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JEREMY A. SPECTOR
Executive Director

**MINUTES OF THE SPECIAL MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON THURSDAY, AUGUST 4, 2016**

The meeting was called to order at 10.05 a.m. by Chairman Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on July 26, 2016, 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:

Joshua Hodes, Chair
Katherine Ungar, Vice Chair (via phone)
Louis Rodriguez
Rochelle Hendricks, Secretary of Higher Education
Steve Petrecca (representing Ford M. Scudder, Acting State Treasurer)

AUTHORITY MEMBERS ABSENT:

Ridgeley Hutchinson

STAFF PRESENT:

Jeremy A. Spector, Executive Director
Sheryl A. Stitt, Deputy Executive Director
Katherine A. Newell, Director of Compliance Management
Marie P. Mueller, Chief Financial Officer
Steven Nelson, Director of Project Management
Ellen Yang, Grants and Compliance Manager
Jacqueline McFayden, Associate Project Manager
Rebecca Clark, Project Management Assistant
Zach Barby, Communications Assistant
Gary Vencius, Accounting Manager
Jamie O'Donnell, Communications/Special Projects Manager
Lisa Walker, Accountant
Linda J. Hazley, Office Manager

ALSO PRESENT:

Mary Maples, Esq., Governor's Authorities Unit
Clifford Rones, Esq., Deputy Attorney General
John Cavaliere, Esq., McManimon, Scotland & Baumann, LLC
Christine Fay, Public Resources Advisory Group (PRAG)
Thomas F. Huestis, Public Resources Advisory Group (PRAG)
Michael D. Fescoe, The College of Saint Elizabeth
H. Jay Bellwoar, Bank of America Merrill Lynch (BAML)
Ted Matozzo, Bank of America Merrill Lynch (BAML)

ITEMS OF DISCUSSION

1. Executive Session

Mr. Petrecca moved the adoption of a resolution of the Authority permitting an Executive Session for discussion of contractual negotiations and legal advice;

The motion was seconded by Secretary Hendricks and passed unanimously.

Mr. Hodes then asked the Members of the public to wait in the lobby until the Executive Session was adjourned.

The public portion of the meeting resumed at approximately 12:15 pm.

2. Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, College of Saint Elizabeth Issue, 2016 Series D, In a Principal Amount Not to Exceed \$25,000,000

Ms. Stitt reported the details of the proposed 2016 Series D financing in an amount not to exceed \$25,000,000 on behalf of the College of Saint Elizabeth ("CSE" or the "College"). Proceeds of the bonds will be used to refund approximately \$20 million in bonds outstanding under the College's 2008 Series F Issue. The 2008 F outstanding bonds are Variable Rate Demand Bonds backed by a Letter of Credit from Citizens Bank. Proceeds will also provide approximately \$2.2 million in new capital to finance renovations to O'Connor Hall and other capital projects that will enable the College to make necessary facilities improvements to accommodate its first incoming class of undergraduate male students in fall 2016.

Ms. Stitt provided a number of detailed comments in Executive Session and asked Chairman Hodes to consider making her remarks part of the public record. Chairman Hodes asked for a motion. Mr. Petrecca moved that Ms. Stitt's comments be made a part of the record of the public meeting; the motion was seconded by Mr. Rodriguez and passed unanimously. Ms. Stitt's comments are appended as Exhibit I.

Mr. Spector invited Mr. Michael Fescoe, Vice President for Finance and Administration, to speak on behalf of the College. Mr. Fescoe described the purpose and importance of the financing for the College, including a description of the new projects to be financed with approximately \$2.2 million of bond proceeds.

Ms. Stitt stated that the Members had been presented with a presentation, included in their books, by Bank of America Merrill Lynch, ("BAML"), which described the underwriter's plan of finance, marketing strategy, current market conditions and other

information for the Members' consideration. Ms. Stitt requested Chairman Hodes to consider making BAML's presentation a part of the public record. Chairman Hodes asked for a motion. Mr. Petrecca moved that the presentation be made part of the record of the public meeting; the motion was seconded by Mr. Rodriguez and passed unanimously.

The presentation of BAML is appended as Exhibit II

Secretary Hendricks moved the adoption of the following entitled resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, THE
COLLEGE OF SAINT ELIZABETH ISSUE, 2016 SERIES D

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

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

2. Report on Operating and Construction Fund Statements and Disbursements

Ms. Mueller reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for June 30, 2016.

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

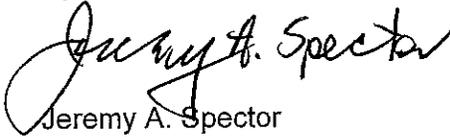
The reports are appended as Exhibit IV.

3. Next Meeting Date

Mr. Hodes reminded everyone that the next regularly scheduled meeting would be on Tuesday, August 23, 2016 at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Mr. Petrecca moved that the meeting be adjourned at 12:35 pm; the motion was seconded by Mr. Rodriguez and passed unanimously.

Respectfully submitted,



Jeremy A. Spector
Secretary

NJEFA Board Meeting – 8/4/16 Sheryl Stitt - Executive Session and Public Meeting Notes

Summary - Agenda Item

- Today's agenda includes a proposed resolution and form of legal documents for the sale of NJEFA revenue bonds on behalf of the College of Saint Elizabeth ("CSE" or the "College"), in an amount not to exceed \$25 million.
- Proceeds of the bonds will be used to refund approximately \$20 million in bonds outstanding under CSE's 2008 Series F Issue. The 2008 F outstanding bonds are Variable Rate Demand Bonds backed by a letter of credit from Citizens Bank.
- Proceeds will also provide approximately \$2.2 million in new capital to finance renovations to O'Connor Hall and other capital projects that will enable the College to make necessary facilities improvements to accommodate its first incoming class of undergraduate male students in fall 2016.
- The Authority has approved many unrated transactions for its institutions in the past, which have by and large been structured as direct bank placements. This transaction, if approved, will represent the first below investment grade financing for the Authority in the public markets.

Background and Staff Procedures

- The College approached the Authority in 2015 to undertake this refinancing to restructure its outstanding debt. Prior to approaching the Authority, CSE pursued other alternatives, albeit unsuccessfully, including a longer term extension of their LOC and a direct bank placement.

- Like many small private institutions across the country, CSE has experienced enrollment declines, increased competition for students and resources, and related institutional challenges, which has resulted in some deterioration of the College's financial position.
- Given these challenges, where CSE falls on the credit spectrum, and that this transaction is being proposed as a public offering to investors, the Authority has undertaken additional steps in the development of this transaction that has included a very thorough and iterative process of review of the credit and focus on appropriate identification of risk and disclosure.
- Among our additional procedures were the following:
 - Before initiating a transaction with the engagement of finance professionals, Staff interviewed 4 leading higher education underwriters to hear their views on the credit, the potential market for these bonds, and their thoughts on the viability of a transaction.
 - Some were optimistic and others not as confident a transaction could be completed.
 - Some felt the opportunities were greater for a public offering or limited public offering vs. a direct placement given the current market environment.
 - All felt that the key to a successful transaction for this or any other similar credit would be a well-developed and credible strategic plan and a strong Appendix A with very thorough disclosure.
 - Staff met with CSE's President and CFO to discuss the response from the group of underwriters, their interest in going forward and our willingness to get a finance team in place without a guarantee that a transaction could get done.

- The Authority conducted a competitive RFP process to hire a leading senior manager with expertise in the higher education space. In February 2016, the Members approved the selection of Bank of America Merrill Lynch (“BAML”) to serve as Senior Manager and to begin to conduct the necessary due diligence, consider structuring options, consider rating strategy and potential outcomes and to determine the most feasible and cost-effective structure for the College, if any.
- The Attorney General’s Office appointed Bond Counsel knowledgeable about CSE's credit, which was McManimon, Scotland & Baumann.
- Authority Members approved the engagement of a challenged/distressed credit financial advisor, Public Resources Advisory Group (“PRAG”), to advise and assist Authority Staff in evaluating weaker credits.
- The Authority did not rely on the College’s Financial Advisor (PFM).
- Staff fully engaged PRAG on the CSE transaction to evaluate and advise the Authority on the viability of a transaction, the credit strengths and weaknesses of the institution and the College’s ability to pay debt service on the proposed Series 2016 bonds.
- PRAG built a cash-flow model and ran scenarios to test the College’s ability to meet its rate covenant (1.10%) and pay debt service on the proposed Series 2016 D Bonds under a variety of assumptions.
- Authority Staff worked closely with the entire finance team to develop documents with appropriate disclosure and identification of potential risks necessary to implement a public offering of this type.

- PRAG participated in due diligence review at the College and working group due diligence conference call.
- PRAG and Bond Counsel ensured that the risks identified were properly disclosed in the official statement.

Recommendation

- The Authority’s mission is to *“provide a measure of assistance and an alternative method to enable institutions ...to provide the facilities which are sorely needed all to the public benefit and good.”*
- As a public fiduciary, we fulfill our mission by providing access to the capital markets for low-cost financing.
- Although this transaction represents the first below investment grade financing in the public markets, we have always worked to support and provide value to New Jersey’s Colleges and Universities across the entire credit spectrum, from triple-A credits to unrated institutions, including those that are challenged credits.
- The Authority wishes to help CSE access the public markets with sophisticated investors and take advantage of historically low interest rates.
- Doing so will help the College to continue to implement its strategic plan and work towards improving its financial position overtime.
- Sophisticated investors will determine their appetite for these bonds, which will be reflected in their participation in the offering and will determine the price the College will pay over the life of the bond issue.
- Based on advice from the Authority’s Financial Advisor, Bond Counsel, and the Attorney General’s Office, Staff is satisfied with the disclosure and

identification of material risks in the Official Statement subject to various parties' representations and warranties made therein.

- Therefore, Staff recommends approval of this transaction and the related Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, College of Saint Elizabeth Issue, 2016 Series D in a principal amount not to exceed \$25,000,000.

Presentation to

New Jersey Educational Facilities Authority

on Proposed College of Saint Elizabeth Financing

August 4, 2016

CSE Plan of Finance Overview



2016 Plan of Finance

- Refinance NJEFA's 2008 Bonds (\$18.84 million) and fund new-money project (\$2 million) with 30-year level-debt-service fixed-rate bonds
 - Expected Rating: BB (stable outlook) by Standard & Poor's*
- Bonds secured by: (1) revenue pledge; (2) mortgage on campus; and (3) debt service reserve fund

Projected Debt Service

Fiscal Year	Estimated 2016 Bonds			Total	Other Indebtedness ⁽¹⁾	Total Debt Service
	Principal	Interest	Total			
2017	\$ 255,000	\$ 1,092,375	\$ 1,347,375	\$ 1,105,448	\$ 1,386,240	
2018	270,000	1,079,250	1,349,250	99,349	1,448,724	
2019	285,000	1,065,375	1,350,375	99,349	1,449,724	
2020	300,000	1,050,750	1,350,750	99,349	1,450,099	
2021	320,000	1,035,250	1,355,250	99,349	1,454,599	
2022	355,000	1,018,375	1,373,375	77,170	1,450,545	
2023	370,000	1,000,250	1,370,250	77,359	1,447,609	
2024	470,000	979,250	1,449,250		1,449,250	
2025	495,000	955,125	1,450,125		1,450,125	
2026	520,000	929,750	1,449,750		1,449,750	
2027	545,000	903,125	1,448,125		1,448,125	
2028	575,000	875,125	1,450,125		1,450,125	
2029	605,000	845,625	1,450,625		1,450,625	
2030	635,000	814,625	1,449,625		1,449,625	
2031	665,000	782,125	1,447,125		1,447,125	
2032	700,000	748,000	1,448,000		1,448,000	
2033	740,000	712,000	1,452,000		1,452,000	
2034	775,000	674,125	1,449,125		1,449,125	
2035	815,000	634,375	1,449,375		1,449,375	
2036	860,000	592,500	1,452,500		1,452,500	
2037	900,000	548,500	1,448,500		1,448,500	
2038	950,000	502,250	1,452,250		1,452,250	
2039	1,000,000	453,500	1,453,500		1,453,500	
2040	1,050,000	402,250	1,452,250		1,452,250	
2041	1,105,000	348,375	1,453,375		1,453,375	
2042	1,160,000	291,750	1,451,750		1,451,750	
2043	1,220,000	232,250	1,452,250		1,452,250	
2044	1,280,000	169,750	1,449,750		1,449,750	
2045	1,345,000	104,125	1,449,125		1,449,125	
2046	1,410,000	35,250	1,445,250		1,445,250	
2047						
	\$ 21,975,000	\$ 21,156,167	\$ 43,131,167	\$ 1,756,722	\$ 44,887,889	

1. Includes portion of 2008 Series F Bonds paid in FY2017, Higher Education Capital Improvement Fund Bonds and New Jersey Dormitory Safety Trust Fund Bonds.

Projected Sources & Uses of Funds

Refunding of Series 2008F Bonds	New Money	Total
Par Amount	2,105,000	21,975,000
Issuance Premium	76,680	775,166
College Equity	20,720	216,815
	2,202,400	22,966,981
Project Fund Deposit	2,000,000	2,000,000
Refunding of 2008 Bonds	-	18,840,000
Debt Service Reserve Fund	139,232	1,453,500
Est. Cost of Issuance	63,168	673,481
	2,202,400	22,966,981

*S&P has not yet issued a rating for this bond issue.

BofA Merrill Non-Investment Grade Experience



Since 2014, BofA Merrill has senior managed 12 non-investment grade municipal transactions for over \$1.5 billion in bond par

BofA Merrill Senior Managed Non-Investment Grade Issues 2014 – Present⁽¹⁾

Sale Date	Par Amount (\$mm)	Borrower	State	Ratings		
				Moody's	S&P	Fitch
03/21/14	14,925	Pace University	NY	NR	BB+	NR
03/21/14	85,665	Pace University	NY	NR	BB+	NR
06/04/14	93,725	Wise Regional Hlth Sys	TX	NR	BB+	BB+
10/09/14	5,500	Casella Waste System Inc	NH	B2	B+	NR
12/10/14	25,000	Casella Waste System Inc	NY	B2	B+	NR
08/12/15	39,405	Covanta Holding Corporation-PA	PA	Ba2	BB-	NR
08/12/15	90,000	Covanta Holding Corporation - DE	NJ	Ba2	BB-	NR
08/20/15	15,000	Casella Waste System Inc	ME	B1	B+	NR
11/05/15	117,200	Jt Guadalupe-Seguin Hospital	TX	NR	BB	BB
04/28/16	947,620	Loma Linda Univ Med Ctr	CA	NR	BB	BB+
05/26/16	15,000	Casella Waste System Inc	NY	B1	BB-	NR
07/28/16	65,735	Nez Perce Co-Idaho	ID	Ba1	BB	NR
	1,514,775					

☐ = Higher education and 501(c)3 issues.

League Table: Non-Investment Grade Higher Education and 501(c)3 Issues 2014 – Present⁽¹⁾

Senior Manager	Par Amount (US\$ mil)	Rank	Mkt. Share	Number of Issues
Bank of America Merrill Lynch	1,259.1	1	72.3	5
Morgan Stanley	154.4	2	8.9	4
George K Baum & Company Inc	92.5	3	5.3	2
Jefferies LLC	68.3	4	3.9	1
PNC Financial Services Group Inc	65.6	5	3.8	1
Piper Jaffray & Co	44.2	6	2.5	1
Robert W Baird & Co Inc	34.0	7	2.0	3
RBC Capital Markets	16.9	8	1.0	1
Oppenheimer & Co	7.9	9	.5	1
Total	1,742.8		100.0	19

⁽¹⁾ Source: Thomson Reuters SDC; sale dates from 01/01/2014 to present.

BofA Merrill Marketing Approach for CSE Bonds

- **Preliminary Official Statement** – comprehensive disclosure document for investors
- **S&P Rating Report**
- **Investor Presentation** – potentially create “Net Roadshow” for investors
- **Investor Calls/Meetings** – hold one-on-one investor calls/meetings with CSE and potential investors
- **Comprehensive Pre-Marketing** – create investor interest, address questions and identify potential orders
- **Bond Denominations** – initially \$100,000 and any integral multiple of \$5,000 in excess thereof
- **BofA Merrill intends to target investors that hold non-investment grade education issuers since 2015**

Reported Holders of \$1 Million or More of Non-Investment Grade Higher Education Issuers Since 2015

Sale Date	Par (\$ mils)	Issuer	Obligor	Moody's	S&P	Fitch	Holders Name
3/10/15	85,940	Iowa Higher Ed Loan Authority	Wartburg College	NR	NR	BB	Lord, Abbett & Co LLC Capital Research & Management Co Vanguard Group Inc, The
3/24/15	65,010	Virginia College Building Auth	Marymount University	Baa1	BB+	NR	Nuveen Asset Management LLC T Rowe Price Associates Inc Vanguard Group Inc, The Waddell & Reed Investment Management AllianceBernstein LP
4/1/15	67,500	Wisconsin Public Finance Auth	Roseman University	NR	BB-	NR	Invesco Advisers Inc Nuveen Asset Management LLC Pioneer Investment Management Inc MacKay Shields LLC Capital Research & Management Co INVESCO Inc (New York)
5/7/15	16,905	Maryland Eco Dev Corp	Bowie State University	NR	BB	NR	Capital Research & Management Co T Rowe Price Associates Inc
6/17/15	25,000	Rice Co-Minnesota	Shattuck-St Marys School	NR	BB	NR	Nuveen Asset Management LLC Delaware Investments Sit Investment Fixed Income Advisors
6/30/15	66,815	Virginia College Building Auth	Marymount University	Ba1	BB+	NR	Vanguard Group Inc, The MFS Investment Management Nuveen Asset Management LLC T Rowe Price Associates Inc AllianceBernstein LP
10/19/15	26,610	Ohio Higher Ed Fac Commission	Hiram College	NR	BB+	NR	OppenheimerFunds Inc
12/3/15	22,595	Hawaii Dept of Budget & Finance	Chaminade University	Ba2	BB+	NR	MFS Investment Management Vanguard Group Inc, The MacKay Shields LLC BlackRock Investment Management
							Van Eck Global Wasmer, Schroeder & Co Inc Deutsche Asset Management Standish Mellon Asset Management Co BlackRock Financial Management Inc MFS Investment Management Capital Research & Management Co Van Eck Global MFS Investment Management Waddell & Reed Investment Management AllianceBernstein LP Van Eck Global Neuberger Berman Management LLC Sit Investment Fixed Income Advisors Inc Deutsche Asset Management Arch Investment Management Ltd Columbia Management Investment Advisers Wells Capital Management Inc Mackay Shields LLC BlackRock Financial Management Inc Standish Mellon Asset Management Co Capital Research & Management Co Delaware Investments American Century Investment Management Voya Investment Management Co LLC

BofA Merrill Marketing Approach



Key credit statistics for CSE and other non-investment grade education bonds issued since 2015

Rating Metrics	College of				Wartburg College FY 2015	Roseman University FY 2014	Chaminade University FY 2015	Shattuck-St. Mary's School FY 2014
	Saint Elizabeth FY 2015	Hiram College FY 2014	Marymount University FY 2014					
Rating (Moody's/S&P/Fitch)	-- / BB* / --	-- / BB+ / --	Ba1 / BB+ / --	-- / -- / BB	-- / BB- / --	Ba2 / BB+ / --	-- / BB / --	
Total Enrollment (FTE)	974	1,132	3,132	1,628	1,404	2,317	445	
Change in FTE Enrollment (5-year)	-26.4%	-12.4%	-0.1%	-13.9%	31.2%	-3.3%	-0.2%	
Operating Margin	0.0%	-4.2%	4.4%	-2.4%	5.2%	2.9%	0.6%	
Operating Cash Flow Margin	10.1%	6.1%	15.5%	11.7%	16.2%	10.8%	10.3%	
Debt Service Coverage (x)	1.8	1.0	2.2	1.1	2.0	1.8	1.9	
Total Cash & Investments to Debt (x)	1.2	1.6	0.7	1.2	0.3	1.2	1.1	
Expendable Financial Resources to Debt (x)	0.8	0.3	0.6	0.4	0.2	0.5	0.6	
Expendable Financial Resources to Operation:	0.6	0.2	0.4	0.7	0.3	0.1	0.3	
Debt to Operating Revenues (x)	0.8	0.7	1.8	1.6	1.1	0.2	0.6	
Debt Service to Operations	5.5%	4.7%	6.4%	10.4%	8.7%	2.5%	4.5%	
Pro Forma MADS to Operations	5.6%	5.4%	10.3%	11.8%	11.4%	2.5%	4.5%	

*Expected. S&P has not yet issued a rating for this bond issue.

Credit Observations

- **Very Small Size**
- **Steep Enrollment Decline**
- **Change to Co-Ed**
- **Balanced Budget**
- **Adequate Financial Resources**
- **Manageable Debt Service Burden**
- **Strategic Plan** – co-ed; new program offerings; recruitment and retention initiatives
- **Management**

Financing Timeline



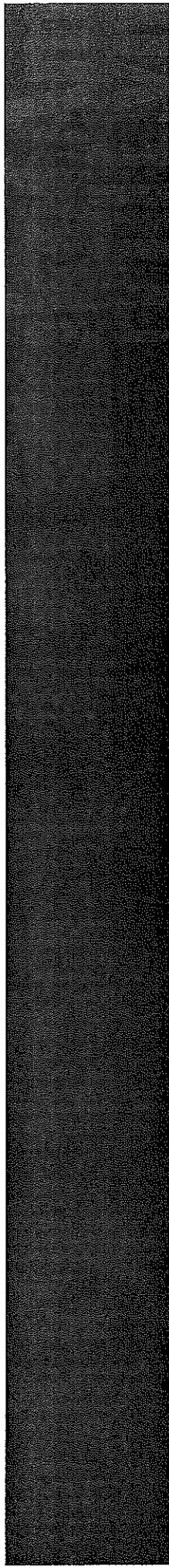
Date	Activity	Responsibility
Week of August 1 August 4 th @ 10AM	<input type="checkbox"/> NJEFA Board meeting to consider bond issue	NJEFA, BC, CSE, BAML, AFA, FA
Week of August 8 August 8 th	<input type="checkbox"/> 1 st day of Governor's 10-day veto period for bond sale	NJEFA
Week of August 15 August 19 th TBD TBD	<input type="checkbox"/> Expiration of Governor's veto period for bond sale <input type="checkbox"/> Due diligence bring down call <input type="checkbox"/> Consent and Privy letter circulated	NJEFA All Aud
Week of August 22 August 26 th August 26 th	<input type="checkbox"/> Expected Governor's TEFRA Approval <input type="checkbox"/> Post POS	NJEFA All
Week of September 12 September 12 th September 13 th September 13 th September 16 th	<input type="checkbox"/> Pre-Pricing calls <input type="checkbox"/> Price Series 2016 Bonds <input type="checkbox"/> Sign BPA <input type="checkbox"/> Circulate draft of OS	CSE, NJEFA, BAML, FA CSE, NJEFA, BAML, FA CSE, NJEFA, BAML UC
Week of September 19 September 20 th September 20 th	<input type="checkbox"/> Consent and Privy letter delivered <input type="checkbox"/> Post OS	Aud All
Week of September 26 September 27 th September 28 th September 29 th	<input type="checkbox"/> Review and finalize closing documents <input type="checkbox"/> Pre-closing <input type="checkbox"/> Closing	All All NJEFA, CSE, BC, T, BAML, FA

August 2016						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September 2016						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Working Group Members	Abbreviation
Authority (NJEFA)	NJEFA
Authority Financial Advisor (PRAG)	AFA
Bond Counsel (McManimon, Scotland & Baumann, LLC)	BC
Borrower (College of Saint Elizabeth)	CSE
Borrower Auditor (CohnReznick)	Aud
Borrower Financial Advisor (PFM)	FA
Underwriter (BofA Merrill Lynch)	BAML
Underwriter's Counsel (Hawkins Delafield & Wood LLP)	UC
Trustee (US Bank)	T

Appendix A: Municipal Market Information



Municipal Market Information

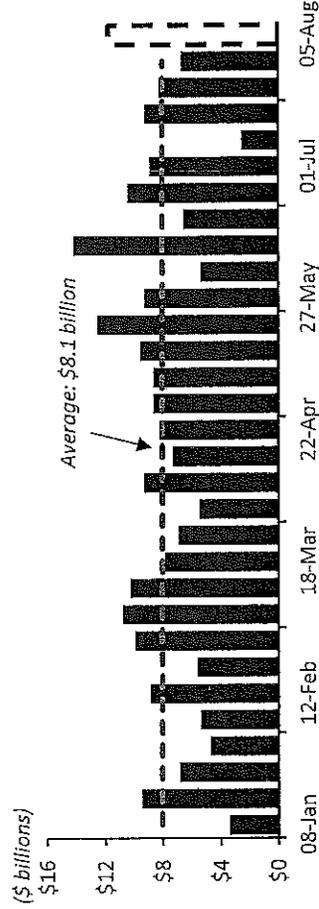
Current Market Environment



Commentary⁽¹⁾

- U.S. to keep rates unchanged while Japan revives speculation for helicopter money
 - The FOMC announced their decision last Wednesday to keep rates unchanged
 - Fed reiterated their intentions to gradually increase rates while still being cognizant of economic uncertainties post Brexit
 - Market implied probability of a Fed rate hike 50% or greater not until July of 2017
 - Japan's Prime Minister Abe announced a fiscal spending package worth \$275bn on Wednesday as an attempt to kickstart economic growth meanwhile after much speculation, the BOJ disappointed markets on Friday by announcing only a small tweak to monetary, sparking talk of helicopter money (printing money for the government to spur inflation)
- Cash is King
 - The muni fund inflow streak extends to 43 consecutive weeks as municipal investors added \$783mm in inflows last week
 - Muni issuance remains manageable although this week we see an uptick to \$12bn which may put some pressure on spreads
 - The Corporate Investment grade primary market marked its second largest July on record, with monthly supply at \$96bn
 - Corporate investors continue to reach for yield both down the credit spectrum and out on the maturity curve
 - Credit indices set YTD tight as the Bloomberg US IG Corp Bond Index OAS closed 12 bps tighter on the month, the YTD tight level at +146.66 on July 25th

Weekly Municipal Bond Issuance (2016 YTD)⁽³⁾



(1) Provided by the long-term underwriting desk of BofAML; does not represent the opinion of BofAML Global Research.
 (2) Source: Bloomberg and BofAML Global Research as of 7/29/16.
 (3) Source: Thomson Reuters and IPREO calendar as of 7/29/16; excludes notes and private placements.
 (4) Fed Fund Target Rate -- BofAML reflects Effective Rate; Street Medians reflects Upper Bound.

Economic Data Reports & Interest Rate Forecasts⁽²⁾

SELECTED ECONOMIC DATA REPORTS				
Date	Economic Event	Date	Economic Event	Economic Event
8/1/16	ISM Mfg Index	8/4/16	Jobless Claims	
8/2/16	Personal Income and Outlays	8/5/16	Employment Situation	
8/3/16	EIA Petroleum Status Report	8/5/16	International Trade	

BANK OF AMERICA MERRILL LYNCH FORECAST					
Metric	7/29/16	2016Q3	2016Q4	2017Q1	2017Q2
Fed Fund Rate ⁽⁴⁾	0.50%	0.25%	0.62%	0.62%	0.87%
3-Month LIBOR	0.76%	0.65%	0.73%	0.78%	0.83%
2YR T-Note	0.66%	0.65%	0.75%	0.85%	0.90%
10YR T-Note	1.46%	1.25%	1.50%	1.75%	2.00%
30YR T-Bond	2.18%	2.00%	2.25%	2.45%	2.60%

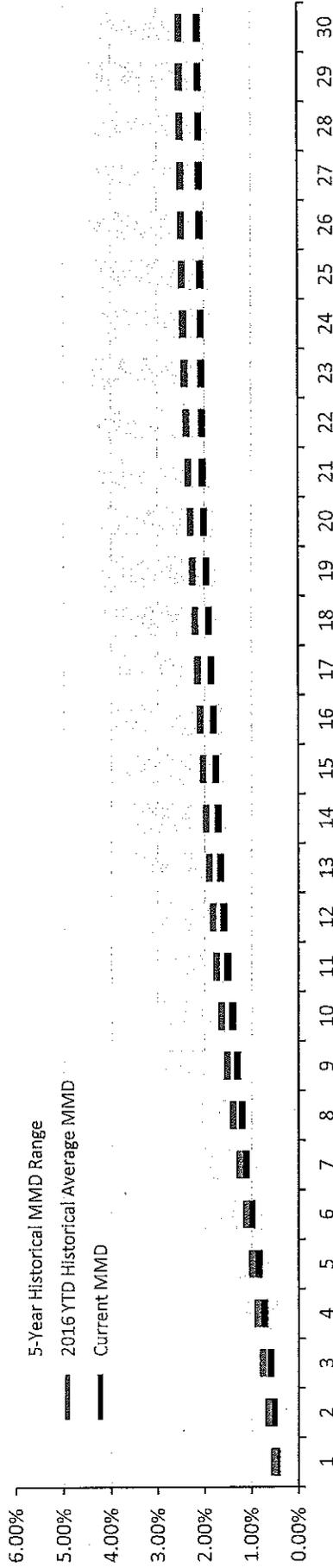
STREET MEDIANS FORECAST					
Metric	7/29/16	2016Q3	2016Q4	2017Q1	2017Q2
Fed Fund Rate ⁽⁴⁾	0.50%	0.55%	0.70%	0.75%	0.95%
3-Month LIBOR	0.76%	0.65%	0.76%	0.89%	1.05%
2YR T-Note	0.66%	0.69%	0.81%	0.96%	1.11%
10YR T-Note	1.46%	1.54%	1.70%	1.86%	1.97%
30YR T-Bond	2.18%	2.37%	2.50%	2.61%	2.72%

Municipal Market Information

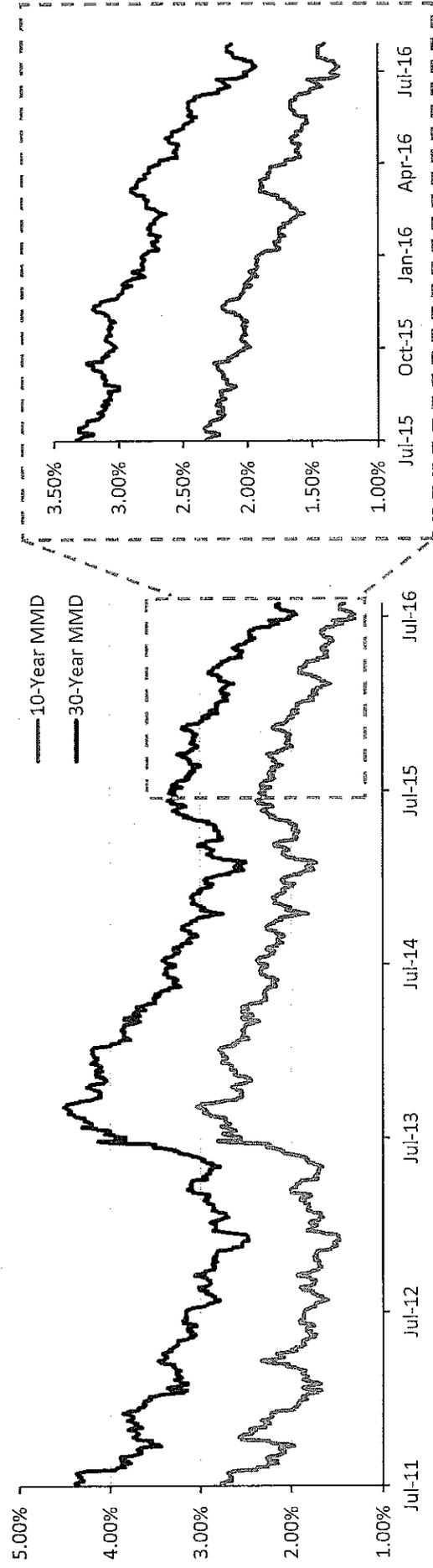
Tax-Exempt Interest Rate Overview



MMD Yield Curve (Last Five Years)



10-Year and 30-Year MMD Rates (Last Five Years)



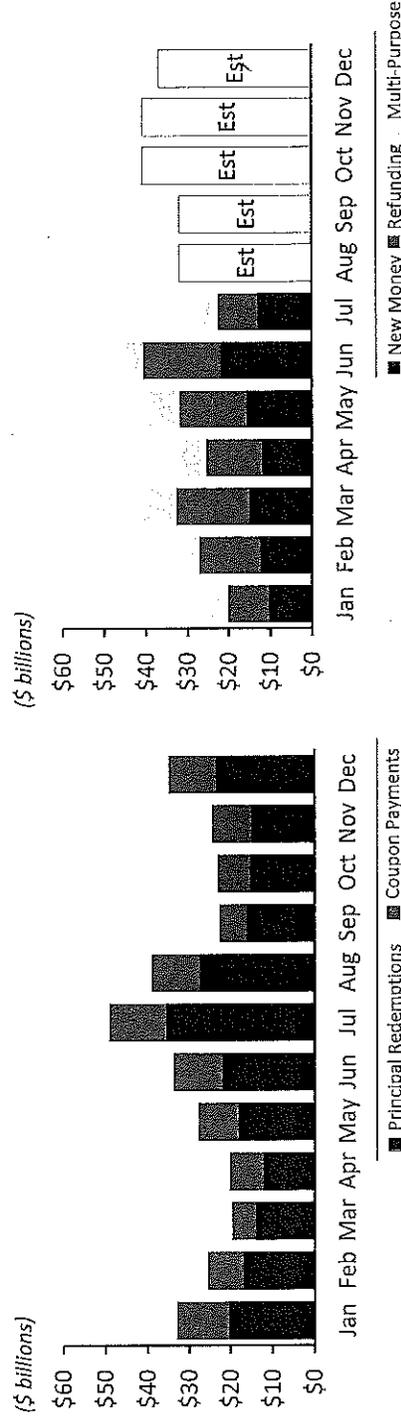
Source: Thomson Reuters as of 7/29/16.

Municipal Market Information

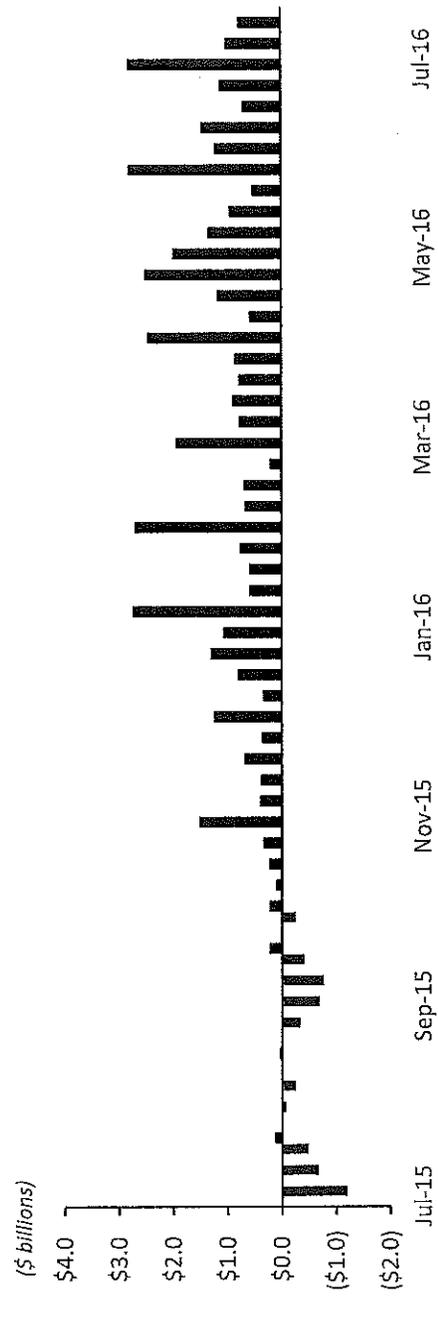
Supply and Demand



Estimated 2016 National Redemptions⁽¹⁾ and Estimated 2016 Municipal Issuance⁽¹⁾



Municipal Bond Fund Inflows and Outflows⁽²⁾



- Total municipal issuance in 2015 totaled nearly \$400 billion
- Muni issuers continue a steady pace of refundings and new money issuance, at a rate that BofAML believes will meet our target of \$440-450 billion before year-end
- This pace of issuance is a positive for the country, and represents increasing infrastructure investment and a decrease in net funding costs for issuers
- For the week ended July 27, 2016, municipal bond funds reported \$783 million of net inflows, marking the 43rd consecutive week of inflows

(1) BofAML Global Research as of 2/29/16, and 6/17/2016; Thomson Reuters as of 7/29/16; actual YTD issuance excludes notes, includes private placements.
 (2) Lipper U.S. Fund Flows as of 7/27/16; data includes weekly and monthly reporting funds.

Risk Disclosures Pursuant to MSRB Rule G-17⁽¹⁾

Fixed Rate Bonds



Disclosures

Material Risk Consideration	Description of Risk	Potential Consequences
Issuer Default Risk	Possibility that the issuer defaults under the authorizing documents	<ul style="list-style-type: none"> -Range of available remedies may be brought against issuer (e.g., forcing issuer to raise taxes or rates) -Credit ratings negatively impacted -Access to capital markets impaired -Possibility of receivership or bankruptcy for certain issuers
Redemption Risk	The ability to redeem the bonds prior to maturity may be limited	<ul style="list-style-type: none"> -Inability to refinance at lower interest rates
Refinancing Risk	Possibility that the bonds cannot be refinanced	<ul style="list-style-type: none"> -Inability to refinance at lower interest rates
Reinvestment Risk	Possibility that the issuer may be unable to invest unspent proceeds at or near the interest rate on the bonds	<ul style="list-style-type: none"> -Negative arbitrage resulting in a higher cost of funds
Tax Compliance Risk	For tax-exempt bonds, possibility that failure to comply with tax-related covenants results in the bonds becoming taxable obligations	<ul style="list-style-type: none"> -Increase in debt service costs retroactively to date of issuance -Possible mandatory redemption of bonds affected -Risk of IRS audit -Difficulty in refinancing the bonds -Access to tax-exempt market impacted -Difficulty in issuing future tax-exempt debt

⁽¹⁾ You should consult with your financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate concerning such risks.

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JEREMY A. SPECTOR
Executive Director

TERM SHEET

Borrower: The College of Saint Elizabeth, Morristown, New Jersey

Issue: 2016 Series D

Amount: Not to Exceed \$25,000,000

Purpose: To provide funds to finance: (i) a New Money Project, consisting of (a) the renovation of O'Connor Hall, an approximately 71,130 square foot building used for student housing, (b) miscellaneous capital improvements to other campus facilities of the Private College, and (c) the funding of a debt service reserve fund, if necessary, and (e) the payment of capitalized interest; (ii) the payment of the cost of refunding the Authority's outstanding 2008 Series F Bonds; and (iii) the payment of costs of issuance.

Security: General Obligation of the Private College

Structure: Negotiated Sale, Fixed Rate

Term: No later than July 1, 2047

True Interest Cost: Not to Exceed 8.00%

Expected Bond Ratings: NR

Tentative Sale Date: September 2016

Tentative Closing: September 2016

The Authority Members will be asked to adopt the 2016 Series D Resolution pertaining to the 2016 Series D Bonds (the "Bonds") which outlines the various parameters of the financing; authorizes the issuance of the Bonds; authorizes and approves the form of and entry into all legal documents necessary for the financing; and delegates to any Authorized Officer of the Authority the ability to take all actions as may be necessary to sell, award and issue the Bonds and execute all necessary bond documents to finalize this transaction.

Professionals on the Transaction:

Bond Counsel:	McManimon, Scotland & Baumann, LLC
Authority's Counsel:	Attorney General of the State of New Jersey
Borrower's Counsel:	Boyar Suozzo
Financial Advisor to the College:	Public Financial Management
Financial Advisor to the Authority:	Public Resources Advisory Group
Trustee:	U.S. Bank, National Association
Trustee's Counsel:	M. Jeremy Ostow, Esq.
Senior Manager:	Bank of America Merrill Lynch
Underwriter's Counsel:	Hawkins Delafield & Wood LLP
Printer:	ImageMaster LLC

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS,
THE COLLEGE OF SAINT ELIZABETH ISSUE, 2016 SERIES D**

Adopted: August 4, 2016

**RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, THE
COLLEGE OF SAINT ELIZABETH ISSUE, 2016 SERIES D**

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

WHEREAS, the Authority has heretofore issued its \$24,090,000 Variable Rate Revenue Refunding Bonds, The College of Saint Elizabeth Issue, 2008 Series F (the "2008 Bonds"), the proceeds of which were used to undertake a project consisting of: (i) refunding the Authority's outstanding \$12,000,000 original principal amount of Revenue Bonds, The College of Saint Elizabeth Issue, 2000 Series C; (ii) refunding the Authority's outstanding \$15,000,000 original principal amount of Revenue Bonds, The College of Saint Elizabeth Issue, 2006 Series K; and (iii) paying certain costs of issuance of the 2008 Bonds all on behalf of The College of Saint Elizabeth (the "Private College"); and

WHEREAS, the Private College has determined to undertake a project (the "New Money Project") consisting of: (i) the renovation of O'Connor Hall, an approximately 71,130 square foot building used for student housing; (ii) miscellaneous capital improvements to other campus facilities of the Private College; (iii) the funding of a debt service reserve fund, if necessary; and (iv) the payment of capitalized interest; if necessary; and

WHEREAS, the Private College has requested that the Authority issue, and the Authority has determined that it is necessary and in keeping with its authorized purposes to issue, one or more series of bonds as described herein for the purpose of providing funds to (i) finance the New Money Project, (ii) pay the cost of refunding the outstanding 2008 Bonds (the "Refunding Project"; together with the New Money Project, the "Project"), and (iii) pay costs of issuance of the Bonds (as hereinafter defined); 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 Bonds, The College of Saint Elizabeth Issue, 2016 Series D" or such other designation as may be determined by the Authority (the "Bonds") for the purpose of providing funds to finance the Project and to pay costs of issuance of the Bonds; and

WHEREAS, the Authority has approved the appointment of Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") as the underwriter in connection with the issuance of the Bonds by resolution adopted February 23, 2016 (the "Procurement Resolution"); and

WHEREAS, the Bonds will be issued under and secured by a Trust Indenture dated on or about the date of the issuance of the Bonds (the "Trust Indenture") to be entered into by and between the Authority and the financial institution named herein as trustee (together with its successors in trust, the "Trustee"); and

WHEREAS, the Bonds are payable solely from Revenues (as defined in the Trust Indenture) other than Additional Loan Payments (as defined in the hereinafter defined Loan Agreement), and from amounts on deposit in certain funds and accounts established pursuant to the Trust Indenture; and

WHEREAS, the repayment of the Bonds will be secured by a Loan Agreement dated on or about the date of issuance of the Bonds between the Authority and the Private College (the "Loan Agreement") pursuant to which the Authority will loan the proceeds of the Bonds to the Private College and wherein the Private College agrees to, among other things, make certain loan payments to the Authority, all as set forth in the Loan Agreement; and

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

WHEREAS, as security for its obligations under the Loan Agreement, the Private College has agreed to execute and deliver one or more Mortgage and Security Agreements dated on or about the date of the issuance of the Bonds (collectively, the "Mortgage") granting the Authority, as mortgagee, a first lien on the property of the Private College described in the Mortgage; and

WHEREAS, upon consultation with Bond Counsel (as hereinafter defined), the Attorney General of the State, the Underwriter (as hereinafter defined) and the Private College, the Authority may assign the Mortgage to the Trustee pursuant to an Assignment of Mortgage (the "Assignment") for the benefit of the holders of the Bonds, if such Assignment will improve the marketing of the Bonds; and

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

WHEREAS, the Authority deems it necessary and in keeping with its purposes to issue the Bonds under the Trust Indenture herein authorized for the purposes of financing all or any combination of the purposes enumerated above; and to authorize certain actions and the execution and delivery of certain documents in connection therewith; and

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

WHEREAS, the Authority desires to preserve the right to allocate a portion of the proceeds of the Bonds to the reimbursement of New Money Project Costs paid prior to the issuance thereof as an expenditure for such New Money Project Costs to be reimbursed for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Code"); and

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

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

ARTICLE I

AUTHORIZATION OF BONDS AND APPROVAL OF DOCUMENTS

1.1 Purpose and Issuance of the Bonds.

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

1.2 Authorization of the Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in the aggregate principal amount not-to-exceed \$25,000,000, in order to finance, on behalf of the Private College, the costs of the Project and to pay costs of issuance of the Bonds, in whole or in part. The Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, The College of Saint Elizabeth Issue, 2016 Series D" or such other designation as an Authorized Officer may determine.

(b) Any Authorized Officer is hereby authorized to execute and deliver, on behalf of the Authority, a contract of purchase (the "Purchase Contract") by and among the Authority, the Underwriter, and the Private College, 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 & Baumann, LLC, bond counsel to the Authority ("Bond Counsel"), and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof) for the purchase of the Bonds at the price or prices to be agreed upon; provided, however, that the Underwriter's discount for the Bonds shall not exceed \$17.00 per \$1,000.00 of the principal amount thereof. A copy of the Purchase Contract, as executed, shall be filed with the records of the Authority.

(c) The Bonds shall be issued in fully registered form, shall be in the denominations, and shall be numbered as shall be provided in the Trust Indenture. The Bonds shall be dated, bear interest, mature and be executed and authenticated as shall be set forth in the Trust Indenture; provided, however, that the final maturity date of the Bonds will be no later than July 1, 2047. The Bonds shall bear interest at one or more fixed rates as described in the Trust Indenture, with a true interest cost not-to-exceed 8.00%. The Bonds shall be subject to redemption as provided in the Trust Indenture; provided, however, that the redemption premium, if any, on the Bonds shall not exceed 5.00%. Unless the Private College directs the Authority to utilize a debt service reserve fund for the Bonds, the Bonds shall be issued without a debt service reserve fund.

(d) The Bonds shall be in substantially the form set forth in the Trust Indenture, with such insertions, omissions or variations as may be necessary or appropriate, as approved by an Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State.

(e) 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 any of such officers designated as "acting" or "interim," 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, and any of such officers designated as "acting" or "interim" or in such other manner as may be provided by law; provided the Bonds may not be attested by the Authorized Officer executing the Bonds.

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

(g) 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 the Private College.

1.3 Approval of Preliminary Official Statement and Final Official Statement.

(a) The form of the Preliminary Official Statement (the "Preliminary Official Statement") presented at this meeting is hereby approved (a copy of which shall be filed with the records of the Authority) and distribution by the Underwriter of the Preliminary Official Statement relating to the Bonds is hereby authorized in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as may be approved by an Authorized Officer with the advice of Bond Counsel and the Attorney General of the State. Any Authorized Officer is hereby authorized to "deem final" the Preliminary Official Statement in accordance with Rule 15(c)2-12 of the Securities and Exchange Commission, if applicable.

(b) Any Authorized Officer is hereby authorized and directed to execute and deliver the final Official Statement (the "Official Statement"), in substantially the form of the Preliminary Official Statement, with such changes, insertions and alterations as the Authorized Officer executing same shall approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by the execution thereof by such Authorized Officer.

1.4 Approval of Loan Agreement, Mortgage and Assignment.

(a) The form of the Loan Agreement presented at this meeting (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 Loan Agreement with the Private College in substantially such form, with such changes therein (including, without limitation, the date thereof and any acceptable covenants or provisions that may be required by the Underwriter or the bond insurer, if any) and any supplements thereto as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

(b) For purposes of securing the payments to be made by the Private College under the Loan Agreement, the form of the Mortgage 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 Mortgage with the Private College in substantially such form, with such changes therein (including, without limitation, the date thereof) and any supplements thereto as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

(c) In the event it shall be determined to be beneficial to the successful marketing of the Bonds, 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 Assignment in such form as the Authorized Officer executing the same may approve, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

1.5 Approval of Trust Indenture.

The form of the Trust Indenture presented at this meeting (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 Trust Indenture in substantially such form, with such insertions and changes therein (including, without limitation, the date thereof and the initial interest payment date contained therein and

any provisions relating to a policy of insurance insuring principal and interest when due on the Bonds, if any, and any acceptable covenants or provisions that may be required by the Underwriter or the bond insurer, if any) and any supplements thereto as the Authorized Officer executing the same may approve, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

1.6 Appointment of Trustee.

U.S. Bank National Association is hereby appointed to act as the initial Trustee under the Trust Indenture. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Trust Indenture by the Trustee's execution and delivery thereof.

1.7 Debt Service Reserve Fund.

The Authorized Officers, with the advice of Bond Counsel and the Attorney General of the State, are hereby authorized and directed to determine the Debt Service Reserve Requirement for the Bonds, to obtain a surety for all or a portion of such Debt Service Reserve Requirement and to establish a separate debt service reserve fund with respect to the Bonds, as they shall determine to be necessary or appropriate.

1.8 Bond Insurance and Surety Authorized.

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

1.9 Continuing Disclosure.

Pursuant to the Loan Agreement, the Private College will undertake all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the holders of the Bonds or any other person with respect to such disclosure matters. The form of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") by and between the Private College and the Trustee, as Dissemination Agent, presented at this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. The Trustee shall be appointed to act as Dissemination Agent under the Continuing Disclosure Agreement and the Trustee shall comply with and carry out all of the obligations imposed on the Dissemination Agent under the Continuing Disclosure Agreement and the Loan Agreement. The failure of the Private College or the Dissemination Agent to comply with the requirements of the

Continuing Disclosure Agreement shall not constitute a default under the Trust Indenture or the Loan Agreement.

1.10 Authorization to Invest Bond Proceeds and Certain Funds.

Any Authorized Officer is authorized to enter into or direct the Trustee to enter into one or more agreements to invest the proceeds of the Bonds in the investments set forth in Section 5.06 of the Trust Indenture or as permitted by the Bond Insurer, if any, which includes investment agreements and repurchase agreements (the "Qualified Investments"), in the event that such Authorized Officer determines, in consultation with and with the consent of the Private College, that it is advantageous to the Private College for the Authority to invest any proceeds of the Bonds in such Qualified Investments. The form of any such investment agreement or repurchase agreement shall be approved by an Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State.

1.11 Book-Entry System for the Bonds.

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

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

1.12 Conformance of Documents.

Any Authorized Officer is hereby authorized and directed to approve, as Bond Counsel may advise, such changes to the forms of the Preliminary Official Statement, the Official Statement, the Purchase Contract, the Loan Agreement, the Trust Indenture and such other agreements, documents or certificates as may be necessary and appropriate to conform same to the bond insurance requirements of the issuer of a financial guaranty insurance policy insuring payment of principal of and interest on the Bonds, if any, when due, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

ARTICLE II

MISCELLANEOUS

2.1 Incidental Action.

(a) The Authorized Officers are hereby authorized to refund and to call for redemption the 2008 Bonds.

(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 to: (i) effectuate the delivery of the Preliminary Official Statement and the execution and delivery of the Purchase Contract, the Loan Agreement, the Trust Indenture, and the Official Statement and the transactions contemplated thereby including, but not limited to, the sale and issuance of the Bonds and the refunding and redemption of the 2008 Bonds; (ii) implement the DTC book-entry-only system for the Bonds; (iii) 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 Code and any regulations promulgated thereunder); (iv) obtain the Policy, if any; and (v) enter into, or cause to be entered into, one or more agreements to invest the proceeds of the Bonds in Qualified Investments.

(c) The Authorized Officers are hereby authorized and directed to take such actions from time to time as may be necessary or appropriate to: (i) determine, prior to the issuance of the Bonds, the specific real and/or personal property to be subject to the Loan Agreement and the Mortgage, and (ii) 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 this Section 2.1(c) in the form approved by the Authorized Officer executing same, such execution being conclusive evidence of such approval; provided, however, that in the case of actions authorized by this Section 2.1(c), the Authority is advised by Bond Counsel and/or the Attorney General of the State that the action does not adversely affect the tax-exempt status of the Bonds or the security of the holders of the Bonds and that the action and documentation is undertaken in accordance with the documentation for the Bonds.

2.2 Reimbursement.

(a) The Authority reasonably expects the Private College will seek reimbursement of its expenditures of New Money Project Costs paid with funds of the Private College that are not proceeds of tax-exempt bonds prior to the issuance of the Bonds, with proceeds of the Bonds.

(b) This Resolution is intended to be and hereby is a declaration of the Authority's official intent to reimburse the expenditures for New Money Project Costs paid with funds of the Private College which are not proceeds of tax-exempt bonds prior to the issuance of the Bonds, with the proceeds of the Bonds in accordance with Treasury Regulations Section 1.150-2.

(c) The maximum principal amount of Bonds expected to be issued to finance New Money Project Costs, including amounts to be used to reimburse the expenditure of costs of the New Money Project that are paid prior to the issuance of the Bonds, is an aggregate amount not-to-exceed \$3,000,000, including, without limitation, costs of issuance.

2.3 Prior Resolutions.

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

2.4 Effective Date.

This Resolution shall take effect in accordance with the Act.

_____ Ms. Hendricks _____ 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: Joshua Hodes
Katherine Ungar
Louis Rodriguez
Rochelle Hendricks
Ford M. Scudder (represented by Steven Petrecca)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2016 BUDGET VARIANCE ANALYSIS
FOR SIX MONTHS ENDED JUNE 30, 2016**

Executive Summary

The NJEFA concluded June with year-to-date net operating income in the amount of \$366,264, based on revenues of \$1,703,068 and expenses of \$1,336,804. As a result, net operating income is higher than budgeted by \$287,206. This difference is a result of greater than budgeted revenues in the amount of \$62,272 and less than budgeted expenses in the amount of \$224,934.

Revenues

Revenues were higher than projected through June primarily due to an increase in bond issuance activity.

Expenses

Operating expenditures for the first six months of the year were favorable as compared to budget by \$224,934. Most of the line items display positive deviations and are primarily the result of staff vacancies and timing.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
JUNE 2016

	Month Ended June 30, 2016			Six Months Ended June 30, 2016		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$246,938	\$246,938	\$ -	\$ 1,481,628	\$ 1,481,628	\$ -
Initial Fees	100,000	52,222	47,778	200,000	156,666	43,334
Investment Income	9,755	417	9,338	21,440	2,502	18,938
	<u>\$ 356,693</u>	<u>\$ 299,577</u>	<u>\$ 57,116</u>	<u>\$ 1,703,068</u>	<u>\$ 1,640,796</u>	<u>\$ 62,272</u>
<u>Operating Expenses</u>						
Salaries	\$104,906	\$106,914	\$ 2,008	\$ 588,485	\$ 641,484	\$ 52,999
Employee Benefits	25,950	38,820	12,870	283,646	362,920	79,274
Provision for Post Ret. Health Benefits	12,358	12,358	-	74,148	74,148	-
Office of The Governor	2,208	2,208	-	13,250	13,248	(2)
Office of The Attorney General	2,500	4,667	2,167	4,586	28,002	23,416
Sponsored Programs	-	500	500	-	3,000	3,000
Telephone	1,599	1,667	68	8,716	10,002	1,286
Rent	19,794	24,464	4,670	123,206	137,214	14,008
Utilities	1,687	1,792	105	10,120	10,752	632
Postage	159	417	258	915	2,502	1,587
Office Supplies & Expenses	4,612	3,333	(1,279)	20,207	19,998	(209)
Travel & Official Receptions	1,144	1,250	106	6,656	7,500	844
Staff Training & Tuition Reimbursement	-	1,750	1,750	3,552	10,500	6,948
Insurance	2,699	22,699	20,000	35,326	36,194	868
Annual Report & Newsletters	-	2,792	2,792	-	16,752	16,752
Public Relations	-	683	683	-	4,098	4,098
Professional Services	32,779	15,500	(17,279)	85,896	91,500	5,604
Dues & Subscriptions	7,946	10,429	2,483	31,127	39,688	8,561
Data Processing	3,675	3,833	158	18,375	22,998	4,623
Maintenance of Equipment	13,779	3,333	(10,446)	19,354	19,998	644
Depreciation	1,540	1,540	-	9,239	9,240	1
Contingency	-	-	-	-	-	-
	<u>239,335</u>	<u>260,949</u>	<u>21,614</u>	<u>1,336,804</u>	<u>1,561,738</u>	<u>224,934</u>
Net Operating Income	<u>\$ 117,358</u>	<u>\$ 38,628</u>	<u>\$ 78,730</u>	<u>\$ 366,264</u>	<u>\$ 79,058</u>	<u>\$ 287,206</u>

NJFEA Operating Account - Vendor Payments June 2016

9:24 AM

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Check	06/01/2016	11098	UPS	Inv 2Y687X216, 2Y687X206	Postage	101.34
Check	06/01/2016	11099	Panera Bread	5/24/16 Board Meeting Inv 60147600293	Travel & Official Receptions	117.20
Check	06/01/2016	11100	McFadyen, Jacqueline	Expense Reimbursement - Travel 5/4/16 - 5/6/16	Travel & Official Receptions	469.60
Check	06/01/2016	11101	Treasurer, State of New Jersey - DAG	FY2016 3rd Quarter (1/1/16 - 3/31/16)	Prepaid DAG Fees	4,722.00
Check	06/01/2016	11102	Garden State Fire & Safety	Inv 36199 Annual Inspection Fire Extinguishers	Office Supplies and Expenses	75.00
Check	06/01/2016	11103	ICFJN	Annual Spring Dinner 6/9/16 (JS, SS)	Travel & Official Receptions	100.00
Check	06/01/2016	11104	100 & RW CRA, LLC	Inv 102597, 102599, 102598	Rent, Utilities	22,271.97
Check	06/01/2016	11105	100 & RW CRA, LLC	Inv 102368	Office Supplies and Expenses	82.50
Check	06/01/2016	11106	Polar Inc.	Inv B24916, 024917	Office Supplies and Expenses	152.45
Check	06/01/2016	11107	NJ Economic Development Authority	June Coverage	Employee Benefits	1,460.25
Check	06/01/2016	11108	SS&C Technologies, Inc	INV444850	Equipment Maintenance	12,625.00
Check	06/01/2016	11109	Spector, Jeremy	Expense Reimbursement - Travel 4/19/16 - 5/4/16	Travel & Official Receptions	87.00
Check	06/02/2016	EFT	NJSHBP	ID 150400 06/16	Employee Benefits	22,182.48
Check	06/02/2016	EFT	NJSHBP	ID 150400 06/16	Post Retirement Benefits	5,242.57
Check	06/09/2016	11110	W.B. Mason Company, Inc.	Inv IS0486172	Office Supplies and Expenses	524.81
Check	06/09/2016	11111	Cramer's Bakery	50th Anniversary Board Meeting	Travel & Official Receptions	104.95
Check	06/09/2016	11112	UPS	Inv 2Y687X226	Postage	19.82
Check	06/09/2016	11113	CliftonLarsonAllen LLP	Inv 1288585	Professional Services	12,400.00
Check	06/09/2016	11114	DocuSafe	Inv 85914	Office Supplies and Expenses	121.56
Check	06/09/2016	11115	Public Resources Advisory Group	Inv 16342 CSE F.A.	Professional Services	580.00
Check	06/09/2016	11116	Mueller, Marie P	Employee Reimbursement	Employee Benefits	300.00
Check	06/09/2016	11117	Polar Inc.	Inv 025171, 025359	Employee Benefits	58.80
Check	06/09/2016	11118	Toles, Shella R.	Employee Reimbursement	Employee Benefits	225.00
Check	06/09/2016	11119	Yang, Ellen	Expense Reimbursement - Travel 6/7/16	Travel & Official Receptions	4,491.99
Check	06/09/2016	11120	The Hartford	Acct # 12596873 WC 7/1/16 - 7/1/17 (WC)	Prepaid Insurance	4,491.99
Check	06/09/2016	11121	Thomson Reuters (Markets) LLC	Inv 93765481	Dues & Subscriptions	686.00
Check	06/09/2016	11122	Neopost	Inv 53951869	Office Supplies and Expenses	466.01
Check	06/09/2016	11123	Government News Network	Inv 74281-G	Dues & Subscriptions	303.00
Check	06/09/2016	11124	National Office Furniture, Inc	Document Number 92479852 Ellen &	Office Furniture/Equip	1,284.00
Check	06/09/2016	11125	Arkadin Inc.	Inv 925827-0516	Telephones	61.15
Check	06/09/2016	11126	The Wall Street Journal	Acct No. 041212250423 1 Year Subscription	Dues & Subscriptions	395.86
Check	06/23/2016	11127	Romeo's Restaurant & Pizza	Office Meeting Lunch 6/23/16	Travel & Official Receptions	122.92
Check	06/23/2016	11128	Clark, Rebecca	Expense Reimbursement - Notary Application 5/25/16,	Office Supplies and Expenses	95.82
Check	06/23/2016	11129	UPS	Inv 2Y687X236	Postage	12.04
Check	06/23/2016	11130	Verizon Wireless	Inv 9766359633	Telephones	91.96
Check	06/23/2016	11131	Spector, Jeremy	Expense Reimb. Notebook and Refill Sheets 6/15/16	Office Supplies and Expenses	125.67
Check	06/23/2016	11132	20/20 Business Solutions, Inc.	Inv 493276	Equipment Maintenance	511.11
Check	06/23/2016	11133	Polar Inc.	Inv 025946	Office Supplies and Expenses	36.70
Check	06/23/2016	11134	SourcaMedia - (RFP Ads etc.)	Inv ADV0272208	Office Supplies and Expenses	2,780.00
Check	06/23/2016	11135	Bloomberg Finance LP	Inv 5603396455	Dues & Subscriptions	6,270.00
Check	06/23/2016	11136	Line Systems	Inv 66054160615	Dues & Subscriptions	1,446.02
Check	06/23/2016	11137	SS&C Technologies, Inc	INV445822	Telephones	3,675.00
Check	06/23/2016	11138	Lexis Nexis	Inv 1605219133	Data Processing	292.00
Check	06/23/2016	11139	EasyKeys.com	Order # 3727260 4 Keys	Dues & Subscriptions	27.80
Check	06/23/2016	11140	Morgan Stanley	NJCU MUNI060815	Office Supplies and Expenses	56.96
Check	06/23/2016	11141	TGI Office Automation	INV342250 MPC6502 Copier	Travel & Official Receptions	642.60
Check	06/28/2016	11143	Lamont Financial Services	Inv 455-0616	Equipment Maintenance	9,103.16
Check	06/28/2016	11144	Public Resources Advisory Group	Inv 16378 CSE F.A.	Professional Services	10,367.50
Check	06/28/2016	11145	Willis of New Jersey	Inv 1462992 (EFA, D&O, College Covg)	Prepaid Insurance, Proj Adv Rec. Insur	114,717.63
Check	06/29/2016	11146	Cash	Replenish Petty Cash	Travel & Receptions, Office Supp, Postage	166.21
						242,261.13

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of June 30, 2016

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
Private						
Princeton University	2016 Series A	Renov, Maint & Refund Commercial Paper	\$ 131,644,807.40	\$ (108,107,212.02)	\$ 23,537,595.38	82%
Sub Total			\$ 131,644,807.40	\$ (108,107,212.02)	\$ 23,537,595.38	
Public						
The College of New Jersey	Series 2010 B	Construct School of Education	\$ 44,293,116.12	\$ (41,537,568.90)	\$ 2,755,547.22	94%
New Jersey City University	Series 2010 F	Various Capital Improvements	14,717,070.83	(13,807,395.99)	909,674.84	94%
The College of New Jersey	Series 2013 A	Demo of Holtman Hall, Construct and Renov of STEM	25,608,240.10	(11,387,981.79)	14,220,258.31	44%
Montclair State University	Series 2014 A	Various Refundings and Capital Projects	156,675,111.09	(81,757,764.42)	74,917,346.67	52%
* Thomas Edison State College	Series 2014 B	Nursing Education Center & Parking	7,000,000.00	(6,997,465.58)	2,534.42	100%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(22,656,769.02)	15,212,887.08	60%
Ramapo College of New Jersey	Series 2015 B	Refund & Renov to Student Center & Coll. Park Apts	16,039,113.37	(7,987,468.43)	8,051,644.94	50%
William Paterson University of New Jersey	Series 2015 C	Refund & Improv, Renov Hunziker Hall & Wing	20,486,649.75	(4,397,916.40)	16,088,733.35	21%
Sub Total			\$ 322,688,957.36	\$ (190,530,330.53)	\$ 132,158,626.83	
Other Programs						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (58,818,785.85)	\$ 42,448,107.15	58%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(25,338,686.49)	15,974,980.51	61%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(98,634,310.11)	93,271,285.89	51%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(101,888,597.95)	118,088,566.05	46%
Sub Total			\$ 554,463,320.00	\$ (284,680,380.40)	\$ 269,782,939.60	
Grand Total			\$ 1,008,797,084.76	\$ (583,317,922.95)	\$ 425,479,161.81	

* This issue has reached a completion rate of 95% or higher and will not appear on future reports.