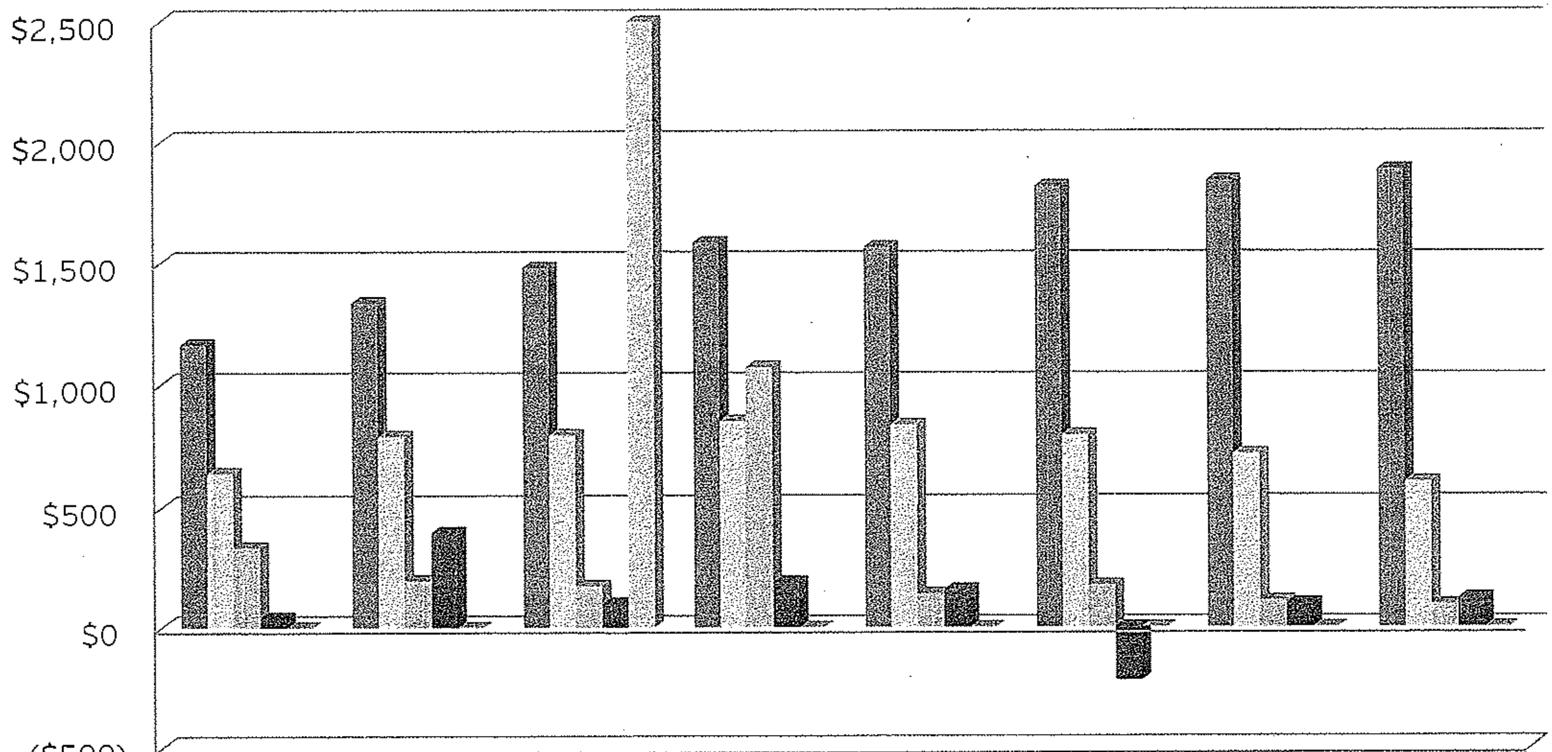
Appendix C - Financial Analysis

NJ Educational Facilities Authority

Analysis of Revenues (2003 - 2010) *(in thousands)*

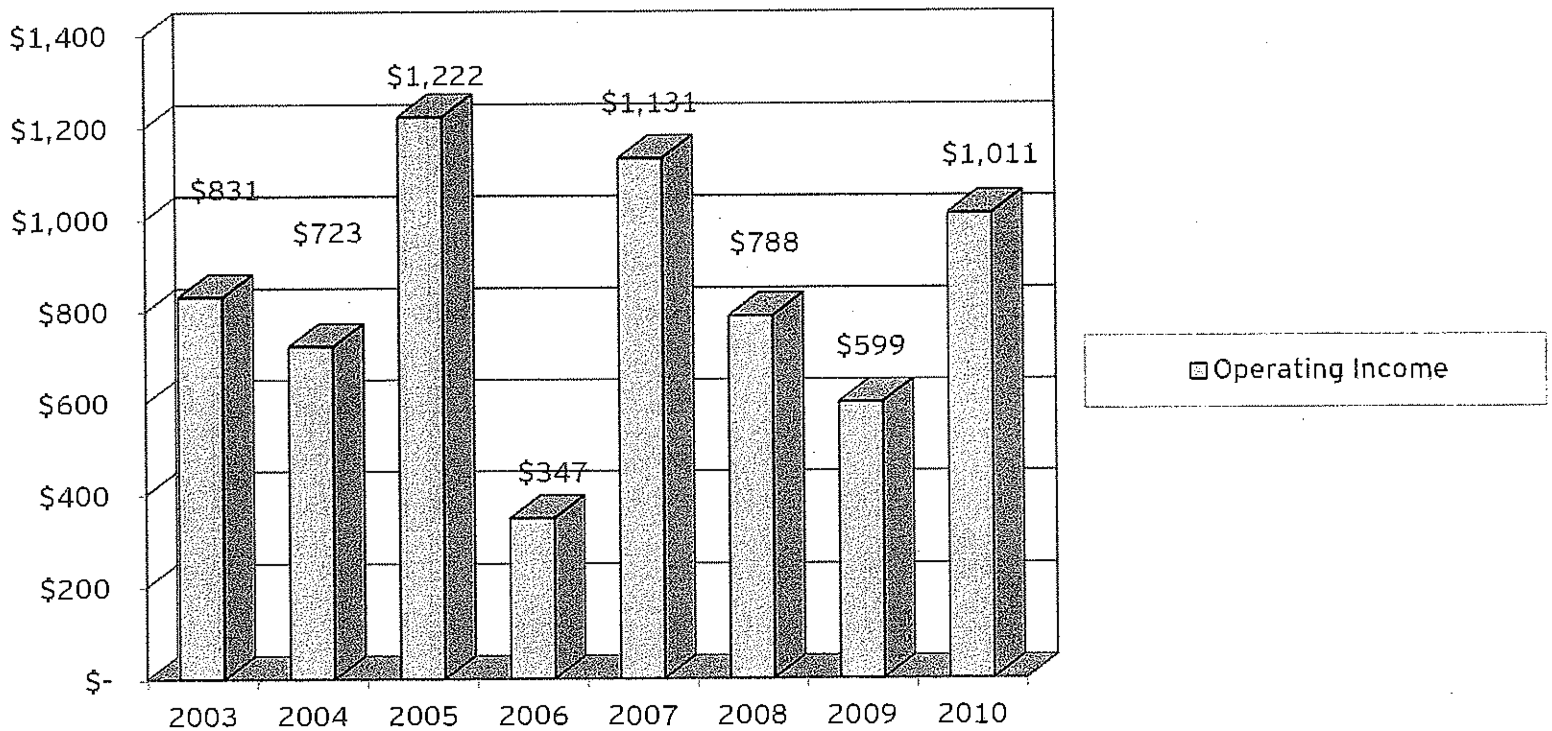


NJ Educational Facilities Authority
Operating Expenses (2003 - 2010) *(in thousands)*



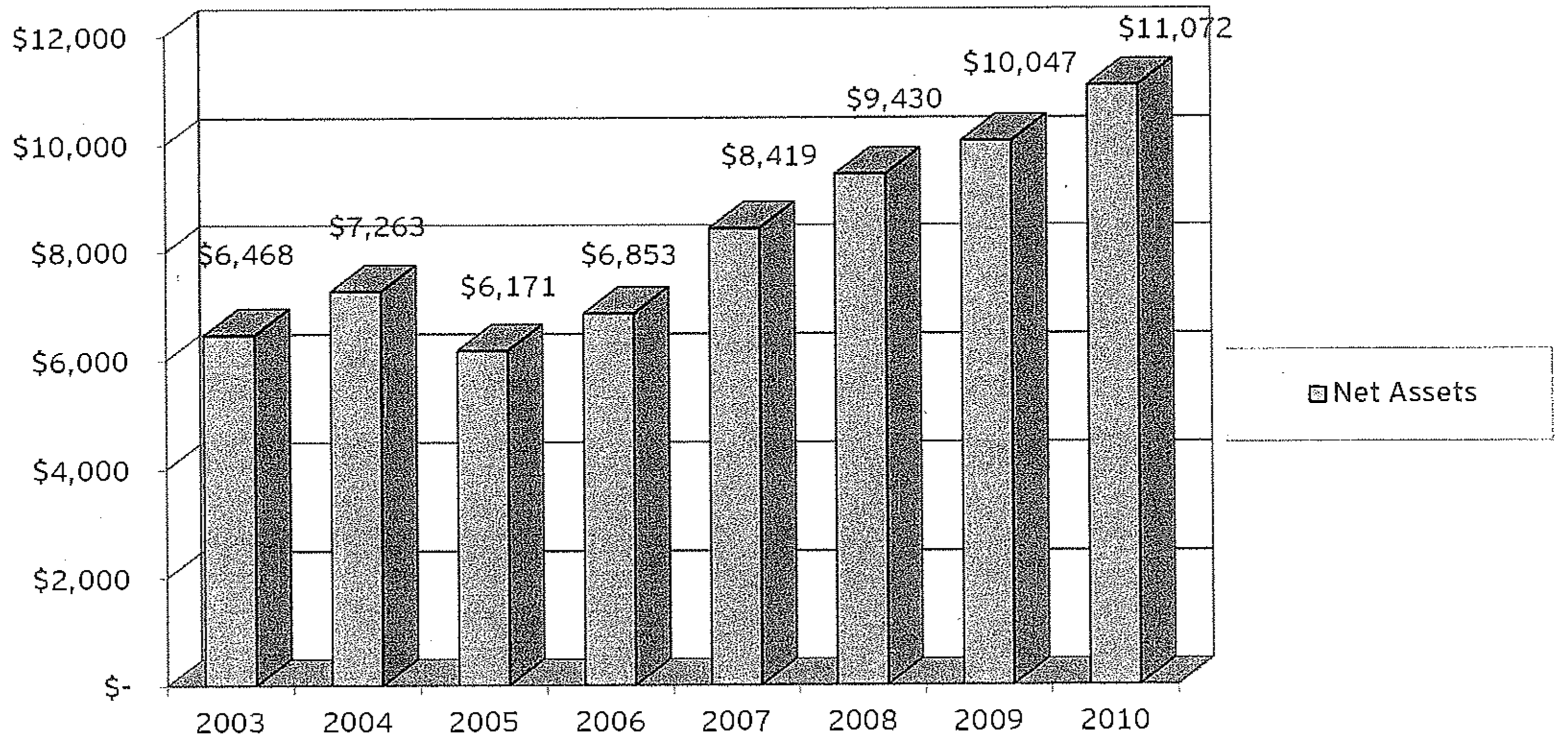
	2003	2004	2005	2006	2007	2008	2009	2010
Salaries and related	$1,164	$1,337	$1,480	$1,585	$1,565	$1,817	$1,840	$1,885
G&A	639	788	793	850	834	793	716	602
Professional fees	333	193	171	1,070	138	174	109	92
Provision for OPEB	40	395	97	186	156	-221	96	120
State of NJ Reimbursement	0	0	2,500	0	0	0	0	0

NJ Educational Facilities Authority
Operating Income by Year (2003 - 2010) *(in thousands)*



NJ Educational Facilities Authority

Net Assets Comparison by Year (2003 - 2010) *(in thousands)*



* Includes $5.5 million the Authority has designated as a reserve.

CHAPTER 107

AN ACT requiring State entities to examine the opportunity of minority and women-owned financial institutions to serve as senior managing underwriters for State debt transactions, imposing reporting requirements, and enabling the establishment of aspirational levels of utilization and relative compensation, supplementing chapter 32 of Title 52 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C.52:32-48 Qualified minority, women-owned financial institutions, service as senior managing underwriters, certain transactions; report; definitions.

1. a. For each State fiscal year commencing after the effective date of P.L.2010, c.107, a State entity which engages in debt transactions shall examine the opportunity of qualified minority and women-owned financial institutions to serve as senior managing underwriters for such transactions. The State entity shall report the findings of the examination to the State Treasurer, and to the Legislature upon the explicit request thereof.

b. The report required by subsection a. of this section shall include:

(1) the total number of the State entity's debt transactions in which qualified minority and women-owned financial institutions served as senior managing underwriters;

(2) the total number of qualified minority and women-owned financial institutions which sought unsuccessfully to serve as senior managing underwriters for the State entity's debt transactions;

(3) the total number of qualified minority and women-owned financial institutions available to serve as senior managing underwriters for the State entity's debt transactions;

(4) the total number of qualified minority and women-owned financial institutions available to serve as senior managing underwriters for the State entity's debt transactions whose primary trading, underwriting or investment banking activities were located within the State;

(5) the total number of State entity debt transactions in which a qualified minority and women-owned financial institution served as senior managing underwriters, relative to the total number of debt transactions undertaken by the State entity;

(6) the total value of the State entity's debt transactions in which a qualified minority and women-owned financial institution served as senior managing underwriters, relative to the total value of debt transactions undertaken by the State entity; and

(7) the total and per transaction value of the compensation provided to qualified minority and women-owned financial institutions who serve as senior managing underwriters for the State entity's debt transactions relative to the total and per transaction value of compensation provided to financial institutions, other than qualified minority and women-owned financial institutions, who serve as senior managing underwriters for the State entity's debt transactions.

c. A report owed pursuant to this section shall be due on the first business day after the January 1 immediately following the end of the State fiscal year for which the report is due. The State Treasurer shall determine uniform methods of data collection and reporting to effectuate this section. The State Treasurer may provide for a reporting method in which the requirements of subsection b. of this section are reported within categories defined by intervals of debt transaction valuations.

d. The State Treasurer may establish an aspirational level of utilization and relative compensation of qualified minority and women-owned financial institutions serving as senior managing underwriters in the State entity's debt transactions if such an aspirational level of utilization and relative compensation can be established in a manner consistent with the responsibility to seek out the most economically optimal arrangements available for debt transactions, in accordance with the requirement that all persons shall have the full and equal benefit of all laws, and in the presence of a gross statistical disparity in the utilization and relative compensation of qualified minority and women-owned financial institutions serving as senior managing underwriters for a State entity's debt transactions as evidenced in a report due under subsection a. of this section. An aspirational level of utilization and relative compensation shall not be construed as a mandated quota and shall not be enforceable, but shall be considered as a goal that the State entity is encouraged to achieve. The State Treasurer shall suspend an aspirational level of utilization and relative compensation upon finding the conditions which lead to its establishment are no longer present.

e. A State entity, having been assigned an aspirational level of utilization and relative compensation of minority and women-owned financial institutions serving as senior managing underwriters in the State entity's debt transactions, shall include in its report due under subsection a. of this section a listing of impediments to the utilization and comparable compensation of minority and women-owned financial institutions serving as senior managing underwriters for the State entity's debt transactions and proposals to enhance the utilization and compensation of qualified minority and women-owned financial institutions serving as senior managing underwriters for the State entity's debt transactions.

f. In the event the State Treasurer finds and certifies that impediments to the utilization and comparable compensation of minority and women-owned financial institutions continue to exist six months before the initial expiration date of P.L.2010, c.107, the State Treasurer shall report such findings to the Legislature in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1) within 60 days thereof and P.L.2010, c.107 shall not expire but shall remain in effect for another five years, or until the State Treasurer finds and certifies that the impediments to the utilization and comparable compensation of minority and women-owned financial institutions cease to exist, whichever occurs first. P.L.2010, c.107 shall expire upon the State Treasurer notifying the Legislature that the impediments cease to exist or that the five-year period has ended, whichever occurs first.

g. As used in this section:

"Debt transaction" means the creation or refinancing of a bond, note or other financial instrument for which repayment is due.

"Qualified minority and women-owned financial institution" means a financial institution qualified to engage in State entity debt transactions that has a valid certification as a "minority business" or a "women's business" pursuant to P.L.1986, c.195 (C.52:27H-21.17 et seq.).

"Senior managing underwriter" means the lead and book running manager of the syndicate of underwriters of the State's or State entity's debt transactions.

"State entity" means a State department or agency, board, commission, corporation or authority.

h. If any section, subsection, paragraph, sentence or other part of this act is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this act, but shall be confined in its effect to the section, subsection, paragraph, sentence or other part of this act directly involved in the controversy in which said judgment shall have been rendered.

2. This act shall take effect immediately and shall expire on the fifth anniversary of the effective date, except as provided for by subsection f. of section 1.

Approved January 4, 2011.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY DECLARING ITS OFFICIAL INTENT WITH RESPECT TO THE REIMBURSEMENT OF EXPENDITURES FOR PROJECT COSTS FROM PROCEEDS OF TAX-EXEMPT OBLIGATIONS

Adopted: April 26, 2011

WHEREAS, Thomas Edison State College (the "College") has advised the New Jersey Educational Facilities Authority (the "Authority") that the College intends to implement a project (the "Project") consisting of renovating Kuser Mansion located at 315 West State Street; and

WHEREAS, the College has advised that it intends to finance the Project through the issuance by the Authority of tax-exempt obligations (the "Tax-exempt Obligations") issued by the Authority and secured as to repayment by a Lease and Agreement between the Authority and the College (the "Agreement") in one or more series and in one or more transactions over the next three years, the proceeds of which will be loaned to the College;

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

WHEREAS, the College desires to preserve its right to treat an allocation of proceeds of the Tax-exempt Obligations to the reimbursement of Project Costs paid prior to the issuance of the Tax-exempt Obligations as an expenditure for such Project Costs to be reimbursed for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended ("Code").

NOW, THEREFORE, BE IT RESOLVED by the Members of the Authority as follows:

Section 1. The Authority reasonably expects the College to reimburse its expenditure of Project Costs paid prior to the issuance of the Tax-exempt Obligations with proceeds of the Tax-exempt Obligations.

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

Section 3. The maximum principal amount of Tax-exempt Obligations expected to be issued to finance the Projects is $4,000,000, which Tax-exempt Obligations may be issued in one or more series and in one or more transactions over the next three years.

Section 4. The Project Costs to be reimbursed with the proceeds of the Tax-exempt Obligations will be costs which satisfy the requirements of Section 150 of the Code for reimbursement.

Section 5. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147 of the Code. The proceeds of the Tax-exempt Obligations used to reimburse for Project Costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds," including "sinking funds," "pledged funds," or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations Section 1.148-1) of the Tax-exempt Obligations or another issue of debt obligations of the Authority, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations Section 1.148-1).

Section 6. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Tax-exempt Obligations is paid; or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations Section 1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

Section 7. This resolution will take effect immediately.

RESOLUTION AUTHORIZING THE FINANCING OF THE PURCHASE AND INSTALLATION OF EQUIPMENT FOR THOMAS EDISON STATE COLLEGE

Adopted: April 26, 2011

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

WHEREAS, the Authority has established a Lease Financing Program (the "Program") in order to finance the acquisition and/or installation of equipment for educational facilities; and

WHEREAS, by Resolution adopted on March 4, 2011, the Board of Trustees of Thomas Edison State College (the "College") has determined that it is necessary and advisable to undertake a project consisting of the replacement of the current shelving system on Level 1 of the State Library and the acquisition and installation of equipment, including certain technology hardware (the "Project"); and

WHEREAS, the College has requested the Authority to finance the Project and related financing costs through the Program; and

WHEREAS, in order to finance the Project and related financing costs through the Program it is necessary to distribute a Request for Proposals (the "RFP") to financial institutions to provide financing pursuant to the Program and to enter into a Master Equipment Lease and Sublease Agreement (the "Master Lease Agreement") by and among a lessor selected from among the firms which respond to the RFP (the "Lessor"), the Authority, as lessee (the "Lessee") and the College, as sublessee (the "Sub-Lessee") ; and

WHEREAS, it will also be necessary to enter into an Acquisition Fund and Account Control Agreement (the "Acquisition Fund Agreement") by and among the Lessor, the Lessee, the Sub-Lessee and a custodian to be provided by the Lessor (the "Custodian"); and

WHEREAS, the Attorney General distributed Requests for Proposal for Special Counsel services to the Authority's Bond Counsel Pool and received the following fee proposals:

Firm	Fee Proposal
DeCotiis, FitzPatrick & Cole, LLP	$16,500
Gibbons, PC	$10,000
Gluck Walrath, LLP	$12,500
Hawkins Delafield & Woods L.L.P.	$19,000
McCarter & English, LLP	$ 9,000
McManimon & Scotland, LLC	$25,000
Obermayer Rebmann Maxwell & Hippel LLP	$42,000
Windels Marx Lane & Mittendorff, LLP	$15,000

WHEREAS, on the basis of the foregoing fee proposals, the Attorney General has, in consultation with the Authority, designated the firm of McCarter & English, LLP to act as Special Counsel to the Authority in connection with the lease financing; and

WHEREAS, the Authority deems it necessary and in keeping with its purposes to authorize entry into the Master Lease Agreement and the Acquisition Fund Agreement and to authorize the issuance of the Authority's lease payment obligations pursuant to the Master Lease Agreement for the purpose of financing the Project and related costs of financing as tax-exempt obligations and to authorize certain actions and the execution and delivery of certain documents in connection therewith; and

WHEREAS, the College has advised that it may pay for certain costs of the Project (the "Project Costs") prior to the issuance of the Authority's obligations pursuant to the Master Lease Agreement with funds of the College which are not proceeds of tax-exempt lease obligations;

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

ARTICLE 1

AUTHORIZATION OF LEASE FINANCING; APPROVAL OF DOCUMENTS

1.1 Purpose of Lease Financing.

The Authority hereby declares the Project to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice-Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Secretary or any Assistant Secretary of the Authority, and/or any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer"), to execute and deliver all documents necessary to enable the Authority, as permitted by the Act, to finance, on behalf of the College, all or part of the costs of the Project and related financing costs.

1.2 Authorization of the Authority Obligations.

(a) The Authority hereby authorizes the issuance of the Authority's lease payment obligations (the "Authority's Obligations") pursuant to the Master Lease Agreement in the aggregate principal amount of not to exceed $948,000, in order to finance, on behalf of the College, all or part of the costs of the Project and related financing costs. The Authority's Obligations shall be designated as "New Jersey Educational Facilities Authority Lease Obligations, Thomas Edison State College Project, Series 2011 (Tax-Exempt) or such other alternative or additional designation as may be determined by an Authorized Officer of the Authority.

(b) The Authorized Officers are hereby authorized and directed to distribute and advertise the RFP in such form as an Authorized Officer, with the consent of the College, determines to be appropriate and advisable, distribution of the RFP to be conclusive evidence of the approval of the Authorized Officer distributing the same. The Authorized Officers are hereby authorized and directed to accept, with the agreement of the College, the proposal offering the lowest responsive cost Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority the Master Lease Agreement and the Acquisition Fund Agreement in such form as shall be approved by any Authorized Officer, with the advice of Special Counsel and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the issuance of the Authority Obligations pursuant to the Master Lease Agreement at the price or prices, payment terms, maturity and redemption provisions agreed upon; provided, however, that the interest rate on the Authority Obligations which are tax-exempt shall not exceed 7.00%, the term shall not exceed 15 years and no redemption premium shall exceed 5%. A copy of the Master Lease Agreement and the Acquisition Fund Agreement as executed shall be filed with the records of the Authority.

ARTICLE 2

MISCELLANEOUS

2.1 Acceptance of the Designation of Special Counsel by the Attorney General.

The Authority hereby acknowledges the designation by the Attorney General, in consultation with the Authority, of McCarter & English, LLP to act as Special Counsel to the Authority in connection with the lease financing.

2.2 Reimbursement.

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

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

(c) The maximum principal amount of Authority Obligations expected to be issued to finance the Project is $948,000 (including financing costs),

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

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

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

2.3 Incidental Action.

The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, agreements, directions and notices, and to take such other action as may be necessary or appropriate in order to: (i) effectuate the execution and delivery of the Master Lease Agreement, the Acquisition Fund Agreement and the issuance of the Authority Obligations; and (ii) maintain the tax-exempt status of the interest on the Authority Obligations, (including the preparation and filing of any information reports or other documents with respect to such lease obligations as may at any time be required under Section 149 of the Code, and any regulations thereunder).

2.4 Prior Actions Ratified.

All actions previously undertaken by the Authorized Officers in implementing the financing of the Project authorized by this Resolution are hereby ratified and confirmed.

2.5 Resolutions.

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

2.6 Effective Date.

This Resolution shall take effect in accordance with the Act.

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

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

Date: April 26, 2011

To: Members of the Authority

Issue: Seton Hall University, 2011 Series A

Amount: Not to Exceed $45,000,000

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

Security: General Obligation of the University

Structure: Fixed Rate, Negotiated Sale

Below please find the procurement procedures that were undertaken with respect to the various professional appointments in connection with the Seton Hall University transaction.

Bond Counsel

On March 11, 2011 the Attorney General's office circulated an RFP to 11 firms to provide bond counsel services. On March 16, 2011, 6 responses were received. The responsive firms and their respective fees are as follows:

Firm	Fees
Gluck Walrath LLP	**$30,000**
McManimon & Scotland, LLC	$34,000
Windels Marx Lane & Mittendorf, LLP	$40,000
Obermayer Rebmann Maxwell & Hippel LLP	$45,000
Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C.	$67,500
McCarter & English, LLP	$70,000

* A resolution accepting the designation of Gluck Walrath LLP as bond counsel was approved at the March 22, 2011 board meeting.

Senior Managing Underwriter

On March 9, 2011, the Authority circulated an RFP to the 14 firms that are members of the Authority's pool of senior managing underwriters. On March 16, 2011, 11 responses were received. The responsive firms and their respective scores are as follows:

Firm	Evaluator #1	Evaluator #2	Evaluator #3	Total	Fee
JP Morgan	93.5	92	94.5	**280**	3.94
Wells Fargo	97.5	88.5	93.5	279.5	3.97
Bank of America Merrill Lynch	92	88	93	273	4.01
Citigroup	85.5	88	88	261.5	4.04
Ramirez	84.5	83.5	87	255	4.55
Morgan Stanley	81.5	80	85.5	247	4.65
Goldman Sachs	76	74	86.5	236.5	4.86
PNC	76	66.5	79	221.5	5.20
Barclays	73	73	73.5	219.5	5.22
RBC	68	70.5	72	210.5	5.24
Jefferies	53.5	46.5	60.5	160.5	6.51

Co-Senior Manager

In an effort to increase distribution of the bonds and pursuant to Section 5(h) of the attached resolution, the Executive Director hereby recommends the appointment of Ramirez & Co., Inc. as co-senior manager for this transaction.

Co-Managing Underwriter

On March 25, 2011, the Authority circulated an RFP to the 14 firms that are members of the Authority's pool of co-managing underwriters. On April 1, 2011, 7 responses were received. The responsive firms and their respective scores are as follows:

Firm	Score
Roosevelt & Cross	**$70,272,055**
Raymond James	$23,310,000
NW Capital	$20,471,435
Jackson Securities	$2,211,000
Rice Financial	$0
Lebenthal	Non-Responsive
Piper Jaffray	Non-Responsive

Financial Advisor

On March 21, 2011, the Authority circulated an RFP to 59 financial advisory firms and posted the RFP on the Authority's and the State of New Jersey's websites. On March 28, 2011, 7 responses were received. The responsive firms and their respective scores are as follows:

Firm	Evaluator #1	Evaluator #2	Evaluator #3	Total	Fee
Acacia	**83**	**80.5**	**80.5**	**244**	**$17,300**
Prager Sealy	73.5	82.5	84.5	240.5	**$16,000**
Phoenix	75.5	73	70	218.5	**$18,500**
PFM	76.5	66	68	210.5	**$21,000**
NW Financial	69	66	66.5	201.5	**$10,000**
Scott Balice	54	39.5	59.5	153	**$20,833**
First Southwest	50	48	52	150	**$22,600**

Verification Agent

On March 25, 2011, the Authority circulated an RFP to 4 firms that regularly perform verification agent services and posted the RFP on the Authority's and the State of New Jersey's websites. On April 1, 2011, 3 responses were received. The responsive firms and their respective fees are as follows:

Firm	Fees
Causey Demgen & Moore, Inc.	**$2,090**
BondResource Partners, LP	$2,300
Mercadien, P.C.	$3,000

Trustee

On March 16, 2011, the Authority circulated an RFP to the 3 firms that are members of the Authority's pool of trustees. On March 21, 2011, 3 responses were received. The responsive firms and their respective fees are as follows:

Firm	Fees
U.S. Bank, National Association	**$350**
The Bank of New York Mellon	$500
TD Bank, National Association	$6,000

Escrow Agent

The escrow agent for this transaction is The Bank of New York Mellon. The escrow agent is the original trustee on the bonds being refunded and is not subject to an RFP process.

BOND RESOLUTION AUTHORIZING SETON HALL UNIVERSITY BONDS

Adopted: April 26, 2011

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

WHEREAS, Seton Hall University ("Seton Hall") has determined to undertake a project (the "Refunding Project") consisting of: (i) the current refunding of bonds issued by the Authority, including, but not limited to, all or a portion of the Authority's outstanding $23,270,000 Seton Hall University Project Revenue Refunding Bonds, 1999 Series, $5,180,000 Seton Hall University Project Revenue Bonds, 2001 Refunding Series A, $5,275,000 Seton Hall University Project Revenue Bonds, 2001 Refunding Series B, and $8,740,000 Seton Hall University Project Revenue Bonds, 2001 Series, Project G (collectively, the "Bonds to be Refunded") and (ii) the payment of costs of issuance of the Bonds (as hereinafter defined) as presented, submitted and approved by Seton Hall's Board of Trustees; and

WHEREAS, the Authority, has determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A" or such other designation as may be determined by the Authority (the "Bonds") for the purpose of providing funds to finance the Refunding Project; and

WHEREAS, the repayment of the Bonds will be secured by a Loan Agreement between the Authority and Seton Hall (the "Agreement") and a Mortgage and Security Agreement between Seton Hall and the Authority (the "Mortgage"); and

WHEREAS, the Bonds are payable solely from Revenues (as defined in the Trust Indenture by and between the Authority and U.S. Bank National Association as trustee (the "Indenture")) other than Additional Loan Payments (as defined in the Agreement), and from amounts on deposit in certain funds under the Indenture; and

WHEREAS, the obligation of Seton Hall to make the payments required under the Agreement for the payment of debt service on the Bonds constitutes a general obligation of Seton Hall; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS, AS FOLLOWS:

1. Purpose of Issuance of the Bonds.

The Authority hereby declares the Refunding Project to be an authorized undertaking of the Authority.

2. Authorization of Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds in an aggregate principal amount not to exceed of $45,000,000 in order to finance, on behalf of Seton Hall, the costs of the Refunding Project, in whole or in part.

(b) The Bonds shall be issued in fully registered form, shall be in the denominations, and shall be numbered as shall be provided in the Indenture. The Bonds shall be dated, bear interest, mature and be executed and authenticated as shall be set forth in the Indenture; provided, however, that the final maturity date of the Bonds will be no later than July 1, 2041. The Bonds shall bear interest at a fixed rate or rates as described in the Indenture, with a true interest cost not to exceed 7.00% per annum. The Bonds shall be subject to redemption as provided in the Indenture; provided, however, that the redemption premium on the Bonds, if any, shall not exceed 5.0%.

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

(d) The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director and its official common seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary, any Assistant Secretary, Executive Director or Deputy Executive Director (provided the same has not executed such Bond).

(e) Following the execution of the Bonds, any Authorized Officer is hereby authorized to deliver the Bonds to the Trustee for authentication and, after authentication, to deliver the Bonds to the Underwriter (as hereinafter defined) or its agent against receipt of the purchase price or unpaid balance thereof.

(f) The Authority hereby finds and determines that the issuance of the Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26 (Whitman 1994), namely, volatile market conditions and a complex credit, and a competitive sale of the Bonds is not in the best interest of the Authority and Seton Hall.

3. Approval of Documents.

The forms of the following documents presented to the meeting at which this Resolution is adopted, with such changes advised by GluckWalrath LLP, as bond counsel or the Attorney General of the State, are hereby approved. The Authority hereby authorizes and directs the Chair, Vice-Chair, Treasurer, Executive Director, Deputy Executive Director, Project Manager, Secretary, any Assistant Secretary and any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer") to execute, acknowledge and deliver and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority, if applicable, to any of the following documents:

(a) Indenture;

(b) Agreement;

(c) Mortgage;

(d) Letter of Instructions (the "Letter of Instructions") to, or Escrow Deposit Agreement (the "Escrow Deposit Agreement") by and between the Authority and, The Bank of New York Mellon, as trustee for the Bonds to be Refunded; and

(e) Bond Purchase Agreement (the "Bond Purchase Agreement") by and between the Authority and senior managing underwriter, on behalf of itself and the other underwriter(s) (collectively, the "Underwriter").

4. Approval of Preliminary Official Statement and Official Statement.

The preparation publication and distribution by the Underwriter of a Preliminary Official Statement (the "Preliminary Official Statement") relating to the Bonds (in substantially the form presented to the Authority at the time of adoption hereof, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, ratified and confirmed. The preparation and distribution by the Underwriter of a final Official Statement (the "Official Statement") for the Bonds (in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, and any Authorized Officer is hereby authorized to sign and deliver to the Underwriter the Official Statement in final form acceptable to such Authorized Officer, Any Authorized Officer is hereby authorized, with the advice of Bond Counsel and the Attorney General of the State, 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.

5. Appointments.

(a) J.P. Morgan Securities LLC, is hereby appointed as the book running senior managing underwriter in connection with the refunding of all or any portion of the Bonds to be Refunded pursuant to the terms of the Contract of Purchase.

(b) Ramirez & Co., Inc. is hereby appointed as the co-senior managing underwriter in connection with the refunding of all or any portion of the Bonds to be Refunded pursuant to the terms of the Contract of Purchase

(c) Roosevelt & Cross, Inc. is hereby appointed as the co-manager in connection with the refunding of all or any portion of the Bonds to be Refunded.

(d) The Bank of New York Mellon is hereby appointed as the escrow agent (the "Escrow Agent") under the Escrow Deposit Agreement, if necessary. The Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the Escrow Deposit Agreement by the Escrow Agent's execution thereof.

(e) Causey Demgen & Moore, Inc. is hereby appointed to act as verification agent, if necessary, in connection with the refunding of all or any portion of the Bonds to be Refunded pursuant to the terms of the Escrow Deposit Agreement.

(f) Acacia Financial Group, Inc. is hereby appointed as the financial advisor to the Authority in connection with the Bonds.

(g) U.S. Bank National Association is hereby appointed as the Trustee under the Indenture. The Trustee's acceptance of the duties and obligations imposed upon it by the Indenture shall be evidenced by the execution of the Indenture by the Trustee.

(h) The Chair, the Vice-Chair, and/or the Executive Director are hereby authorized to appoint any additional underwriters to purchase the Bonds as members of an underwriting syndicate headed by the Underwriter.

(i) The maximum underwriters discount will be $4.50 per bond.

6. Incidental Action.

(a) The Authorized Officers are hereby authorized to refund, and to call for redemption (as applicable), the Bonds to be Refunded selected by Seton Hall, in consultation with the Authority and its financial advisors; and

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

7. Prior Resolutions.

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

8. Effective Date.

This Resolution shall take effect in accordance with the Act.

RESOLUTION ACKNOWLEDGING THE DESIGNATION OF BOND COUNSEL BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY IN CONSULTATION WITH THE AUTHORITY IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE AUTHORITY ON BEHALF OF PRINCETON UNIVERSITY

ADOPTED APRIL 26, 2011

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

WHEREAS, Princeton University (the "University") has requested that the Authority begin the process of procuring professionals in connection with the issuance of bonds to finance various capital improvements on the University's campus (the "Financing"); and

WHEREAS, the Attorney General distributed a Request for Proposals for Bond Counsel Services dated April 4, 2011 to eleven (11) firms; and

WHEREAS, the Attorney General received responses from eight (8) firms on April 8, 2011; and

WHEREAS, the responsive firms and their respective fees are as follows:

Firm	**Fees**
Hawkins Delafield & Wood LLP	$32,500
DeCotiis, FitzPatrick & Cole, LLP	$35,000
McManimon & Scotland, LLC	$38,000
Gibbons, PC	$40,000
Gluck Walrath LLP	$40,000
McCarter & English, LLP	$44,500
Obermayer Rebmann Maxwell & Hippel LLP	$73,000
Windels Marx Lane & Mittendorf, LLP	$75,000

WHEREAS, the Attorney General has, on the basis of a competitive process in consultation with the Authority, designated the firm of ___________ to act as Bond Counsel to the Authority in connection with the Financing;

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

1. **Acknowledgment of the Designation of Bond Counsel by the Attorney General.** The Authority hereby acknowledges the designation by the Attorney General in consultation with the Authority of __________ to act as Bond Counsel to the Authority in connection with the Financing.

2. **Authorization of Action.** The Chair, Vice-Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Project Manager, Secretary or any Assistant Secretary of the Authority, and/or any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer"), is authorized to take any and all action necessary or appropriate to implement this Resolution.

3. **Effective Date.** This Resolution shall take effect in accordance with the Act.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORING ENTRY INTO AN AGREEMENT FOR PROVISION OF SOLAR ENERGY SERVICES AT THE RICHARD STOCKTON COLLEGE OF NEW JERSEY

April 26, 2011

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

WHEREAS, as authorized 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 (collectively, the "Leases"); and

WHEREAS, the College wishes to provide electricity for the North Residential Complex through solar power pursuant to a Power Purchase Agreement pursuant to which energy services will be provided by Soltage Stockton, LLC (the "Provider"); and

WHEREAS, in order to provide such energy services it is necessary for the Provider to construct and install solar power facilities and related equipment (the "Plant") in and on the North Residential Complex; and

WHEREAS, the College has requested the Authority, as owner and lessor of the North Residential Complex to consent to and enter into the Power Purchase Agreement and to grant the Provider right to enter the North Residential Complex for the purpose of constructing, installing, operating, maintaining, repairing and replacing, from time to time, the Plant by consenting to entry by the College into a Sub-Lease and Access Agreement (the "Sub-Lease") with the Provider during the term of the Power Purchase Agreement; and

WHEREAS, the College has advised the Authority that utilization of solar energy pursuant to the Power Purchase Agreement is expected to result in a reduction of operating costs for the College; and

WHEREAS, the Authority has determined that it is advisable to enter into the Power Purchase Agreement and to consent to the Sub-Lease to grant the Provider the right of access and to enter the North Residential Complex in order to construct, install, operate and maintain the Plant.

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

Section 1. Approval of Power Purchase Agreement and Sub-Lease.

The Authority hereby approves the Power Purchase Agreement and the Sub-Lease substantially in the respective forms available to the Members of the Authority at this meeting and hereby authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Director of Risk Management, Secretary or any Assistant Secretary of the Authority (each an "Authorized Officer") to execute and deliver the Power Purchase Agreement and to acknowledge and consent to the Sub-Lease with such changes as shall be approved by an Authorized Officer with the advice of bond counsel, if necessary, and the Attorney General of the State, such execution and delivery to be deemed conclusive evidence of the approval thereof.

Section 2. Prior Actions Ratified; All Other Necessary Action Authorized.

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 are hereby ratified and confirmed. The Authorized Officers, are each hereby authorized and directed to undertake any and all actions necessary to effect execution, delivery and performance of the Power Purchase Agreement and the Sub-Lease and to execute and deliver any other consents, agreements, documents, certificates, directions, amendments and notices as may be necessary, advisable, or appropriate to effect action and the taking of any such action, and the execution and delivery of each such consent, agreement, documents, certificates, directions and notices shall be conclusive evidence of the approval thereof by the Authorized Officer taking such action and of its necessity, advisability or appropriateness.

Section 3. Effective Date.

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

American Recovery and Reinvestment Act (ARRA)

The New Jersey State Energy Program – The New Jersey Board of Public Utilities

Grant Assigned to The Richard Stockton College of New Jersey (RSC)

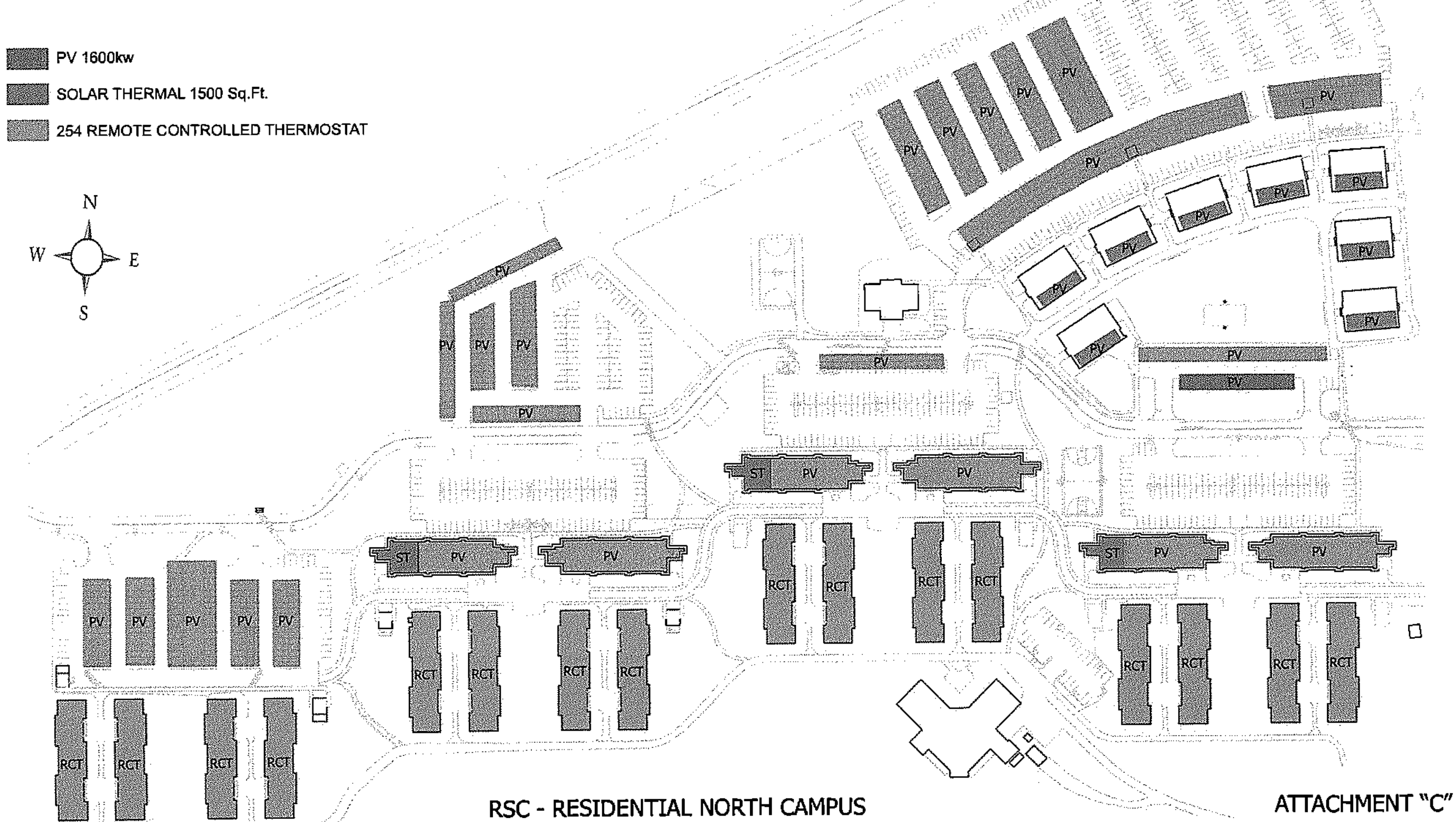
Solar Photovoltaic, Solar Thermal and Demand Side Management at Stockton's North Residential Complex (Housing 1, 4 and 5)

Project Description: Stockton was awarded a grant of $3,464,599. Of this, $3,191.000 will be paid to a competitively selected energy services provider working under the provisions of a Power Purchase Agreement and Lease (to both of which NJ EFA is a party) and a Construction Services Contract (between RSC and the provider). Stockton agrees to buy all the generated electricity at a fixed rate for fifteen years. In addition to building, owning and operating the solar array, the provider will complete two smaller projects (solar thermal hot water heating and installation of remote controlled thermostats) which will become the property and responsibility of the College after being commissioned. The provider will own the photovoltaic Solar Renewable Energy Credits (S-RECs). The College will enter into interconnection and net metering agreements with the local utility (Atlantic City Electric).

Project elements with estimated annual savings:

Solar photovoltaic arrays, 1600 KW minimum	2,000,000 KWH	$255,000
(LED lighting up-grade, parking lots	35,650 KWH	$4,545)
Solar thermal hot water heating	10,287 therms	$14,916
Remote HVAC controls	98,125 KWH	$12,511

Stockton's experience: In 2009, 1,175 KW of solar generating capacity was installed pursuant to a Power Purchase Agreement. (Lighting in the Multi Purpose Recreation Center basketball arena was also retrofitted for increased energy efficiency at no cost to the College.) The College buys all the electricity generated, which covers a substantial portion of that used at Housing 2 & 3 and the MPRC.)



RSC - RESIDENTIAL NORTH CAMPUS

ATTACHMENT "C"

FACILITIES AND PLANT OPERATIONS
THE RICHARD STOCKTON COLLEGE OF NEW JERSEY
"Support and service, built on innovation"
NEW JERSEY'S GREEN COLLEGE
PO BOX 483
POMONA, NEW JERSEY 08240
PHONE:609.652.4281 FAX:609.748.6216

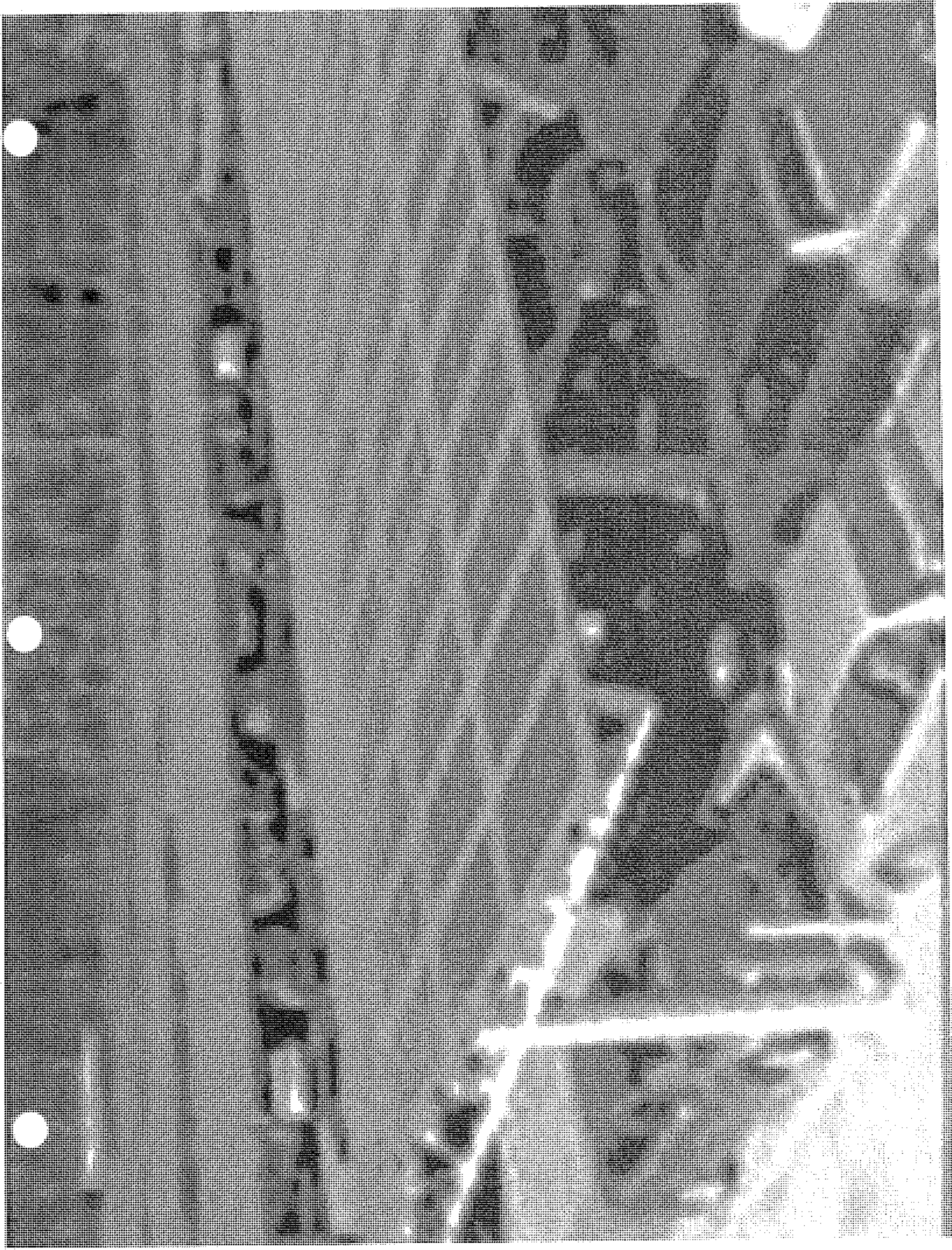
PROPOSED LOCATION FOR ARRA GRANT
SOLAR THERMAL, DEMAND SIDE MANAGEMENT &
PHOTOVOLTAIC INSTALLTION

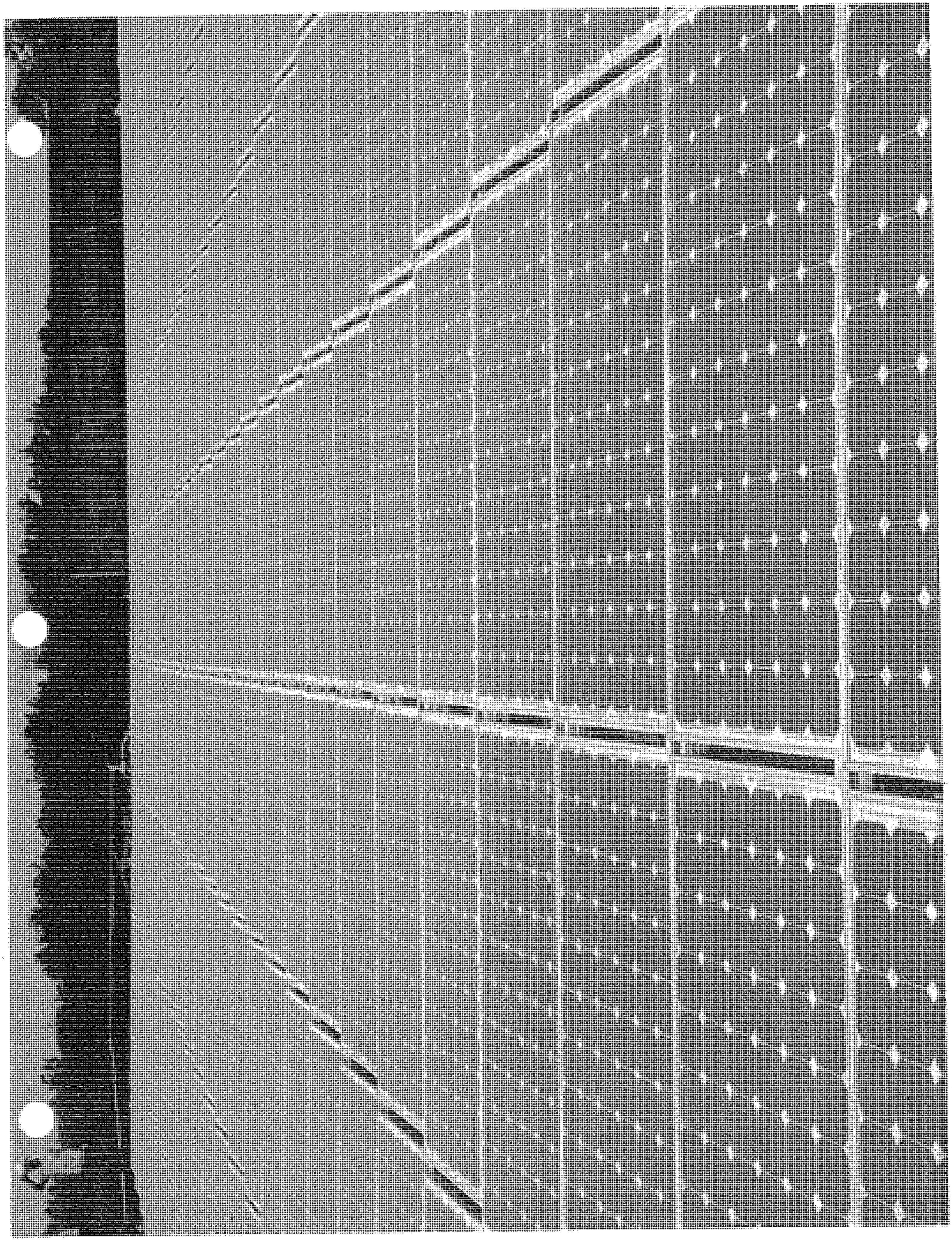
REV. DATE	REV. NO.	DESCRIPTION	BY	APP'D
10/27/10	1	Document Title Change	RaH	
11/05/10	2	Document Title Change	RaH	

DATE	10/27/10
SCALE	NONE
DRAWN BY	RaH
CHECKED	HC
APPROVED	HC

This map shows the proposed construction to be supported by the ARRA grant assigned to Stockton College by the NJ Board of Public Utilities in October of 2010.

The blue areas are parking lot sections and roof tops where solar photovoltaic panels will be installed. The green areas are roof top solar thermal installations. Each pair of buildings has a common hot water system, so all the residents of Housing 5 (our newest residential complex) will be served by solar hot water supplemented by the existing gas hot water heaters. The red areas are Housing 1, the College's oldest apartments (250 units). They will be retrofitted with remote controlled thermostats to allow demand management when the units are unoccupied.





RESOLUTION AUTHORIZING THE AMENDMENT AND RESTATEMENT OF A REVENUE BOND, DREW UNIVERSITY ISSUE, 2008 SERIES I, IN THE ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED $40,000,000 OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED BOND AND RELATED INSTRUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

ADOPTED: APRIL 26, 2011

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority") is a body corporate and politic with corporate succession, constituting a political subdivision of the State of New Jersey (the "State"), created and established by the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the "Act"); and

WHEREAS, Drew University (the "University") is a nonprofit corporation organized under the laws of the State; and

WHEREAS, the Act provides that the Authority shall have the power to borrow money and issue its bonds and to provide for the rights of the holders of its bonds; and

WHEREAS, in order to finance certain capital improvements to the Borrower's campus facilities in the municipality of Madison, County of Morris, in the State (the "Project") and to pay certain costs of issuance in connection with the Original Bond (hereinafter defined), the Authority, in furtherance of the purposes of the Act, issued its Revenue Bond, Drew University Issue, 2008 Series I, in a principal amount not to exceed $40,000,000 (the "Original Bond") and secured the Bond by a pledge of moneys to be received by the Authority and the assignment of certain rights of the Authority with respect to the Project, which pledge and assignment further secure the payment of the principal of and interest on the Original Bond; and

WHEREAS, the Authority applied the proceeds of the Original Bond to make a loan to the University to assist in the financing of the Project in accordance with the Bond Agreement by and among the Authority, TD Bank, N.A. (the "Purchaser") and the University dated June 26, 2008 (the "Bond Agreement") providing, in part, for payments by the University sufficient to meet installments of interest and principal on the Original Bond; and

WHEREAS, the Purchaser is the holder of the Original Bond; and

WHEREAS, the Borrower and the Purchaser have agreed to amend the interest rate applicable to certain advances of principal of the Original Bond from (a) 74% of the sum of: 30 day LIBOR plus .85% to (b) 69% of the sum of: 30 day LIBOR plus 1.75%, multiplied by .45%, and to make certain other changes associated therewith.

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

Section 1. The Original Bond of the Authority is hereby authorized to be amended and restated to provide for a change in the interest rate thereon, as aforesaid and as more fully set forth in a form of the amended and restated Bond presented to the members of the Authority herewith in substantially final form (the "Amended Bond"). Such form of Amended Bond is hereby approved.

Section 2. The Amended Bond shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director (the "Authorized Officers") 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, Executive Director or Deputy Executive Director (provided the same has not executed such Bond).

Section 3. The Authorized Officers are hereby designated to be the authorized representatives of the Authority, charged by this resolution with the responsibility for executing the Amended Bond, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution and the amendment and restatement of the Original Bond.

Section 4. In case any one or more of the provisions of this resolution, the Bond Agreement or the Amended Bond issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution or the Bond Agreement and the Amended Bond shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 5. All prior resolutions of the Authority or portions thereof inconsistent herewith are hereby repealed.

Section 6. This resolution shall take effect in accordance with the Act.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING SIGNING OF BOND DOCUMENTS

Adopted: April 26, 2011

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

WHEREAS: In connection with issuing and selling bonds of the Authority, it is necessary for certain officers and staff of the Authority to sign documents relating to the bonds; and

WHEREAS: In resolutions authorizing the issuance of such bonds, the Members of the Authority authorize and direct the Chair, Vice-Chair, Secretary, Executive Director, Deputy Executive Director, Director of Project Management and the Assistant Secretaries of the Authority (the "Designated Authorized Officers") to execute and deliver necessary and appropriate bond documents; and

WHEREAS: The positions of Director of Project Management and Deputy Executive Director are currently vacant; and

WHEREAS: In the absence of a Director of Project Management and Deputy Executive Director, it is possible that the other Designated Authorized Officers may be required to recuse themselves or otherwise be unavailable to execute and deliver necessary documents in connection with the issuance and sale of bonds; and

WHEREAS: The staff of the Authority recommends that the Authority's Project Manager, Jennifer Soyka, be authorized to execute and deliver documents in situations where the other Designated Authorized Officers are unable or unavailable to do so; and

WHEREAS: The Members of the Authority have determined that it is necessary, advisable and appropriate to authorize Jennifer Soyka to execute and deliver documents under such circumstances;

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

SECTION 1. The Authority's Project Manager, Jennifer Soyka, is hereby authorized to execute and delivery bond documents including the bonds in connection with the sale and issuance of bonds as if she were expressly included in the list of Designated Authorized Officers in the resolution authorizing the sale and issuance of the applicable series of bonds in the event that other Designated Authorized Officers must recuse themselves or are unavailable to execute and deliver such documents.

SECTION 2. This Resolution shall take effect in accordance with the Act and shall remain in effect until the position of Director of Project Management or the position of Deputy Executive Director is filled.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPROVING THE APPOINTMENT OF A FINANCIAL PRINTER

Adopted: April 26, 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 is 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 policies and procedures of the Authority with regard to the selection of professionals are governed, inter alia, by Executive Order No. 26 (Whitman) ("EO 26") which took effect on January 1, 1995 and which supersedes Executive Orders No. 79 and 92 and Executive Order No. 37 (Corzine) ("EO 37") which took effect on November 25, 2006; and

WHEREAS: The Authority previously retained ImageMaster, Inc. ("ImageMaster") to provide financial printing services; and

WHEREAS: The Authority's contract with ImageMaster for such services has expired; and

WHEREAS: The staff of the Authority distributed a Request for Proposals for Financial Printing services dated March 14, 2011 (the "RFP") to seventeen (17) firms and posted the RFP on the Authority's and the State of New Jersey's websites; and

WHEREAS: The Authority received responses from nine (9) firms (the "Responses"); and

WHEREAS: The Authority formed an Evaluation Committee consisting of the Authority's Executive Director, Project Manager and Project / Communications Assistant in accordance with Paragraph 13 of EO 37; and

WHEREAS: The Evaluation Committee reviewed the Responses on the basis of factors outlined in EO 26 and EO 37, including qualifications and experience, expertise, price, references and geographic location; and

WHEREAS: The responsive firms and their respective scores and fees are as follows:

Firm	Score	Fee*
Wold Financial Printing	99	$1,500
Munideals	90	$1,500
McElwee & Quinn, LLC	71	$1,980
Pitney Bowes	58	$1,358
Universal Printing Company	30	$2,160
ImageMaster, Inc.	29	$2,100
Command Financial Press	14	$3,386
Servco	14	$3,625
Bowne & Co.	12	$6,636

* Fee based on scenario requested in RFP of 200 Preliminary Official Statements at 100 pages per book and 200 Official Statements at 100 pages per book, including charges for electronic distribution and perfect bound.

WHEREAS: The Evaluation Committee recommends the appointment of Wold Financial Printing for a period of two (2) years commencing on the effective date of this Resolution, unless terminated earlier in the sole discretion of the Authority; and

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

SECTION 1. The Authority hereby authorizes the engagement of Wold Financial Printing to serve as the Authority's Financial Printer for a period of two (2) years commencing on the effective date of this Resolution subject to the terms and conditions set forth in this Resolution, the RFP and the Firm's Response, unless terminated earlier in the sole discretion of the Authority.

SECTION 2. The Authority hereby authorizes the Executive Director or the Director of Project Management to take and do any and all acts and things as may be necessary or desirable in connection with the engagement of Wold Financial Printing as the Financial Printer of the Authority..

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

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

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

JIM POOLE
Executive Director

Date: April 26, 2011

To: Members of the Authority

Re: Appointment of Arbitrage Compliance RFP Results

On March 11, 2011 Authority staff circulated an RFP to each of the thirty-three Arbitrage Compliance firms listed in *The Bond Buyer's Municipal Marketplace Directory 2010* and posted the RFP on the websites of the Authority and the State of New Jersey. On March 28, 2011, seven proposals were received as follows:

Firm	**Report Fee First Year/Subsequent Year**
Hawkins, Delafield & Wood	$1,250/$1,250*
Onmicap/Nixon Peabody	$1,500/$1,250
BLX Group	$1,600/$1,400*
PFM	$1,750/$1,750*
Avant	$2,500/$2,500
Arbitrage Compliance Specialists	Nonresponsive
Ehlers	Nonresponsive

*Indicates that additional charges may be applied for issue complexities.

Of the five responses, the first three listed above offered similar pricing and quality. Staff recommends using all three firms. It is anticipated that Hawkins, Delafield & Wood and BLX Group continue preparing reports for issues previously calculated by those firms. The benefits to this are that continuity in preparation of reports is preferred in the event of an IRS audit, the firm does not have to provide permission to a successor firm to receive prior reports and the firm has already obtained all pertinent information and documentation related to the issue both from the trustee and from the Authority.

APPOINTMENT OF ARBITRAGE COMPLIANCE FIRMS
APRIL 26, 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 policies and procedures of the Authority with regard to the selection of professionals are governed, inter alia, by Executive Order No. 26 (Whitman 1994) ("EO 26") which took effect on January 1, 1995 and which supersedes Executive Orders No. 79 and 92 and Executive Order No. 37 (Corzine 2006) ("EO 37") which took effect on November 25, 2006; and

WHEREAS: The Authority determined that it should retain the services of one or more arbitrage compliance servicers during the two-year period beginning July 1, 2011 and ending June 30, 2013; and

WHEREAS: The staff of the Authority distributed the Request for Proposals for Arbitrage Compliance Services dated March 11, 2011 (the "RFP") to each of the thirty-three Arbitrage Compliance firms listed in *The Bond Buyer's Municipal Marketplace Directory 2010* and posted the RFP on the web sites of the Authority and the State of New Jersey; and

WHEREAS: The Authority formed an Evaluation Committee consisting of the Authority's Controller and Senior Accountant; and

WHEREAS: The Authority received proposals from seven firms, two of which were non-responsive and five of which were responsive to the RFP (the "Responses"); and

WHEREAS: The Evaluation Committee reviewed the Responses and evaluated the Responses based on the factors outlined in EO 37 including qualifications and experience, expertise, price, quality of reports and the proposed approach to the services described in the RFP and references; and

WHEREAS: On the basis of the factors outlined in EO 37, the Evaluation Committee determined, in accordance with EO 37, that it would be in the best interests of the Authority to select Hawkins, Delafield & Wood, Omnicap/Nixon Peabody and BLX Group (the "Firms") to provide arbitrage compliance services;

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

SECTION 1. The Authority hereby authorizes the engagement of the Firms to provide arbitrage compliance services subject to the terms and conditions set forth in this Resolution, for a term of two years with the option to extend for one additional periods of one year in the sole discretion of the Authority's Members.

SECTION 2. The Authority hereby authorizes the Executive Director or the Controller and any of such officers designated as "acting" or "interim" to take and do any and all acts and things as may be necessary or desirable in connection with engagement of the Firms to provide arbitrage compliance services to the to the Authority.

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2011 BUDGET VARIANCE ANALYSIS
FOR THREE MONTHS ENDED MARCH 31, 2011

Executive Summary

The NJEFA concluded the first three months of 2011 with net operating income in the amount of $58,661, based on revenues of $859,473 and expenses of $800,812. As a result, net operating income is higher than budgeted by $44,605. This difference is a result of less than budgeted expenses in the amount of $107,029 partially offset by less than expected revenues in the amount of $62,424.

Revenues

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

Expenses

Operating expenditures for the first three months of the year were favorable as compared to budget by $107,029. Most of the line items display positive deviations and are primarily the result of timing.

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

	Month Ended March 31, 2011			Three Months Ended March 31, 2011		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenues						
Annual Administrative Fees	$279,924	$279,924	$ -	$ 839,772	$ 839,772	$ -
Initial Fees	-	26,250	(26,250)	15,000	78,750	(63,750)
Investment Income	1,089	1,125	(36)	4,701	3,375	1,326
	$ 281,013	$ 307,299	$ (26,286)	$ 859,473	$ 921,897	$ (62,424)
Operating Expenses						
Salaries	$ 93,884	$ 112,464	$ 18,580	$ 302,554	$ 335,032	$ 32,478
Employee Benefits	179,869	182,660	2,791	242,550	250,586	8,036
Provision for Post Ret. Health Benefits	12,500	12,500		37,500	37,500	-
Office of The Governor	1,500	1,500	-	4,500	4,500	-
Office of The Attorney General	4,667	4,667	-	14,001	14,001	-
Sponsored Programs	-	1,250	1,250	-	3,750	3,750
Telephone	1,668	2,208	540	3,297	6,624	3,327
Gasoline & Auto Maintenance	72	1,555	1,483	646	3,510	2,864
Rent	18,185	19,667	1,482	54,553	59,001	4,448
Utilities	1,687	1,792	105	5,060	5,376	316
Postage	427	527	100	566	1,254	688
Office Supplies & Expenses	1,170	3,864	2,694	5,733	8,228	2,495
Travel & Official Receptions	308	2,209	1,901	1,343	4,618	3,275
Staff Training & Tuition Reimbursement	395	2,345	1,950	395	4,890	4,495
Insurance	2,873	2,873	-	6,882	8,619	1,737
Annual Report & Newsletters	-	2,417	2,417	2,430	7,251	4,821
Public Relations	-	750	750	-	2,250	2,250
Professional Services	51,776	80,313	28,537	68,432	98,100	29,668
Dues & Subscriptions	17,309	13,667	(3,642)	26,068	20,751	(5,317)
Data Processing	3,500	4,000	500	7,000	8,000	1,000
Maintenance of Equipment	2,313	3,667	1,354	4,303	11,001	6,698
Depreciation	4,333	4,333	-	12,999	12,999	-
Contingency	-	-	-	-	-	-
	$ 398,436	$ 461,228	$ 62,792	$ 800,812	$ 907,841	$ 107,029
Net Operating Income	$(117,423)	$(153,929)	$ 36,506	$ 58,661	$ 14,056	$ 44,605

CALDWELL COLLEGE

April 26, 2011

NJEFA

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

building futures

Four Pillars of Spirituality

- Prayer
- Study
- Community
- Ministry

Mary Mother Joseph Dunn

Campus

Most Reverend Thomas Joseph Walsh

Archbishop of Newark

NJEFA
New Jersey Educational Facilities Authority

Caldwell College

Sapientia et Scientia

Wisdom and Knowledge

Student Life Activities

Jennings Library Groundbreaking

Pictured Left: Sister Raymond (first Academic Dean); Mother Joseph (Foundress and second President); Margaret Richardson (President of Student Government); Monsignor John L. McNulty (President of Seton Hall University)

NJEFA
New Jersey Educational Facilities Authority

Accreditation

The Middle States Association

May 1952 – Caldwell College receives Middle States accreditation

College Expansion

Equal Opportunity Fund

FY 2010

- 12,400+ student grant recipients
- $25.5 million in EOF Grants
- $12.8 million in Supplemental Education Program Grants

Bachelor of Fine Arts

Applied Behavioral Analysis

Academics

- 13 academic departments
- 29 undergraduate degrees
- 24 graduate programs

Power Degrees

- 5-year B.A. or B.S. in content area/M.A. in Curriculum and Instruction
- 5-year B.S./M.B.A.
- 5-year B.S./M.S. in Accounting
- 3-year B.A. in Psychology
- 3-year B.S. in Business
- B.S. in Nursing

Caldwell College

❖ Fall 2010 enrollment:	2,300
❖ Student-to-faculty ratio:	13:1
❖ Living on campus:	43%

Cougar Pride

COMMUNITY·CHARACTER·COMMITMENT

COUGAR PRIDE

CALDWELL COLLEGE

Caldwell College

❖ 2010-11 full-time tuition:	$24,752
❖ Students receiving financial aid:	90%
❖ Average financial aid awarded:	$13,750

Nancy H. Blattner, PH.D.

"….that 'special spirit,' that atmosphere of community which encompassed the entirety of Caldwell College then, is still alive today..."

President Blattner
In Celebration of Community, Inaugural Address
November 7, 2009

Empowering the Legacy

- **Excellence**
  - Strengthen the credibility of academic programs
  - Expand faculty and staff recruitment and retention initiatives
  - Establish a culture of accountability
- **Stewardship**
  - Achieve financial flexibility
  - Develop a campus wide risk management program
  - Renovate and build facilities and upgrade equipment to expand and support academic and social opportunities for students
  - Optimize the use of technology on campus
- **Vitality**
  - Develop an online programming strategy
  - Expand student recruitment and retention initiatives
  - Expand marketing initiatives
  - Cultivate greater community and alumni engagement
- **Distinctiveness**
  - Develop new and expand existing academic programs and partnerships consistent with the mission, vision and values of the college that address student needs and market demand
  - Integrate the mission throughout the campus culture

Relationship with NJEFA

- 4 stand-alone issues since 1999
- $40 million total par issued
- $25 million issued for new capital projects

Jennings Library

Werner Hall

Newman Center

Dominican Hall

State-Backed Issues

- **Higher Education Facilities Trust Fund:**
  Series 1995 A - $777,778
- **Higher Education Technology Infrastructure Fund:**
  Series 1998 A - $281,937
- **Higher Education Capital Improvement Fund:**
  Series 2000 A - $2,293,879
- **Dormitory Safety Trust Fund:**
  Series 2001 A - $474,000
- **Dormitory Safety Trust Fund:**
  Series 2003 A - $209,045

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

Outstanding Debt

As of April 15, 2011

- Stand-alone: $19,035,000
- State-backed: $989,285

NJEFA
New Jersey Educational Facilities Authority

Thank You

Credits

Caldwell College

Celebrating the Past, Shaping the Future: A Short History of Caldwell College 1939-1989:
Sister Rita Margaret Chambers, OP, Ph.D.