

The College of New Jersey
Board of Trustees
April 16, 2008
8:30 a.m.
201 Loser Hall
Minutes

Present (via telephone): Christopher Gibson, Secretary; Poonam Alaigh; Robert Altman; Jorge Caballero; Jimmy McAndrew; Anne McHugh; Barbara Pelson; Miles Powell; Jenna Klubnick

Not Present: Brad Brewster (recused from action on Bond restructuring); Hazel Gluck (recused from action on Bond restructuring); Stacy Holland; Robert Kaye; Tricia Mueller; Susanne Svizeny (recused from action on Bond restructuring)

I. Announcement of Compliance

Mr. Gibson announced that the requirements of the Open Public Meetings Act concerning public notice of this meeting had been met.

President Gitenstein made comments regarding the resolution, followed by comments by Ms. Barbara Wineberg, Treasurer of the College, Roger Anderson of NJEFA and Nathan Singer of Swap Financial Group.

II. New Business

A. Report of the Finance and Investments Committee

1. Resolution of the Board of Trustees of The College of New Jersey Approving the Issuance of NJEFA Bonds to Refund Certain Bonds Previously Issued for the College and the Termination of Certain Interest Rate Swap Agreements, Approving the Form and Authorizing the Execution of a Lease Agreement with the NJEFA and Other Necessary Documents, and Authorizing Incidental Action – Attachment A

It was moved by Ms. McHugh, seconded by Dr. Altman, that the resolution be approved. The motion carried unanimously.


III. Adjournment

Be It

Resolved: That the next regularly scheduled public meeting of The College of New Jersey Board of Trustees will be held on Tuesday, April 22, 2008 at a time and location to be announced.

Be It
Further
Resolved: That this meeting be adjourned.

Respectively submitted,



Chris Gibson,
Secretary

**Resolution of the Board of Trustees of The College of New Jersey
Approving the Issuance of NJEFA Bonds to Refund Certain Bonds Previously
Issued for the College and the Termination of Certain Interest Rate Swap
Agreements, Approving the Form and Authorizing the Execution of a Lease
and Agreement with the NJEFA and Other Necessary Documents, and
Authorizing Incidental Action**

- 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: Pursuant to the Act, the Authority has issued its Revenue Bonds, The College of New Jersey Issue, Series 1999 A in the original aggregate principal amount of \$146,455,000 (the "1999 A Bonds") and its Revenue Bonds, The College of New Jersey Issue, Series 2002 D in the original aggregate principal amount of \$138,550,000 (the "2002 D Bonds"); and
- Whereas: The 1999 A Bonds are variable rate demand obligations which are insured by Ambac Assurance Corporation ("Ambac") for which liquidity is provided through a standby bond purchase agreement; and
- Whereas: The 2002 D Bonds bear variable rate interest at an R-Floats ® Rate for which no liquidity is provided (i.e., similar to auction rate bonds) and which are insured by Financial Guaranty Insurance Company ("FGIC"); and
- Whereas: In connection with the 1999 A Bonds, on behalf of The College of New Jersey (the "College"), the Authority has entered into an interest rate swap agreement with Ambac Financial Services, LP (the "1999 A Swap") relating to the 1999 A Bonds; and
- Whereas: In connection with the 2002 D Bonds, on behalf of the College, the Authority has entered into a fixed to floating interest rate swap with Merrill Lynch Capital Services, Inc. (the "2002 D Fixed Rate Swap") and into a constant maturity swap with Merrill Lynch Capital Services, Inc. (the "2002 D CMS Swap"); and

April 16, 2008

- Whereas: Collectively the 1999A Swap, the 2002 D Fixed Rate Swap and the 2002 D CMS Swap may be collectively referred to as the “Swaps”; and
- Whereas: A result of the sub-prime mortgage crisis, one or more of S & P, Moody’s and Fitch (the “Rating Agencies”) have downgraded or are indicating intention to downgrade the financial and/or claims paying strength of certain bond insurers (including Ambac and FGIC) and/or of certain brokers and swap providers; and
- Whereas: The sub-prime mortgage crisis and such downgrades and potential downgrades have had a widespread effect on the market for short-term tax-exempt obligations and have adversely affected the borrowing costs of the College with respect to the 1999 A Bonds and the 2002 D Bonds; and
- Whereas: The College, in conjunction with the Authority, has investigated various restructuring alternatives for the 1999 A Bonds and 2002 D Bonds and the related 1999 A Swap, the 2002 D Fixed Rate Swap and the 2002 D CMS Swap, including, *inter alia*, an alternative (the “Fixed Rate Restructuring Alternative”) consisting of (i) the current refunding of the 1999 A Bonds and the 2002 D Bonds with fixed rate refunding bonds issued by the Authority and insured by Financial Security Assurance Inc. and/or Assured Guaranty Corp. (collectively, the “Bond Insurer”), (ii) the termination of the 1999 A Swap pursuant to an offer from Ambac Financial Services, L.P. for termination with a discounted termination fee and (iii) the termination of the 2002 D Fixed Rate Swap and the CMS Swap; and
- Whereas: Officers of the College and representatives of the Authority and Swap Financial Group, the Financial Advisor to the College, have described the various alternatives, including the benefits and risk associated with, and the costs of, each of such alternatives; and
- Whereas: In reviewing said alternatives the Board of Trustees (the “Board”) of the College has given due consideration to the Debt Policy and the Interest Rate Swap Policy heretofore adopted by the Board, and to the recommendations of the officers of the College and representatives of the Authority and the College’s Financial Advisor; and
- Whereas: After consideration of applicable alternatives, the Board has determined that it is advisable and beneficial to implement the Fixed Rate Restructuring Alternative (such restructuring hereafter referred to herein collectively, as the “Restructuring”); and
- Whereas: The new bonds issued by the Authority to currently refund the 1999 A Bonds and the 2002 D Bonds (such new bonds hereinafter referred to as the “Refunding Bonds”)

April 16, 2008

will be secured by a Lease and Agreement (the "Agreement") by and between the Authority and the College and the Board desires to authorize certain officers of the Board and the College to approve the form of and execute and deliver the Agreement; and

Whereas: The Board wishes to authorize certain officers of the College to approve the form of all other necessary documents for the Restructuring and to take any and all action necessary to implement the Restructuring and the financing thereof and all costs related thereto including without limitation paying a termination fee for the termination of the Swaps and paying costs of the Restructuring; and

Whereas: The Refunding Bonds will be issued under and secured by a Trust Indenture (the "Indenture") to be entered into by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"); and

Whereas: The College desires to approve the form of and authorize the preparation and distribution of a Preliminary Official Statement (if necessary) and a final Official Statement relating to the Refunding Bonds, to be used in connection with the offering and sale of the Refunding Bonds; and

Whereas: The College desires to approve the form of a Contract of Purchase for the Refunding Bonds by and among the Authority, the College and the hereinafter-defined Senior Managing Underwriter; and

Whereas: The College desires to approve the form of a Continuing Disclosure Agreement by and between the College and U.S. Bank National Association relating to the Refunding Bonds;

Therefore,
Be It

Resolved: by the Board of Trustees of The College of New Jersey as follows:

Section 1. Approval of Refunding Bonds. The Board hereby approves and authorizes the issuance by the Authority of the Refunding Bonds in order to implement the Restructuring; provided, that the principal amount of Refunding Bonds issued shall not exceed \$310,000,000 in the aggregate (including costs of issuance and termination fees).

Section 2. Approval of Restructuring. The Board hereby approves the undertaking and implementation of the Restructuring, as outlined in the recitals hereof. In addition to the other authorizations provided for in this Resolution, the Board hereby specifically approves, and hereby authorizes the Authority and the Authorized Officers (hereinafter defined) of the College to

April 16, 2008

effectuate, (A) the termination of the Swaps and the termination of the Liquidity Assurance Agreement which was entered into by the Authority and Ambac Financial Services, L.P. in connection with the 1999A Swap, and the execution and delivery of such agreements and certificates as may be necessary to effectuate such terminations (collectively, the "Termination Agreements") in order to effectuate same, (B) the application of an amount from the Construction Funds established for the 1999 A Bonds and the 2002 D Bonds (collectively, the "Prior Construction Funds") toward the costs of the Restructuring (with the remainder to be applied toward the completion of the various projects being refinanced by the Refunding Bonds (collectively, the "Project Facilities") and (C) the payment of the termination fees payable in respect of said termination of the Swaps from the proceeds of the Refunding Bonds and/or from moneys in the Prior Construction Funds as aforesaid. The Board acknowledges that the Authority will take the actions described in clauses (A), (B) and (C) above at the direction and instruction of the College, and for the benefit of the College, and hereby consents thereto.

Section 3. Approval of Preliminary Official Statement and Final Official Statement. The preparation, publication and distribution of a Preliminary Official Statement relating to the Refunding Bonds (the "Preliminary Official Statement"), in substantially the form attached hereto as Exhibit A, is hereby approved, with such insertions, deletions and changes therein and any supplements thereto as may be approved by the President, the Treasurer or the Associate Treasurer (the "Authorized Officers") with the advice of counsel. The Preliminary Official Statement is hereby "deemed final" for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission. The preparation, publication and distribution of a final Official Statement relating to the Refunding Bonds, in substantially the form of the Preliminary Official Statement, is hereby approved, with such insertions, deletions and changes therein and any supplements thereto as may be approved by an Authorized Officer with the advice of counsel.

Section 4. Authorization of and Execution and Delivery of the Contract of Purchase. The form of Contract of Purchase (the "Contract of Purchase") by and among the Authority, the College and Morgan Stanley & Co. Inc. (the "Senior Managing Underwriter"), on behalf of itself and the additional underwriters appointed by the Authority, in substantially the form attached hereto as Exhibit B, is hereby approved. Any Authorized Officer of the College is hereby authorized and directed to execute, acknowledge and deliver, and (if necessary) any other Authorized Officer of the College is hereby authorized and directed to affix and attest the official common seal of the College to the Contract of Purchase in substantially such form (with the inclusion of such interest rates, prices, underwriting compensation and redemption premiums as shall be agreed upon among the Authority, the College and the Senior Managing Underwriter), with such insertions, deletions and changes therein and any supplements thereto as the Authorized Officer executing the same may approve with the advice of counsel, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

April 16, 2008

Section 5. Approval of Agreement. The form of the Agreement attached hereto as Exhibit C is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer of the College is hereby authorized and directed to affix and attest the official common seal of the College to the Agreement in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as the Authorized Officer executing the same may approve with the advice of counsel, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

Section 6. Approval of Continuing Disclosure Agreement. The form of the Continuing Disclosure Agreement attached hereto as Exhibit D is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and (if necessary) any other Authorized Officer of the College is hereby authorized and directed to affix and attest the official common seal of the College to the Continuing Disclosure Agreement in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as the Authorized Officer executing the same may approve with the advice of counsel, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

Section 7. Approval of Indenture. The Indenture in the form attached hereto as Exhibit E is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and (if necessary) any other Authorized Officer of the College is hereby authorized and directed to affix and attest the official common seal of the College to the Indenture in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as the Authorized Officer executing the same may approve with the advice of counsel, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

Section 8. Additional Actions. The Authorized Officers are hereby authorized and directed to execute, deliver and approve any and all such other documents, certificates, directions and notices and to do and perform such acts and to take such other actions as may be necessary or required or which the Authority may deem to be appropriate to implement the Restructuring and the purposes of this Resolution including payment of the costs thereof and to effectuate the issuance of the Refunding Bonds and to execute and deliver the Termination Agreements and any other documentation necessary to effectuate the Restructuring and the purposes of this Resolution including any necessary amendments to existing documents. The Authorized Officers are hereby authorized and directed, for and on behalf of and in the name of the College, to attest and deliver said documentation and to affix the seal of the College to said documentation.

Section 9. Ratification of Prior Actions. Any and all prior actions of any Authorized Officer in furtherance of the Restructuring are hereby ratified and confirmed. This resolution supersedes the resolution of the Board dated March 3, 2008. To the extent this resolution conflicts with the provisions of any previous resolution, the provisions of this resolution shall govern.

April 16, 2008

Section 10. Effectiveness. This resolution will take effect immediately.

ATTACHMENTS:

- Exhibit A: Form of Preliminary Official Statement
- Exhibit B: Form of Contract of Purchase
- Exhibit C: Form of Lease Agreement
- Exhibit D: Form of Continuing Disclosure Agreement
- Exhibit E: Form of Trust Indenture

April 16, 2008