NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
April 8, 2014

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; Steve Petrecca representing the State Treasurer; Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development; Christopher Hughes representing the Commissioner of the Department of Banking and Insurance; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Joseph McNamara, Vice Chairman; Charles Sarlo, Larry Downes, Brian Nelson, and Harold Imperatore, Third Alternate Public Member.

Present via conference call: Ray Burke, First Alternate Public Member, and Elliot M. Kosoffsky, Second Alternate Public Member.

Also present: Michele Brown, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Deputy Attorney General Bette Renaud; and staff.

Absent: Melissa Orsen representing the Executive Branch, Jerry Langer, Public Member; and Rodney Sadler, Non-Voting Member.

Chairman Koeppe called the meeting to order at 10 a.m.

Pursuant to the Internal Revenue Code of 1986, Ms. Brown announced that this was a public hearing and comments are invited on any Private Activity bond projects presented today.

In accordance with the Open Public Meetings Act, Ms. Brown announced that notice of this meeting has been sent to the *Star Ledger* and the *Trenton Times* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the March 13, 2014 meeting minutes, including an amendment to the Association Headquarters, Inc project (P38900). The annual grant award was revised from $336,814 to $442,500 for a 10-year term. A motion was made to approve the minutes by Mr. Downes, seconded by Mr. McNamara, and was approved by the 12 voting members present.

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board.

Mr. Sarlo entered the meeting at this time.

AUTHORITY MATTERS

ITEM: 2013 Comprehensive Annual Report
REQUEST: To approve the Authority's comprehensive annual report for 2013, as required under Executive Order No. 37 (2006)
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Nelson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Chairman Koeppe, Mr. Kosoffsky and Mr. Downes recognized the work of the Audit Committee related to the review of the comprehensive annual report.

BOND PROJECTS

ITEM: NJEDA/School Facilities Construction 2014 Obligations
REQUEST: To approve the issuance of one or more series of School Facilities Construction Refunding Bonds and Notes and School Facilities Construction Bonds, together with the Refunding Obligations, as well as various related actions.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Zavaglia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PROJECT: Cooper Lanning Square Renaissance School, Inc. **APPL.#38339**
LOCATION: Camden/Camden
PROCEEDS FOR: Construction of new building or addition
FINANCING: $60,000,000 Taxable Qualified School Construction Bond
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PROJECT: Uncommon Properties II, LLC **APPL.#38414**
LOCATION: Newark City/Essex
PROCEEDS FOR: Renovation of existing building
FINANCING: $37,000,000 Taxable Qualified School Construction Bond
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROJECT: Washington Street University Housing Assoc, LLC* **APPL.#39001**
LOCATION: Newark City/Essex
PROCEEDS FOR: Acquisition of existing building, construction of new building or addition
FINANCING: $65,000,000 Tax Exempt Bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
PUBLIC HEARING: Yes

PUBLIC COMMENT: None

AMENDED BOND RESOLUTIONS

PROJECT: The Montclair Art Museum* **APPL.#39186**
LOCATION: Montclair//Essex
PROCEEDS FOR: Refunding
FINANCING: $4,549,200 Tax Exempt Bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6
PUBLIC HEARING: Yes

PUBLIC COMMENT: None

COMBINATION PREIMINARY AND BOND RESOLUTIONS

PROJECT: LEAP Cramer Hill, LLC.* **APPL.#39147**
LOCATION: Camden/Camden
PROCEEDS FOR: Renovation of existing building
FINANCING: $9,650,000 Tax Exempt Series A Bond, $350,000 Taxable Series B Bond
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Nelson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7
PUBLIC HEARING: Yes

PUBLIC COMMENT: None

Preliminary Bond Resolutions

PROJECT: Shining Schools, Inc. **APPL.#39159**
LOCATION: East Orange/Essex
PROCEEDS FOR: Construction of new building or addition, renovation of existing building
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
PUBLIC HEARING: Yes

PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

LOAN TO LENDERS PROGRAM

PROJECT: Intersect Fund Corporation **APPL.#38978**
LOCATION: New Brunswick/Middlesex
PROCEEDS FOR: Working capital
FINANCING: $500,000 loan
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Mr. Burke acknowledged the discussion at Director's Loan Review Committee, and noted the project as a great example of the Authority's localized approach and efforts to broaden the reach of assistance.

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

FOR INFORMATION ONLY: Summary of Funding Status for the Petroleum Underground Storage Tank Program and Hazardous Discharge Site Remediation Fund Programs.

The following projects were presented under the Petroleum Underground Storage Tank Program.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Farahdia Edouard **APPL.#**38828
LOCATION: Montclair/Essex
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $100,154 Petroleum UST Remediation, Upgrade and Closure Fund Grant

PROJECT: Steven Matthews **APPL.#**38513
LOCATION: Montclair/Essex
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $125,875 Petroleum UST Remediation, Upgrade and Closure Fund Grant

PROJECT: Stevens Institute of Technology **APPL.#**38693
LOCATION: Hoboken/Hudson
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $340,635 Petroleum UST Remediation, Upgrade and Closure Fund Grant

FOR INFORMATION ONLY: Summary of Petroleum Underground Storage Tank Program projects approved by the Delegated Authority.

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

FOR INFORMATION ONLY: Summary of Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.

The following projects were presented under the Hazardous Discharge Site Remediation Fund Program.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Peter Mocco **APPL.#**38774
LOCATION: South Amboy/Middlesex
PROCEEDS FOR: Remedial action, remedial investigation
FINANCING: $736,792 Hazardous Discharge Site Remediation Fund Program Grant

PROJECT: Route 21 Associates of Belleville **APPL.**#38688
LOCATION: Belleville/Essex
PROCEEDS FOR: Remedial action, remedial investigation
FINANCING: $1,000,000 Hazardous Discharge Site Remediation Fund Program Grant

FOR INFORMATION ONLY: Summary of Hazardous Discharge Site Remediation Fund Program projects approved by the Delegated Authority.

DIRECT LOANS

PROJECT: Big Top Arcade, Inc. **APPL.#39042**
LOCATION: Seaside Height/Ocean
PROCEEDS FOR: Working capital
FINANCING: $894,974 Direct loan
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Nelson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Chairman Koeppe acknowledged the work of staff and committee. Mr. Burke noted the project is an example of the complexity that staff is running into and recognized the work involved.

OFFICE OF RECOVERY

PROJECT: Big Top Arcade, Inc. **APPL.#38623**
LOCATION: Seaside Height/Ocean
PROCEEDS FOR: Working capital
FINANCING: $142,750 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Big Top Arcade, Inc. **APPL.#39077**
LOCATION: Seaside Height/Ocean
PROCEEDS FOR: Construction
FINANCING: $988,743 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. McNamara **SECOND: Mr. Dumont** **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: BLLS 7th & Broadway Corp. **APPL.#38879**
LOCATION: Barnegat Light Borough/Ocean
PROCEEDS FOR: Working capital
FINANCING: $117,937 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Zavaglia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13
PROJECT: By-The-Sea Too, Inc. **APPL.#39041**
LOCATION: Dover Twp/Ocean
PROCEEDS FOR: Working capital
FINANCING: $198,300 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: SJV, Inc. **APPL.#38951**
LOCATION: Seaside Heights /Ocean
PROCEEDS FOR: Working capital
FINANCING: $1,029,910 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Nelson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: LASV, Inc.. **APPL.#38950**
LOCATION: Seaside Heights /Ocean
PROCEEDS FOR: Working capital
FINANCING: $1,349,524 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Nelson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Saddy Family Trust, LLC **APPL.#38970**
LOCATION: Dover Twp/Ocean
PROCEEDS FOR: Working capital
FINANCING: $457,210 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Zavaglia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: Stronger NJ Neighborhood &Community Revitalization Program (NCR) – Streetscape Revitalization Program Delegated Authority and Request for Rejection of applications – Round Two
REQUEST: To move the top seven ranking Municipalities to the next phase of the approval process, to advance three applications that ranked next below the top seven to NJDEP review, in case any issues arise in the review process or additional funds become available, and to approve staff's recommendation to reject the seven applications that were deemed non-responsive or that scored below the minimum threshold score of 55.
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: ENER-G Rudox Inc. APPL.#39002
LOCATION: East Rutherford/Bergen
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: ENER-G Rudox Inc. APPL.#39002
LOCATION: East Rutherford/Bergen
ANNUAL GRANT AWARD: $97,500, 10 year term
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Nelson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

PROJECT: SodaStream USA, Inc. APPL.#39146
LOCATION: Pennsauken Twp/Camden
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Nelson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: SodaStream USA, Inc. APPL.#39146
LOCATION: Pennsauken Twp/Camden
ANNUAL GRANT AWARD: $352,750, 10 year term
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

PROJECT: Sys-tech Solutions, Inc. APPL.#39128
LOCATION: Plainsboro/Middlesex
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

PROJECT: Sys-tech Solutions, Inc. APPL.#39128
LOCATION: Plainsboro/Middlesex
ANNUAL GRANT AWARD: $1,118,625, 10 year term
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: United Water Management and Services Inc. APPL.#39092
& United Water, Inc.
LOCATION: Paramus/Bergen
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

Mr. Nelson recused himself because of a business relationship.

PROJECT: United Water Management and Services Inc. APPL.#39092
& United Water, Inc.
LOCATION: Paramus/Bergen
ANNUAL GRANT AWARD: $551,250, 10 year term
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

Mr. Nelson recused himself because of a business relationship.

BOARD MEMORANDUMS

ITEM: American Home Assurance Company and Affiliates/AIG
BEIP Grants: P12490, P14675, and P15826
REQUEST: To approve name changes in the American Home Assurance Company Business Employment Incentive Program grants.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

ITEM: The Arc of Bergen and Passaic Counties, Inc.
$849,178 Tax Exempt Bond
REQUEST: To approve a reduction in the Bond interest rate, and extension of the maturity date to September 1, 2026, to provide better repayment terms on the Bond for this not-for-profit social services organization.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

FOR INFORMATION ONLY: Summary of the post closing actions approved under Delegated Authority for 1st Quarter 2014.

FOR INFORMATION ONLY: Summary of the projects approved under Delegated Authority in March 2014:

Stronger NJ Loan Program: C-Lyn, LLC (P38840 & P39061); Mel's Furniture LLC (P38854)

Camden ERB: Camden Shipyard & Maritime Museum (P38467); Parkside Business & Community in Partnership, Inc. (P38483)

Small Business Fund Program: Parkside Business & Community in Partnership, Inc. (P39126)

New Jersey Business Growth Fund – Modification: JSN Corlies Real Estate, LLC (P39013); Kashius Anthony Limited Liability Company (P39118)

Stronger NJ Business Loan Program – Modification: Purpuri Shoes, Inc. (P38545 & P38657)

FOR INFORMATION ONLY: Summary of Incentive Modifications approved for 1st Quarter 2014.

FOR INFORMATION ONLY: Summary of Technology & Life Sciences – Delegated Authority Approvals for 1st Quarter 2014.

REAL ESTATE

ITEM: Memorandum of Understanding
Technology Centre of New Jersey & Tech Expansion Site
REQUEST: To approve consent to execute a Memorandum of Understanding between the Authority and PNC Bank, National Association, regarding the sale of the Technology Centre of New Jersey and the Tech Expansion site, subject to approval of the Chief Executive Officer, Chief Operating Officer/President and the Attorney General's Office.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Sarlo **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

As chair of the Real Estate Committee, Mr. Sarlo noted that the Authority is well-positioned and that fair compensation is anticipated. Mr. Sarlo also noted that the CCIT operation will remain with the Authority.

FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry/Licenses for First Quarter 2014

INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGRAM

ITEM: Grow New Jersey Program
REQUEST: To approve the methodology to calculate the amount necessary to complete projects that have applied for tax credits in excess of $4,000,000/year.
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

Mr. Downes acknowledged the work of the Incentives Committee and Authority staff, specifically citing the format of Grow NJ Board memos as providing a clear overview of the program's legislative requirements and connecting that to the award methodology.

PUBLIC COMMENT

There was no comment from the public.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss possible litigation and contract matters. The minutes will be made public when the need for confidentiality no longer exists.
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

There being no further business, on a motion Mr. McNamara, and seconded by Mr. Downes, the meeting was adjourned at 11:50 am.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.

Maureen Hassett

Maureen Hassett, Assistant Secretary

MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

DATE: April 8, 2014

SUBJECT: Agenda for Board Meeting of the Authority April 8, 2014

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Authority Matters

Bond Projects

Loans/Grants/Guarantees

Office of Recovery

Incentive Programs

Board Memorandums

Real Estate

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

March 13, 2014

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; State Treasurer Andrew Sidamon–Eristoff; Commissioner Kenneth Kobylowski of the Department of Banking and Insurance; Assistant Commissioner Robert Marshall of the Department of Environmental Protection; Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development; Public Members: Joseph McNamara, Vice Chairman; Marjorie Perry, Larry Downes, Charles Sarlo, Brian Nelson, Fred B. Dumont, Elliot M. Kosoffsky, Second Alternate Public Member; Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Present via conference call: Public Member Jerry Langer, and Ray Burke, First Alternate Public Member.

Also present: Michele Brown, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Deputy Attorney General Bette Renaud; Christopher Howard, Governor's Authorities' Unit; and staff.

Absent: Melissa Orsen representing the Executive Branch

Chairman Koeppe called the meeting to order at 10 a.m.

Pursuant to the Internal Revenue Code of 1986, Ms. Brown announced that this was a public hearing and comments are invited on any Private Activity bond projects presented today.

In accordance with the Open Public Meetings Act, Ms. Brown announced that notice of this meeting has been sent to the *Star Ledger* and the *Trenton Times* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the regular minutes of the February 11, 2014 meeting. A motion was made to approve the minutes by Mr. McNamara, seconded by Ms. Perry, and was approved by the 15 voting members present.

The next item of business was the approval of the February 24, 2014 special meeting minutes. A motion was made to approve the minutes by Mr. McNamara, seconded by Ms. Perry, and was approved by the 14 voting members present.

State Treasurer Andrew Sidamon–Eristoff abstained because he was not present during the February 24, 2014 special meeting

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board.

BOND PROJECTS

AMENDED BOND RESOLUTIONS

PROJECT: Far Hills Country Day School **APPL.#38989**
LOCATION: Multi City/Somerset
PROCEEDS FOR: Co-educational day school
FINANCING: $7,475,000 Tax-Exempt Bond
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PRELIMINARY BOND RESOLUTIONS

Ms. Perry left the meeting at this time.

PROJECT: Washington Street University Housing, Associates, LLC **APPL.#39001**
LOCATION: Newark/Essex Cty
PROCEEDS FOR: Construction of new building or addition
FINANCING: $ 94,860,000, Tax-Exempt Bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Commissioner Kobylowski **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Ms. Perry returned to the meeting at this time.

INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: Procedyne Corporation **APPL.#38985**
LOCATION: New Brunswick/Middlesex
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PROJECT: Procedyne Corporation **APPL.#38985**
LOCATION: New Brunswick/Middlesex
TOTAL AWARD: $140,875, 10 year term
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Ms. Perry **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROJECT: Sony Music Entertainment **APPL.#38997**
LOCATION: Rutherford/Bergen
TOTAL AWARD: $162,500, 10-year term
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Dumont **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Association Headquarters, Inc **APPL.#38900**
LOCATION: Rutherford/Bergen
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Langer **SECOND:** Ms. Perry **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: Association Headquarters, Inc **APPL.#38900**
LOCATION: Rutherford/Bergen
ANNUAL GRANT AWARD: $336,814, 10-year term
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

FILM TAX CREDIT TRANSFER PROGRAM

ITEM: New Jersey Film Tax Credit Transfer Program
REQUEST: To approve the following Film Tax Credit Projects for allocations in State FY 2014 and FY 2015.
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Northern Entertainment, Inc.
MAX AMOUNT OF TAX CREDITS: $806,328

PROJECT: Briefcase Films, LLC
MAX AMOUNT OF TAX CREDITS: $60,091

PROJECT: Open 4 Business, LLC.
MAX AMOUNT OF TAX CREDITS: $4,150,645

PROJECT: Bartlett Films, LLC (supp.)
MAX AMOUNT OF TAX CREDITS: $179,760

PROJECT: Junction The Movie, LLC.
MAX AMOUNT OF TAX CREDITS: $136,580

PROJECT: The MLB Network, LLC.
MAX AMOUNT OF TAX CREDITS: $33,389

PROJECT: The MLB Network, LLC.
MAX AMOUNT OF TAX CREDITS: $25,163

PROJECT: The MLB Network, LLC.
MAX AMOUNT OF TAX CREDITS: $6,494

PROJECT: The MLB Network, LLC.
MAX AMOUNT OF TAX CREDITS: $91,003

PROJECT: The MLB Network, LLC.
MAX AMOUNT OF TAX CREDITS: $684,734

PROJECT: The MLB Network, LLC.
MAX AMOUNT OF TAX CREDITS: $20,000

PROJECT: Purgatory, LLC.
MAX AMOUNT OF TAX CREDITS: $530,922

PROJECT: Split Endz Productions, LLC (supp.)
MAX AMOUNT OF TAX CREDITS: $19,473

PROJECT: The Perfect Age, LLC.
MAX AMOUNT OF TAX CREDITS: $227,098

PROJECT: Day Twenty Eight Films Apple, LLC.
MAX AMOUNT OF TAX CREDITS: $630,000

PROJECT: HOAV, LLC.
MAX AMOUNT OF TAX CREDITS: $318,649

BOARD MEMORANDUMS

ITEM: DG3 North America, Inc ("DG3")
$94,000 UEZ energy Sales Tax Exemption ("U-STX")
REQUEST: To approve consent of DG3's application to participate in the U-STX program.
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Imperatore **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: Citigroup Global Markets, Inc , Citigroup Technology, Inc., Citicorp North America, Inc., Citigroup management Corp., and Citibank, N. A. (collectively "Citigroup Warren") – P15955
REQUEST: To approve consent to shortening the BEIP grant term for Citigroup Warren by 3 months (from (October to July 2016) to align the maturity of the commitment duration (year 15 of the grant) with the expiry of the lease. In exchange for the modification, the applicant will agree to a reduction in the amount of the final payment of the grant award (approximately $1.24 million of the payment due).
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

FOR INFORMATION ONLY: Summary of the projects approved under Delegated Authority in February 2014:

New Jersey Business Growth Fund: LC Ventures LLC (P38987)

Small Business Fund Program: Imagine Audio, LLC (P38974); R & R Investments LLC (P38837)

Stronger NJ Loan Program: Berkeley Island Marine, Inc. (P38667)

New Jersey Business Growth Fund – Modification: SPE Labrusciano LLC (P39013)

FOR INFORMATION ONLY: Retail Fuel Station-Energy Resiliency Program Deadline Extension.

FOR INFORMATION ONLY: Technical Assistance for Small Businesses.

REAL ESTATE

ITEM: Site License Agreements between NJEDA and Parking Authority of the City of Camden Waterfront Technology Center Parking Lot and West Lot

REQUEST: To approve two separate Site License Agreements between the Authority and the Parking Authority of the City of Camden to allow PACC to use the Authority's lots for patron parking for events at the Susquehanna Bank Center, Campbell's Field, as well as, the Camden Waterfront and a delegation of authority to the President/COO to enter into similar agreements in 2015, 2016, 2017, and 2018.

MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Perry **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Mr. Nelson recused himself because of a prior relationship with some of the parties.

ITEM: Interim Parking Improvements and Increase to Langan Engineering Contract Former Riverfront State Prison Rehabilitation Project Camden, NJ

REQUEST: To approve the following: (i) amending the existing Memorandum of Understanding between NJEDA and the Department of Treasury, Division of Property Management and Construction to allow for interim parking improvements to be constructed on the former Riverfront Prison site; (ii) entering into a standard Site License Agreement with the Camden Parking Authority to allow its maintenance and operation of the Site; (iii) establishing a construction budget for the parking improvements in the amount of $502,000; and (iv) increasing Langan Engineering's existing contract in the amount of $35,000.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Dumont **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12
Mr. Nelson recused himself because of a prior relationship with some of the parties.

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Mr. Kobylowski, and seconded by Ms. Perry, the meeting was adjourned at 10:45 am.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.

Kim Ehrlich, ~~Sr.~~ Governance & Outreach Officer
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown
Chief Executive Officer

DATE: April 8, 2014

RE: Chief Executive Officer's Report to the Board

AWARD WINNING PEOPLE, PROGRAMS & PROJECTS

Last month, Senior Deputy Attorney General Elizabeth (Bette) Renaud was selected as a finalist for the 2014 General Counsel of the Year Awards program, which honors New Jersey's standout General Counsels, Chief Legal Officers and corporate compliance professionals for the critical role they play in making their organizations successful. Nominated by the EDA for the non-profit or government organization category, Bette was recognized for her longtime, dedicated service, most recently helping to guide the Authority's implementation of the New Jersey Economic Opportunity Act of 2013. An initiative of NJBIZ, General Counsel of the Year finalists will be recognized, and the winner in each category will be announced, during an awards ceremony in June.

In March, it was announced that the new Grow New Jersey Assistance Program was a recipient of an Economic Development 2014 Award for "Achievement in Targeted Incentives." The annual awards, sponsored by site selection publication, Business Facilities, seeks to showcase economic development organizations that have executed the best practices within the industry, bringing measurable success in targeted economic development to the locations they represent. Last year, the New Jersey Partnership for Action was awarded for its "Achievement in Business Retention."

The EDA also was recognized last month by Trade & Industry Development magazine for its role in the Bayer Healthcare expansion project. The Community Impact category of the magazine's 9th Annual CiCi Awards highlights 15 U.S. companies that announced economic development projects during 2013, and recognizes the local and state economic development agencies that work to attract this kind of development. Bayer consolidated its entire East Coast business at the former Alcatel-Lucent campus in Whippany, and plans to move 2,400 employees into this new headquarters. As noted by Trade & Industry, "investing $50 million in capital and creating an additional 500 jobs, Bayer not only revitalized an empty facility, but kick-started the economy of the surrounding community." Bayer received assistance through both the BEIP and BRRAG programs. In addition to EDA, the New Jersey Business Action Center, Morris County Chamber of Commerce and Whippany/Hanover Township were also recognized.

DESTINATION MATERNITY BREAKS GROUND ON NEW FLORENCE FACILITY

At the end of March, EDA President and Chief Operating Officer Tim Lizura joined officials from Destination Maternity Corporation to mark the groundbreaking for the company's new state-of-the-art, 400,000-square-foot distribution facility in Florence Township.

Last September, the world's leading maternity apparel retailer announced plans to relocate both its corporate headquarters and distribution facilities from Philadelphia, Pennsylvania to southern New Jersey. The company's corporate office operations will move to a completely renovated office building in Moorestown later this year. The new Florence Township distribution facility is expected to be operational in early to mid 2015.

This project will create over 600 new jobs in New Jersey, with an estimated capital investment of $49 million in over 470,000 square feet of headquarters and distribution space. To help the company offset the costs of its new headquarters and distribution facilities, the EDA approved an award under the legacy Grow New Jersey Program last year.

STRONGER NJ BUSINESS GRANT APPROVALS GAIN MOMENTUM

Significant progress has been made over the last few months in the award of Stronger NJ Business Grants. Since February 10th, over 97 businesses have been approved, bringing the total to 334 as of March 31st. The EDA has taken steps to streamline the application and review process, which has helped to move applications forward at a much faster pace. Changes to the process which helped to accelerate grant approvals include:

- Implementing a "team approach" by assigning two business advisors to each application to ensure someone is always readily available to answer questions;
- Reducing the amount of documentation required to begin the grant review process, as allowed by the US Department of Housing and Urban Development;
- Targeting expenses which can be processed for reimbursement most rapidly; and,
- Leveraging federal partnerships, including the Small Business Administration and the National Flood Insurance Program, to verify funding information in order to reduce the burden on applicants.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY UPDATE

At the end of March, FMERA announced that AcuteCare Management Services, LLC closed on the 16-acre Clinic parcel in the Oceanport Reuse Area of the Fort's Main Post. AcuteCare plans to renovate the former Patterson Army Health Clinic and reuse the building as a state-of-the-art healthcare facility. The company expects to make an initial capital investment of $5 million and create up to 200 jobs at full build-out.

AcuteCare plans to complete the project in two phases, essentially splitting the former Clinic into two stand-alone units. The first unit will include space for an outpatient medical facility with a Program of All-Inclusive Care for the Elderly (PACE) operation. PACE is a Medicare and Medicaid program that provides elderly citizens the option to meet their health care needs in their community instead of going to a nursing home or other care facility. Plans for the second phase include another unit, which is expected to house health care or related services.

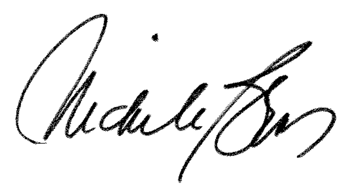
The next FMERA board meeting is Wednesday, April 23, 2014 at 7 pm and will be held at the FMERA Office in the former Fort library.

2014 CLOSED PROJECTS

To date in 2014, the EDA has closed financing and incentives totaling more than $41 million for 23 projects that are expected to support the creation of more than 970 new jobs and involve total public/private investment of more than $210 million in New Jersey's economy.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 21 events in March. These included the Gold Coast Investment Summit in Jersey City, the Plansmart NJ Policy Briefing in Ewing, and the NJ Alliance for Action -Investing in South Jersey Conference held in Galloway.



AUTHORITY MATTERS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: April 8, 2014

RE: 2013 Comprehensive Annual Report

Request

The Members of the Board are requested to approve the Authority's comprehensive annual report for 2013, as required under Executive Order No. 37 (2006).

Background

Each year since inception, as directed under our enabling legislation, the Authority designs and distributes our Annual Report of accomplishments and activities to support economic development in New Jersey. Beginning in 2006, in order to meet the requirements of Executive Order No. 37 (2006), our Annual Report is combined with our audited financial statements and serves as our "comprehensive annual report" for 2013.

The audited financial statements for the year ending December 31, 2013 were prepared pursuant to Generally Accepted Accounting Principles for a government entity. I am also pleased to inform the Board that the independent accounting firm of Ernst & Young has issued an unmodified opinion with regard to the 2013 financial statements.

Certification accompanying the financial statements has been executed by the Chief Executive Officer and the Controller that the EDA has followed its standards, procedures and internal controls.

On March 20, 2014 per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2013 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit resulted in no negative findings or internal control deficiencies. Subsequent to the meeting and its review of the report, the Committee recommended that the report be presented to the Board for approval.

Under Executive Order No. 37 (2006), the Authority is required to obtain approval of a comprehensive annual report from its Board of Directors. Upon approval, this report will be submitted to the Authorities' Unit, posted to the EDA website, and transmitted electronically to members of the Legislature.

Recommendation:

Authority staff has prepared the comprehensive annual report for 2013 as required under Executive Order No. 37 (2006) and recommends Members' approval in order to submit the report to the Governor's Authorities' Unit, post to Authority website, and transmit to the Legislature.

Prepared by: Erin Gold

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

New Jersey Economic Development Authority
2013 Annual Report

Message from EDA Board Chairman Al Koeppe

As Chair of the Board of the New Jersey Economic Development Authority (EDA), I am pleased to report that 2013 was another year of extraordinary progress at the Authority as it worked to stimulate community investment and expand employment opportunities across the State. Through a year of transition, including the launch of new recovery and incentive programs, the EDA held firm to its business development goals and fiduciary responsibilities in administering new and existing initiatives.

The businesses represented in the pages that follow help to illustrate the EDA's reach into communities throughout New Jersey. From transformational redevelopment projects in our cities to "mom and pop" stores along the shore, the breadth of support translates to a healthier economy and quality of life for us all. With effective private sector partners, and in strict compliance with the statutes governing its programs, the Authority has continued to leverage its resources to maximize its impact.

I am proud to serve as Chair of an organization that boasts a highly dedicated Board of Directors and committed staff who share the central goal of growing New Jersey's economy. The EDA's ability to successfully advance Governor Christie's pro-growth agenda, including the rebuilding of our businesses and communities, is a testament to the good work of the entire EDA team.

I thank the Board for its service in 2013, and commend the Authority on its accomplishments of the last year.

Al C Koeppe

Al Koeppe
EDA Board Chair

Message from CEO Michele Brown and President & COO Tim Lizura

2013 was another exciting and busy year at the New Jersey Economic Development Authority (EDA) as we launched several new programs to address the State's recovery in the aftermath of Superstorm Sandy, and ushered in a new era of business development with the New Jersey Economic Opportunity Act of 2013 (EOA).

In total, the EDA finalized more than $1.29 billion in financing assistance, business incentives and tax credits in 2013, leveraging over $2.7 billion of investment in New Jersey's economy, generating more than 5,432 new, permanent jobs and 9,588 construction jobs, and retaining 5,262 Jersey jobs that were at risk of leaving the State.

Our various programs encourage entrepreneurial development, expand opportunities for small and mid-size businesses, promote the growth of the greater technology industry and help to advance transformational redevelopment projects across the State.

Among other highlights in 2013, the number of anticipated construction jobs resulting from EDA-assisted projects more than tripled compared to 2012, representing the creation of more than 9,500 short-term employment opportunities. This is largely a result of the considerable projects supported under the legacy Grow New Jersey program. The anticipated launch of the EOA late last year prompted a transition in other EDA incentive programs. For example, enhancements under the Business Retention and Relocation Assistance Grant (BRRAG) Program in early 2012 led to the execution of 20 grants that year; however, with a more powerful incentive tied to job retention expected through the EOA, only nine BRRAGs were finalized in 2013. This translated to a decrease in the number of retained "at risk" jobs in 2013.

With a focus on supporting the growth of New Jersey's small businesses, we are pleased that the EDA more than doubled its assistance through our lending programs – the Statewide Loan Pool Program, Main Street Business Assistance Program, New Jersey Business Growth Fund, and Small Business Fund. Through the EDA's partnership with UCEDC and other Community Development Financial Institutions (CDFIs), including the Cooperative Business Assistance Corporation in Camden and New Jersey Community Capital in New Brunswick, even more small businesses across the state were able to take advantage of low-cost financing and technical assistance to support their continued growth.

In addition, the EDA is supporting the recovery and rebuilding of hundreds of small businesses through the Stronger NJ Business programs, which are funded through New Jersey's Community Development Block Grant Disaster Recovery allocation. To further our reach, the EDA also provided grants to boost the lending capacity of five CDFIs offering disaster relief loans to small businesses in the nine counties most impacted by the storm.

In looking at EDA's total economic impact, it is clear that the Authority successfully helped New Jersey businesses and communities grow and prosper in 2013. The estimated number of new, permanent jobs increased from 4,822 to 5,432 over the last year and the total leveraged public/private investment jumped from $1.46 billion to more than $2.7 billion. With a continued focus on small business support and an enhanced economic development toolkit, the EDA expects 2014 to be even more successful.

Looking ahead, the EDA will continue to carry out the bold agenda of the Christie Administration to spur job creation and economic growth, and ensure that our storm-impacted businesses and communities are able to rebuild stronger than before. The EDA remains committed to helping businesses of all sizes maintain and expand their operations in the state, strengthening communities and catalyzing investment throughout New Jersey.

It is our pleasure to report on the EDA's hard work during 2013 in the pages that follow. To learn more about opportunities for business growth throughout New Jersey, we invite you to visit www.njeda.com or www.NewJerseyBusiness.gov.

Michele A. Brown
EDA CEO

Timothy J. Lizura
EDA President & COO

2013 Results

EDA Results 2013	
Projects Assisted	224
Total Assistance	$1.29 billion
Public/Private Investment	$2.71 billion
Estimated New Permanent Jobs	5,432
Estimated Construction Jobs	9,588
Estimated Retained "At Risk" Jobs	5,262

EDA Results 1974 - 2013	
Projects Assisted	11,529
Total Assistance	$23.6 billion
Public/Private Investment	$51.9 billion
Estimated New Permanent Jobs	333,136
Estimated Construction Jobs	345,377

EDA Mission

The New Jersey Economic Development Authority (EDA) is an independent State agency that finances small and mid-sized businesses, administers tax incentives to retain and grow jobs, revitalizes communities through redevelopment initiatives, and supports entrepreneurial development by providing access to training and mentoring programs.

Supporting the Recovery and Rebuilding of New Jersey Businesses

In October 2012, New Jersey experienced one of the most devastating storms in its history. Governor Christie called on the EDA to administer $460 million of the State's Community Development Block Grant-Disaster Recovery (CDBG-DR) allocation to support the recovery of impacted communities and businesses in the aftermath of Superstorm Sandy. In 2013, the EDA introduced three programs to support this effort, including the Stronger NJ Business Grant Program, Stronger NJ Business Loan Program and the Stronger NJ Neighborhood and Community Revitalization (NCR) Program.

Storm-impacted small businesses were able to apply for grants of up to $50,000 through the Stronger NJ Business Grant Program beginning May 1. The program launched just two days after the U.S. Department of Housing and Urban Development (HUD) approved New Jersey's Action Plan. The program was originally allocated $260 million; in January 2014, HUD authorized the transfer of $160 million to the New Jersey Department of Community Affairs for its residential programs. Eligible uses under the $100 million grant program include costs related to rehabilitation, construction, equipment, inventory, mitigation, refinancing and working capital. The deadline for applications was December 31, 2013.

In recognition of stringent federal regulations and other program requirements, the EDA hosted more than 50 workshops in 2013, during which over 600 businesses met face-to-face with business advisors. In addition, business advisors were on hand at 45 mobile cabinets hosted by the Christie Administration to provide information and answer questions. Outreach also included collaboration with various small business advocacy and interest groups to educate their members on available assistance and support them through the application process.

Through early March 2014, 289 Stronger NJ Business Grants were approved totaling over $14 million.

Launched on July 1, the $100 million Stronger NJ Business Loan program supports businesses that were impacted by Superstorm Sandy, as well as businesses looking to expand within storm-impacted communities. To be eligible, businesses located within the nine most impacted counties must: 1) positively impact the economy of their community through either capital investment or the creation or retention of jobs; and/or 2) evidence a minimum of $5,000 in physical damage to real property and/or loss or damage of non-perishable and non-consumable inventory; however, businesses located outside of the nine counties must meet the $5,000 damage/loss requirement. Eligible small businesses and non-profits may apply for loans up to $5 million per eligible location, with 0-percent interest for the first 24 months. Loans can be used for renovation, new construction, equipment, and working capital.

Through early March 2014, a total of 13 businesses have been approved for loans totaling over $11.7 million. A portion of those approved by the EDA are required by federal regulations to undergo an environmental review by the New Jersey Department of Environmental Protection (DEP) before they close. Loans for working capital do not require that review.

In September 2013, the EDA launched the Stronger NJ NCR Program. The program offers: $10 million for “Streetscape” projects; $2.5 million for Community Development Financial Institutions (CDFIs) providing loans to impacted small businesses; and, $52.5 million for development and public infrastructure (D&I) projects.

Of the $10 million in grants for “Streetscape” projects, $125,000 to $1.5 million is available per project for improvements including streetscapes, lighting, sidewalks, façade enhancements, and code-related and other physical upgrades to commercial areas to support the recovery of economic activity in impacted communities throughout the State.

Four municipalities were selected by the EDA in February 2014 from the first round of applications for a total of $5 million in grants. They include: Highlands, which will replace old and cracked sidewalks and curbs, install pedestrian-scale street lights, bike racks, benches and trash receptacles to support the community at large; Asbury Park, which will replace old conventional highway style poles and light fixtures with new energy efficient LED lights along its entire boardwalk, replace existing lighting and extend lighting on the boardwalk north of Convention Hall; Keansburg, which will revamp Main Street and Carr Avenue by reconstructing roadways, building sidewalks and making the downtown safer for pedestrians; and, Sea Isle City, which is developing the beach-to-bay corridor to help enhance its downtown business district.

The EDA awarded five grants of $500,000 each to five CDFIs to fund small business loans in the nine most impacted counties, deploying the full $2.5 million available to these organizations through the NCR program. Organizations that benefited include New Jersey Community Capital (NJCC), Cooperative Business Assistance Corporation (CBAC), Greater Newark Enterprises Corporation (GNEC), UCEDC, and Intersect Fund Corporation (IFC).

A total of $52.5 million was allocated to advance D&I projects with grants and/or loans, up to a maximum of $10 million per project. Under this program, $5 million was provided to Seaside Park and Seaside Boro for demolition and debris removal following the devastating September 2013 boardwalk fire, leaving $47.5 million for other D&I projects. Due to unanticipated demand for grant funding under the D&I component of the NCR program, which far exceeds the availability of funds, the EDA approved an objective review and scoring process in February 2014 to determine project approvals and funding levels. Through this process, priority will be given to applications from low-to-moderate income (LMI) areas that were submitted during the initial six-week application period.

In 2013, the EDA also managed the federally funded post-Sandy tourism campaign, Stronger than the Storm (STTS), which helped to drive tourist activity and offset the expectation that the summer season would see a drop in visitors. New Jersey was faced with combating the misperception that Sandy destroyed all tourism assets and was not a viable vacation destination. The annual Economic Impact of Tourism Report released by the Department of State in March 2014 showed that New Jersey's tourism industry set a new record in 2013, generating more than $40 billion in overall tourism-related demand. Visitor spending, capital investment and general government support of tourism tallied a record of $40.4 billion, a 1.3 percent increase over 2012. Visitation in New Jersey also rose to 87.2 million in 2013, a 5.9 percent increase compared to 2012.

The success of STTS was achieved by utilizing a multitude of digital/social media in order to get the word out to potential visitors that the shore area was ready for summer. Through a comprehensive advertising campaign, STTS drove audiences to those digital assets, which included myriad information about events occurring and companies open for business in the impacted areas. These channels include the strongerthanthestorm.com website (which has had 397,803 visits), the STTS Facebook page (97,722 fans), Twitter (6,722 followers), Instagram (707 followers) and You Tube Channels (200,307 video views), as well as a newsletter (5,639 subscribers). The State worked closely with impacted communities to employ the various channels to help get their individualized message out, and will continue to do so going forward utilizing any additional State funding and HUD CDBG-DR funding that is approved for tourism marketing.

Helping Businesses Get Back On Their Feet

"I am grateful to the state and the very helpful, compassionate staff who helped keep my dream alive…I'm so excited for this upcoming season!"

-Alison Bartolo, owner, Alison's Wonderland

Alison Bartolo, owner of Alison's Wonderland in Beach Haven, reopened for the store's fifth season in early April 2013. The small business, which offers unique novelty and gift items, was flooded with four feet of storm water, causing complete loss of inventory and all office equipment. Alison received a $47,303 grant through the Stronger NJ Business Grant Program.

"I was determined to reopen Fisheads, as I was not going to let the storm win. I learned about the Stronger NJ Business Grant Program directly from Governor Christie when he visited Long Beach Island in May. I immediately applied and am so grateful for the support I have received."

-Carol Townsley, owner, Fisheads

Fisheads, a Surf City boutique offering clothing, gifts, jewelry and home furnishings, lost nearly all of its inventory, display equipment and furniture in the storm. The business received a $50,000 Stronger NJ Business grant.

"Thankfully, Beckman's was open for business in time to take advantage of the busy summer season. We're facing challenges this year that are very different from a typical summer, but fortunately, things are slowly but surely returning to normal. The Stronger NJ Business Grant is helping us to bridge the gap."

-Jerome Beckman, owner, Beckman's on the Beach

Storm flooding led to severe damage for Beckman's on the Beach, a Belmar-based convenience store and deli that lost its entire inventory in the storm. Beckman's received a $50,000 Stronger NJ Business grant.

"The Stronger NJ Business Grant is the only help we've gotten and we are so thankful to the State for making the process as easy as possible for us."
-Kristen Catlett, owner, Casa Comida

Family-owned Casa Comida has called Long Branch home for more than 30 years. The popular Mexican restaurant experienced severe flooding, which significantly damaged its property - from missing walls to damaged carpet. The restaurant received $24,669 through the Stronger NJ Business Grant Program.

"All of our equipment was destroyed. Fortunately, I was able to make some repairs on my own, but the financial gap created by the storm was pretty overwhelming. We are grateful for the support the State has provided."
-Daniel Moran, owner, Custom Steel Contractors

Custom Steel Contractors, Inc., in business since 1986, is located in South Kearny. A storm surge from the Hackensack River swept in at high tide, causing five feet of flooding in the office and shop. Most of the equipment the company needed to function was destroyed. Custom Steel received a $50,000 Stronger NJ Business grant.

"Recovering after the storm was a tough challenge, but we were able to reopen in time to operate when tourism was getting back to normal. We worked hard to bring Berkeley Island Marine back to life, and we thank the State for providing a loan with great terms to help us recover in Trixies Landing."

-Martin Tuohy, Service Manager, Berkeley Island Marine

Ocean County-based Berkeley Island Marine, Inc. was approved for a $230,400 working capital loan through the Stronger NJ Business Loan Program. The marine repair service business is located at Trixies Landing along the Barnegat Bay.

"Juan came to us after his restaurant, just a block from the bay in Keyport, was irreparably damaged by flooding from Hurricane Sandy. With his livelihood gone in the blink of an eye, Juan found a new restaurant space with a willing landlord

and turned to The Intersect Fund for a $6,000 loan to acquire the equipment needed to get his new restaurant, La Casa del Mariachi in Perth Amboy, up and running. We disbursed the loan — our 200th — within days."

-The Intersect Fund

The Intersect Fund was approved for $500,000 through the CDFI component of the NCR Program. The organization is a rapidly growing, non-profit microlender that provides business training, coaching and microloans to low-income, minority and women-owned businesses throughout New Jersey. Loans range from $100 to $25,000. In the aftermath of Superstorm Sandy, The Intersect Fund expanded its lending to include Disaster Relief Loans of up to $15,000 at reduced interest rates to businesses across New Jersey devastated by the storm.

Increasing Access to Capital to Fuel Economic Growth

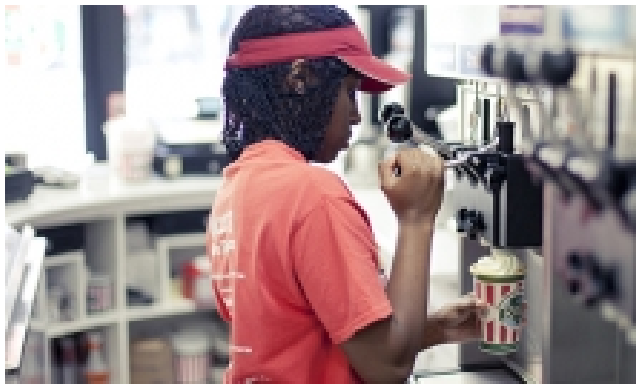
In 2011, EDA entered into a three year contract with not-for-profit economic development corporation UCEDC to expand the array of training, technical and financial assistance services available to entrepreneurs and small businesses throughout New Jersey. UCEDC offers various training workshops, including a series of courses that help develop financial and business literacy for business owners at all stages of maturation, and a comprehensive Entrepreneurial Training Initiative that walks entrepreneurs through all aspects of starting a business. Through its microloans, SBA 7(a) and 504 loans, UCEDC also offers a range of financing vehicles to address business needs at every stage of growth.

With EDA support, UCEDC established a satellite office in Atlantic City with Main Street Atlantic City last year and is also collaborating with other small business advocates, including Stand Up for Salem, the Latin American Economic Development Association and the Cumberland County One Stop Career Center. In 2013, UCEDC trained or mentored more than 1,500 entrepreneurs, held over 65 business training workshops across the State, and, provided close to $2.9 million in loans to 96 small businesses, 30-percent of which were minority- or woman-owned enterprises.

In addition to its partnership with UCEDC, through the Loans to Lenders component of the Fund for Community Economic Development, EDA makes capital available to financial intermediary organizations who can effectively reach small businesses in local markets, including micro-lenders and CDFIs. These organizations have the ability to offer term loans and lines of credit to micro-enterprises and small businesses not qualified for traditional bank financing.

In 2013, the Cooperative Business Assistance Corporation (CBAC) in Camden and New Jersey Community Capital (NJCC) in New Brunswick each benefitted from $500,000 under Loans to Lenders to enhance the capacity of their respective financing programs.

CBAC is a nonprofit organization providing business loans and technical assistance to small businesses located in or moving into the Southern New Jersey region. CBAC closed on approximately 60 loans over the last year for an average total of approximately $1.5 million. An estimated 65 percent of CBAC's loans go to women and minority-owned businesses. NJCC is a nonprofit organization whose primary mission is to revitalize neighborhoods through flexible financing, technical assistance and consulting services. NJCC has invested over $300 million into underserved communities across New Jersey. This includes 272 loans that have created or preserved nearly 5,900 jobs.



Rita's Ice - Newark

"Janell Robinson, a Newark police officer, opened her first Rita's Ice in Newark's Central Ward and used it to provide jobs and mentorship to dozens of area teens. A declining economy forced her to close, but two years later, Janell planned to open a new franchise in the heart of downtown. When no bank would provide her a loan, NJCC stepped in, allowing her to fulfill her ambitions and continue changing lives."

-New Jersey Community Capital

In addition to leveraging partnerships with local and not-for-profit economic development organizations, the EDA's efforts to stimulate economic growth and job creation are strengthened by its work with New Jersey's banking community. The EDA partners with more than 40 Premier Lender banks to offer low-cost financing opportunities through a variety of small business lending programs.

In 2013, EDA supported more than 50 projects through its small business lending programs – the Statewide Loan Pool Program, Main Street Business Assistance Program, New Jersey Business Growth Fund, and Small Business Fund. Assistance under these programs totaled over $24.7 million in 2013 compared to $12.2 million in 2012.

"The talented professionals at the EDA and M&T Bank managed to assemble a detailed financing package in a very short time frame, which helped Forman Industries continue to grow in Old Bridge. We are extremely pleased to be able to maintain our growth in New Jersey, versus another State."

- Scott Forman, founder, Forman Industries

When Forman Industries wanted to refinance so that it could enhance its operations in Old Bridge, the retail construction services provider turned to the Statewide Loan Pool and Main Street Business Assistance programs. EDA Premier Lender M&T Bank approved the company for a loan that included a 50-percent EDA participation. Through the Main Street Business Assistance Program, M&T approved a line of credit backed by a 50-percent EDA guarantee. Founded in 1984, Forman Industries focuses on four lines of business, including surveys and permitting, fixture/display installation, general construction, and maintenance services. The company expects to substantially increase its staff at the New Jersey facility.

Also through the Statewide Loan Pool and Main Street Business Assistance programs, the EDA partnered with The Bank of Princeton to support Piscataway-based Logistic Solutions, Inc. The minority- and woman-owned IT consulting and staffing business sought help to refinance and restructure debt to ease cash flow and provide working capital. Logistic Solutions received a line of credit from the bank, backed by a 50-percent EDA guarantee, and also received a loan that included a 50-percent EDA participation. Logistic Solutions currently employs 65 and expects to create 50 new jobs within the next two years.

In Burlington Township, Double Dipped Donuts, Inc. (DDD) utilized the New Jersey Business Growth Fund, a program of the EDA and Premier Lender PNC Bank, to refinance its real estate. Established more than 60 years ago, DDD is a family-owned retail bakery known for its unique baked goods and diverse assortment of French and Italian pastries. The company plans to add two new employees to its existing staff of 13.

"It was a pleasure working with the EDA and Capital Bank to learn about the financing resources available for our business to remain and grow in Pine Hill. We are extremely excited to be approved for the loan, which helps us improve and enhance our operations."

- Surjit Parmar, owner, Pine Hill Laundromat and Dry Cleaners

Through the Small Business Fund, Capital Bank approved a loan with a 25-percent EDA participation and a 25-percent EDA guarantee to allow Pine Hill Laundromat and Dry Cleaners to refinance its existing debt. The Camden County laundromat expects to retain its staff of two and create one new job. Established over 30 years ago, Ritschel's Electronic Office Systems, Inc. is a premier office technology provider serving over 4,000 companies in the Northern and Central New Jersey regions, as well as the New York metro area. The company received a direct loan through the Small Business Fund, in conjunction with a loan provided by Sussex Bank, to refinance its existing commercial real estate in Fairfield. Ritschel's employs a staff of 37 and expects to create seven new jobs.

Encouraging Business Development and Community Investment

In September, Governor Christie signed into law the New Jersey Economic Opportunity Act of 2013 (EOA). Just two months following enactment, the EDA began accepting applications for the enhanced Grow NJ and Economic Redevelopment and Growth (ERG) programs. Grow NJ is now the state's main job creation and retention incentive program, and ERG is New Jersey's sole developer incentive program. The Act merged the state's five legacy incentive programs, while expanding geographic boundaries and lowering eligibility thresholds to enhance the State's ability to attract and retain businesses of all sizes.

The new law also builds on Governor Christie's commitment to reclaiming New Jersey's cities by placing extra emphasis on spurring development and private sector job growth in "Garden State Growth Zones," identified in the legislation as the four lowest median family income cities in the state: Camden, Trenton, Passaic City, and Paterson. Under the EOA, projects in these cities have significantly lower eligibility thresholds and higher incentive levels.

The EDA closed out 2013 by approving the first projects under the new Grow NJ Program. Among those approved was Valeant Pharmaceuticals International, Inc., a multinational specialty pharmaceutical company which recently acquired Bausch & Lomb. Valeant is in the process of determining where to locate its combined U.S. headquarters, either in Rochester N.Y. or its current facility in Bridgewater. The New Jersey site is currently undergoing renovations and would ultimately house a combined work force of over 800 employees, with 274 retained positions and 550 new full-time jobs. The project also would involve the private investment of more than $15.3 million.

Also in December, Marathon Data Operating Co., LLC was approved for a Grow NJ award to encourage the company to maintain its presence in New Jersey by locating 70 existing jobs in Neptune instead of its Boston facility. The company, which provides office management, automation software, and marketing services solutions to the pest control, HVAC and plumbing industries, also would create 35 new jobs and invest an estimated $1.57 million.

While there is increased interest in the State's incentive programs as a result of the EOA, this recent success builds on the momentum of 2013.

"This is an exciting day for Burlington Coat Factory. I would like to thank Governor Christie, Acting Governor Guadagno and the State of New Jersey for making it possible to maintain and grow our corporate headquarters within the state."

-Thomas Kingsbury, Burlington Coat Factory's President and CEO

April 2013 Groundbreaking

Founded in 1972, Burlington Coat Factory has a multi-department retail chain with more than 500 stores in 44 states and Puerto Rico. In April, the company broke ground on its new $41 million headquarters in Florence Township. The 215,000 square-foot building will accommodate more than 800 employees, including 120 new full-time employees. A Grow NJ award finalized in January helped encourage the company to remain and invest in New Jersey.

BK Specialty Foods, Inc. was formed in 1986 as a wholesale food distributor in Philadelphia. The company distributes approximately 6,000 high-end products with a focus on frozen baked goods, hors d'oeuvres, non-alcoholic beverages, cheeses, oils, and specialty ingredients. A Business Employment Incentive Program (BEIP) grant executed last year helped encourage the company to relocate to Logan Township. The company also utilized the Statewide Loan Pool Program to acquire the facility, as well as new equipment and machinery. BK expects to create 56 new jobs.

"The state made it extremely easy and advantageous for BK to make the move with guidance on finding a new facility and financing provided by the EDA."

-Brett Kratchman, Owner and President of BK Specialty Foods

October 2013 Ribbon Cutting

To support Springfield Avenue Marketplace in Newark, EDA approved assistance through the Urban Transit Hub Tax Credit Program, as well as bond financing and an ERG. Spearheaded by Tucker Development, the $91.75 million project will transform a vacant, blighted site into a 287,000-square-foot mixed-use development featuring an apartment complex, grocery store, restaurant and retail space. The Marketplace is expected to service the shopping needs of an estimated 280,000 Newark residents, 180,000 members of the city’s workforce and 60,000 college students and faculty.

"Today's groundbreaking for Springfield Avenue Marketplace is the direct result of the public and private sector partnering together to bring jobs and access to healthy foods to the residents of Newark."

-Governor Chris Christie

October 2013 Groundbreaking

"As a pioneer in our industry, Glenmore is excited to call New Jersey home. The design studio in Edison is state-of-the-art and a great location for growing our company. We have made two job offers this month alone, and look forward to a successful year."

-Harold Lebwohl, president, Glenmore Industries

April 2013 Tour of New Facility

In March, Glenmore Industries relocated from Brooklyn to Edison. The home and industrial textile products company moved its operations to a new, state-of-the-art design and product development studio at the Raritan Center. Glenmore Industries was founded in 1946, and today, operates as a high-tech studio, employing highly skilled designers that make prototypes of home and industrial goods. To encourage Glenmore to choose New Jersey over a competing location in New York, the EDA executed a BEIP tied to the creation of 35 new, high-wage positions in New Jersey.

FlightSafety International is a professional aviation training company and supplier of flight simulators, visual systems and displays to commercial, government and military organizations. To keep up with growing client demand, FlightSafety was deciding whether to create a state-of-the-art expansion at its Moonachie-based Teterboro Center or to expand its Delaware facility. The EDA finalized a Grow NJ award in June to encourage the company to remain in New Jersey, investing an estimated $24.7 million. The project involved the retention of 101 “at risk” jobs, as well as the creation of 12 new, permanent jobs and nearly 200 construction jobs.

“The expansion and renovation of our Teterboro Learning Center is a clear demonstration of our commitment to continuously enhance the training and services we provide. FlightSafety is proud to have been a part of the New Jersey business community since 1975.”

-Bruce Whitman, FlightSafety President & CEO

June 2013 Groundbreaking

In September, Zoetis Inc. celebrated the company’s new world headquarters in Florham Park. Zoetis is the largest independent animal health company worldwide and completed its separation from Pfizer in June. Zoetis executed a BEIP grant in September tied to the creation of 385 new jobs at its new Morris County headquarters.

"We are committed to growing our business in New Jersey where we have access to a highly educated and diverse workforce, which is essential to managing a global animal health company. We are proud to call New Jersey our home."
-Sandra J. Beaty, Executive Vice President, Corporate Affairs at Zoetis
September 2013 Corporate Headquarters Tree Planting Ceremony

In 2013, EDA also approved over $240 million in preliminary and final bond financing that supports the construction, expansion or enhancement of 13 charter schools in New Jersey. This assistance is estimated to lead to over 573,000 square feet of new or expanded space, serving over 7,700 students in the cities of Camden, Trenton and Newark.

Growing Innovation

Signed into law by Governor Christie in January 2013, the Angel Investor Tax Credit program provides credits against New Jersey corporation business or gross income tax for 10 percent of a qualified investment in an emerging technology business with a physical presence in New Jersey and that conducts research, manufacturing, or technology commercialization in the state.

Since EDA began accepting applications to the program in July, 30 investments have been approved representing the injection of $14.7 million of capital into New Jersey technology and life sciences companies. Businesses that benefited in 2013 include New Providence-based Edge Therapeutics, Inc. and Princeton Power Systems of Lawrenceville.

With an eye toward nurturing the next generation of technology pioneers, EDA entered into a partnership with TechLaunch, LLC in February 2012 to create New Jersey's first Technology Accelerator. TechLaunch was founded by Mario Casabona, an Angel Investor and founder of Casabona Ventures, a New Jersey-based company providing management services, strategic planning, and private equity (Angel) financing to early-stage, technology driven companies. The LaunchPad program provides seed-stage technology companies funding, mentorship, business training, key services and exposure to qualified investors to increase the value of an enterprise and the likelihood of follow-on funding. The program culminates in a demonstration and investor pitch from each company. To support this effort, EDA has agreed to make an annual investment of $150,000 over three years. EDA's investment requires $300,000 private sector matching funds annually.

TechLaunch held its inaugural, 12 week LaunchPad business boot-camp at Montclair State University in 2012 and "graduated" its first class of ten companies that November. Its second class was extended to 16 weeks and "graduated" nine companies in September 2013. TechLaunch is set to begin its third class at the end of March 2014.

Highlights from the 2013 class include Caktus, which recently landed $200,000 in seed funding from Kima Ventures, a European venture capital company that invests in more than 100 hopeful startups per year. Caktus's hardware/software product is designed for consumers who want to be coached in staying properly hydrated. A flexible sensor called The Hug fits around any water bottle and is coupled with an app that can track drinking frequency and then push notifications about adequate water intake to users. Another graduate, Pervasive Group, recently announced it was partnering with Mobily to launch the first mobile parental control solution in Saudi Arabia. The company developed MMGuardian, a comprehensive mobile parental control software application.

"Getting invaluable contacts through the program and the mentoring have been very important for us…TechLaunch has really accelerated both the business and product development, so we're way further with TechLaunch now than we would be otherwise."

-Panu Keski-Pukkila, Caktus Co-Founder

The EDA helps increase available capital for emerging technology companies by investing as a limited partner in venture capital firms that invest in New Jersey-based companies. Funds in which the EDA invest in demonstrate an ability to leverage the Authority's investment with other investment dollars at a minimum ratio of 3:1. Gains resulting from these investments are utilized to offer new funding opportunities to support New Jersey businesses.

In 2013, EDA invested a total of $3.8 million in two venture funds that are expected to raise a combined $87 million to invest in technology companies.
In August, EDA approved an investment of $2.5 million in ff Rose Venture Capital Fund, which is expected to invest in approximately 40 angel-stage internet and technology companies. In September, Milestone Venture Partners IV was approved for a $1.3 million investment. Milestone expects to raise approximately $35 million to invest in technology companies, with a focus on the digital healthcare market.

In total, EDA has approved investments in 12 venture funds in excess of $40 million; to date, these funds have leveraged the EDA's investment in New Jersey businesses by more than 62 times.

In May, the EDA visited healthcare IT company Premier Healthcare Exchange, Inc., which was able to expand its staff, sales, marketing and shareholder liquidity thanks to a $4.4 million investment from Edison Ventures. The Bedminster-based company, which has grown from 57 to 120 employees in recent years, benefited from the Edison Venture Fund VII, a $249 million fund that includes a $2 million investment from EDA.

"The monetary investment which Edison Ventures made in our company was certainly significant as it has enabled us to fulfill the commitment that we have to the building a strong, sustainable business in the state of New Jersey. And that's important to us because we're not just located in New Jersey; we are from New Jersey, about New Jersey and proud that our success was born and grows in New Jersey."

-Todd Roberti, PHX Chief Executive Officer

As companies progress beyond the venture funding stage, they have access to a full range of services provided by the EDA, including the competitive Technology Business Tax Certificate Transfer (NOL) Program. The program allows emerging technology and life sciences businesses to sell New Jersey tax losses and/or research and development tax credits to profitable businesses in order to raise cash to finance their growth and operations.

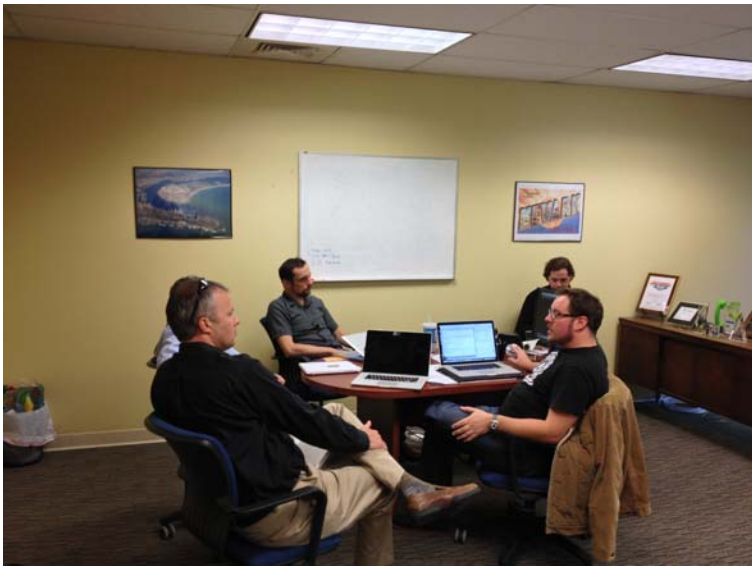
In December, 54 companies were approved to share the $60 million allocation available through the NOL Program in Fiscal Year 2014. Each of the 54 applicants approved this year will receive an estimated $1.1 million which is a 21 percent increase from last year.

Companies that benefited include: New Brunswick-based Connotate, Inc., a tech company focused on web data extraction and monitoring; Eagle Pharmaceuticals, a Woodcliff Lake-based pharmaceutical company which develops improved formulations of injectable products; and Agilence Inc. of Mount Laurel, an industry leader in the technology behind reporting solutions for retail loss prevention and operations.

Since the program was established in 1999, more than 490 different businesses have been approved for awards totaling $770 million.

Created in 2011 to enhance support of early stage companies that have attracted funds through venture capital investors, the Edison Innovation VC Growth Fund provides a subordinated convertible note of up to $1.5 million to help company's directly fund uses such as hiring key staff, product marketing and sales.

Phone.com, which moved to NJIT's Enterprise Development Center in Newark in June 2013, closed on a $600,000 loan through the Edison VC Growth Fund last February. The business is a next-generation, cloud-based phone company focused on the needs of small business and entrepreneurs. Phone.com, which expects to add 18 new employees to its staff of six, has been recognized by INC500 as one of the fastest growing telecom companies in the United States.



"With our offices in Newark, we will be able to build stronger ties with the technology community and will also have closer contact with the students and graduates of NJIT, who have an illustrious history of technology innovation."
-Phone.com CEO Ari Rabban

In the heart of the state's bioscience cluster is the Technology Centre of New Jersey. The Centre offers young, growing firms, as well as large established companies, customizable laboratory and production facilities. The Centre complex sits on more than 50 acres, and consists of approximately 325,000 square feet of lab, production and office space. The Centre's proximity to prestigious institutions of higher learning and major research corporations provides occupants with access to a highly educated and skilled labor pool.

With the support of a BEIP executed in February 2012, Actavis (formerly Watson Pharmaceuticals) is establishing a new, 32,000-square-foot Global R&D Technology Center on the Tech Centre campus that will employ approximately 50 scientists, chemists, engineers and support staff. In 2013, Watson commenced the construction of phase II tenant improvements, which were completed in early 2014.

Merial, the animal health division of Sanofi-Aventis, announced it was expanding its footprint at the Tech Centre in 2013. The $6 million, 15,500-square-foot expansion will support Merial's continued growth in New Jersey, including the addition of new products. The company currently has 105 employees working out of its 60,000-square-foot facility.

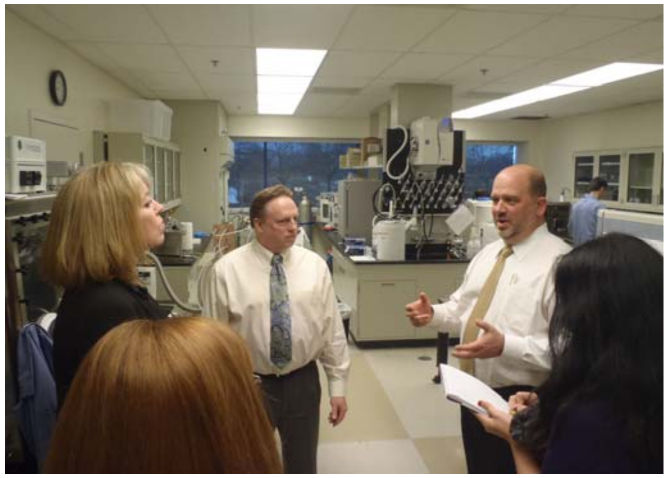
Merial's employees will soon fill the company's expanded facility on the Tech Centre campus, currently under construction.

With successful graduates like Amicus Therapeutics, Genewiz and Chromocell Corporation, which today boast over 100 employees each, the Commercialization Center for Innovation Technologies (CCIT) continues to be New Jersey's leading life sciences incubator. CCIT is part of the EDA's Technology Centre of New Jersey complex.

In August, EDA approved a lease with Orthobond Corporation for just over 7,050 square feet of generic wet lab space at the Biotechnology Development Center II on the Tech Centre campus,, following its graduation from CCIT. Since it moved to CCIT in 2009, Orthobond grew from two to four laboratories and expanded from a staff of three to 11. The company expects to add another eight jobs over the next few years. In February, the EDA visited Orthobond to laud its expansion in the State.

In 2013, CCIT welcomed 10 new tenants, including PDS Biotechnology, an early stage cancer immunotherapy biotechnology company, which was based in Indiana and looked at various locations in New Jersey and Pennsylvania before choosing to execute a lease at CCIT. In addition to Orthobond, four other growing biotechnology companies "graduated" from CCIT in 2013. This includes 3D Biotek, which announced the approval of a critical patent in August by the US Patent and Trade Mark Office. The company now has eight products on the market.

In January, CCIT was awarded its third consecutive Soft Landings International Incubator designation by the National Business Incubation Association, which recognizes incubators that are especially capable of helping nondomestic companies enter the domestic market with translation services, cutting through red tape, accessing capital, domestic market research, and other programs.



"Our location at CCIT has provided us with a host of resources essential to a young company's growth, including the opportunity to interact with our neighbors, share instrumentation, discuss technology and network."

-Marc Burel, Orthobond Chief Operating Officer

The Waterfront Technology Center at Camden is a 100,000-square-foot facility designed exclusively to accommodate the work of established businesses and startups in the biosciences, microelectronics, advanced materials, information technology and other high-tech and life sciences fields.

In 2013, Rutgers University finalized a 64-month lease at the Center, where approximately 12 faculty and graduate student researchers will utilize 5,193 square feet of pre-built lab space for special projects and biology-related research.   ATS Group, which executed a lease in 2012 for 1,900 square feet of space, expanded with the addition of 1,000 square feet in 2013. The company provides a wide range of products and services to the US government, as well as to the public and the private sectors.

The EDA's Waterfront Technology Center at Camden

Launched in 2011 as a program of the EDA and the New Jersey Board of Public Utilities, the Edison Innovation Green Growth Fund (EIGGF) offers loans of up to $2 million to Class I renewable energy or energy efficient clean technology companies that are seeking funding to grow and support their technology business. In August, United Silicon Carbide Inc. closed on a $2 million loan through the EIGGF. USCI was formed in 2009 to commercialize SiC technology that was initially developed by Rutgers University. USCI's technology is designed to replace Silicon in semiconductor applications to increase performance and improve efficiency.

The Large Scale CHP-Fuel Cells Program was a competitive grant program created to support combined heat and power (CHP) and standalone fuel cell projects serving commercial, institutional and industrial customers in New Jersey. Launched by the EDA and BPU, applications for the competitive solicitation were due in June 2012. In January 2013, EDA and BPU announced the second iteration of the program, which is administered as a rolling grant program.

Following the competitive solicitation, the EDA and BPU approved over $11 million in funding to support six CHP projects for some of New Jersey's largest energy users, including medical centers, manufacturers and hospitals. In 2013, the EDA and BPU approved four additional projects totaling over $7.5 million in assistance. Projects included Bristol-Myers Squibb in Pennington, Monmouth Medical Center in Long Branch, Barnabas Health in Dover, and UMM Energy Partners in Little Falls.

The UMM project involved the establishment of a 5.67 megawatt cogeneration plant to support Montclair State University. Under the 2009 New Jersey Economic Stimulus Act, the University awarded UMM the bid to develop the new system. The $90 million Public-Private Partnership, approved by the EDA, was the third of its kind in New Jersey.

"I cannot overstate the importance of this project…I am proud to say that the new project embodies the University's commitment to environmental stewardship by delivering clean, cost-effective and energy-efficient power and thermal services."
- Montclair State University President Susan A. Cole

By the Numbers

2013 Closed Projects

Business Employment Incentive Program
$61.2 million awarded
$259.5 million leveraged private investment
Estimated 2,800 new, permanent jobs and over 900 construction jobs

Business Retention and Relocation Assistance Grant
$7.5 million awarded
$14.2 million leveraged private investment
Estimated 1,976 "at risk" retained jobs

Grow New Jersey
$262 million awarded
$496 million leveraged private investment
Estimated 1,237 new, permanent jobs, 2,472 construction jobs and 3,286 "at risk" retained jobs

Bond Financing
$837 million awarded
$1.5 billion leveraged private investment
Estimated 500 new, permanent jobs and over 4,675 construction jobs

Small Business Lending
$24.9 million awarded
$92 million leveraged private investment
Estimated 440 new, permanent jobs and over 80 construction jobs

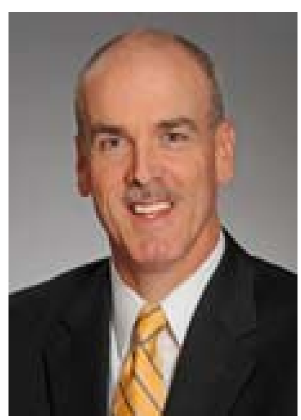
Technology
Over 70 technology companies received more than $196 million in assistance
$444 million leveraged private investment
Nearly 1,780 new, permanent jobs and 1,860 "at risk" retained jobs

EDA Executive Team

Michele Brown
Chief Executive Officer

Timothy J. Lizura
President & Chief Operating Officer

Maureen Hassett
Senior Vice President,
Finance & Development



Frederick J. Cole
Senior Vice President,
Operations

EDA Board Members

Chairman

Alfred C. Koeppe
President and CEO
Newark Alliance

Vice Chairman

Joseph A. McNamara (Vice Chairman)
Director
Laborers-Employers Cooperation and Education Trust & Health & Safety

Ex Officio Members

Melissa Orsen
Governor's Designee
Chief of Staff, Lieutenant Governor's Office

Kenneth E. Kobylowski
Commissioner
New Jersey Department of Banking & Insurance

Bob Martin
Commissioner
New Jersey Department of Environmental Protection

Andrew P. Sidamon-Eristoff
State Treasurer
New Jersey Department of the Treasury

Harold J. Wirths
Commissioner
New Jersey Department of Labor & Workforce Development

Public Members

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Chairman and CEO, New Jersey Resources

Brian M. Nelson, Esq.
Partner, Archer & Greiner PC

Marjorie Perry
President and CEO, MZM Construction & Management, Inc.

Charles H. Sarlo, Esq.
Law Office/VP and General Counsel, DMR Architects

Fred. B. Dumont
Business Manager, Heat & Frost Insulators and Asbestos Workers Local 89
Vice President, New Jersey State Building and Construction Trades Council

Jerrold I. Langer
Chief Commercial Officer, Langer Transport Corporation

Alternate Public Members

Raymond M. Burke, III
President, Burke Motor Group

Elliot M. Kosoffsky
Chief Operating Officer, F. Greek Development

Harold Imperatore
Proprietor, The Bernards Inn

Nonvoting Member

Rodney Sadler
Camden Economic Recovery Board

Certifications Pursuant to E.O. 37

March 27, 2014

In accordance with Executive Order No. 37, the New Jersey Economic Development Authority's 2013 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the year, including the degree of success the EDA had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Ernst & Young, dated March 21, 2014, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Michele Brown, certify that during 2013, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.

Michele A. Brown
Chief Executive Officer

I, Richard LoCascio, certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.

Richard LoCascio, CPA
Controller

FINANCIAL STATEMENTS

New Jersey Economic Development Authority
Years Ended December 31, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP

Building a better
working world

New Jersey Economic Development Authority

Financial Statements

Years Ended December 31, 2013 and 2012

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Building a better working world

Ernst & Young LLP
99 Wood Avenue South
Metropark
P.O. Box 751
Iselin, NJ 08830-0471

Tel: +1 732 516 4200
Fax: +1 732 516 4429
ey.com

Report of Independent Auditors

Management and Members of the Authority
New Jersey Economic Development Authority

We have audited the accompanying basic financial statements of the New Jersey Economic Development Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2013 and 2012, 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.

Required Supplementary Information

U.S. generally accepted accounting principles require that supplementary information, such as management's discussion and analysis and the schedule of funding progress of the postemployment healthcare plan as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ernst + Young LLP

March 21, 2014

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Management's Discussion and Analysis

Years Ended December 31, 2013 and 2012

This section of the New Jersey Economic Development Authority's ("Authority" or "NJEDA") annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2013 and 2012. Please read it in conjunction with the Authority's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short- and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business engaged in such activities as real estate development, investment banking, commercial lending, construction management and consultation. While detailed sub-fund information is not presented, separate accounts are maintained for each program or project to control and manage money for particular purposes or to demonstrate that the Authority is properly using specific appropriations, grants and bond proceeds.

2013 FINANCIAL HIGHLIGHTS

- The Authority's total net position decreased $28.8 million (or 5.1%).

- Current liabilities decreased $16.3 million (or 48.3%).

- Bonds payable-gross decreased $6.5 million (or 16.6%) due to scheduled debt service payments.

- Capital assets-net decreased $6.8 million (or 7.4%) primarily due to the sale of MSNBC production equipment.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position. The following table summarizes the changes in Net Position for the years ended December 31, 2013, 2012 and 2011:

	2013	2012	2011	Current Year % Increase/ (Decrease)	Prior Year % Increase/ (Decrease)
Assets:					
Other assets	**$ 524,015,191**	$ 565,461,190	$ 622,346,017	(7.3)%	(9.1)%
Capital assets, net	**84,474,935**	91,228,190	101,549,806	(7.4)%	(10.2)%
Total assets	**608,490,126**	656,689,380	723,895,823	(7.3)%	(9.3)%
Deferred outflows of resources:					
Accumulated decrease in fair value of hedging derivatives	**1,115,345**	1,880,110	2,171,742	(40.7)%	(13.4)%
Liabilities:					
Long-term debt	**41,636,457**	43,720,955	54,881,569	(4.8)%	(20.3)%
Other liabilities	**31,846,016**	49,170,449	38,904,313	(35.2)%	26.4%
Total liabilities	**73,482,473**	92,891,404	93,785,882	(20.9)%	(1.0)%
Deferred inflows of resources:					
Accumulated decrease in fair value of hedging derivatives	**1,115,345**	1,880,110	2,171,742	(40.7)%	(13.4)%
Net position:					
Invested in capital assets, net of related debt	**46,874,681**	51,382,500	55,803,672	(8.8)%	(7.9)%
Restricted	**22,388,440**	18,731,547	24,609,225	19.5%	(23.9)%
Unrestricted	**465,744,532**	493,683,929	549,697,044	(5.7)%	(10.2)%
Total net position	**$ 535,007,653**	$ 563,797,976	$ 630,109,941	(5.1)%	(10.5)%

During 2013, the Authority's combined net position decreased $28.8 million (or 5.1%) due to:

$11.9	Million	Petroleum Underground Storage Tank ("PUST") grant award payments and loan disbursements
$8.0	Million	Hazardous Discharge Site Remediation Fund ("HDSRF") disbursements
$6.9	Million	Municipal Economic Recovery Initiative grant award payments
$5.9	Million	School Loan Program repayments returned to the State
$(3.9)	Million	Other Program Payments and Payments to/from the State

During 2012, the Authority's combined net position decreased $66.3 million (or 10.5%) due to:

$11.4	Million	Petroleum Underground Storage Tank ("PUST") grant award payments and loan disbursements
$25.3	Million	Hazardous Discharge Site Remediation Fund ("HDSRF") disbursements
$9.3	Million	Municipal Economic Recovery Initiative grant award payments
$5.6	Million	School Loan Program repayments returned to the State
$14.7	Million	Other Program Payments and Payments to/from the State

Operating Activities. The Authority charges financing fees that may include an application fee, commitment fee, closing fee and a document execution fee. The Authority also charges an agency fee for the administration of financial programs for various government agencies; a program service fee for the administration of Authority programs that are service-provider based, rather than based on the exchange of assets such as the commercial lending program; and a real estate development fee for real estate activities undertaken on behalf of governmental entities and commercial enterprises. Interest income on investments, notes and intergovernmental obligations is recognized as earned. Grant revenue is earned when the Authority has complied with the terms and conditions of the grant agreements. The Authority also earns income from operating leases and interest income on lease revenue from capital lease financings. Late fees are charged to borrowers delinquent in their monthly loan payments. All forms of revenue accrue to the benefit of the program for which the underlying source of funds are utilized. The Authority considers all activity, except for the sale of capital assets and interest earned from investments, to be operating activities.

The following table summarizes the changes in operating and nonoperating activities between fiscal year 2013 and 2012:

	2013	2012	2011	Current Year % Increase/ (Decrease)	Prior Year % Increase/ (Decrease)
Operating revenues:					
Financing fees	**$ 6,760,175**	$ 7,035,546	$ 7,077,314	(3.9)%	(0.6)%
Lease revenue	**10,960,188**	11,465,256	11,736,286	(4.4)%	(2.3)%
Interest income – intergovernmental	**–**	22,067	191,477	(100.0)%	(88.5)%
notes	**5,626,492**	6,444,249	6,845,874	(12.7)%	(5.9)%
Other	**20,670,318**	6,900,560	16,509,596	199.5%	(58.2)%
Total operating revenues	**44,017,173**	31,867,678	42,360,547	38.1%	(24.8)%
Operating expenses:					
Administrative expenses	**21,134,052**	21,765,333	20,989,516	(2.9)%	3.7%
Interest expense	**1,508,847**	1,804,370	2,219,726	(16.4)%	(18.7)%
Depreciation	**6,618,900**	7,657,530	8,113,426	(13.6)%	(5.6)%
Loss (recoveries) provisions – net	**5,611,132**	2,779,503	(208,045)	101.9%	(1,436.0)%
Other	**7,390,962**	7,318,040	6,804,374	1.0%	7.5%
Total operating expenses	**42,263,893**	41,324,776	37,918,997	2.3%	9.0%
Operating (loss) income	**1,753,280**	(9,457,098)	4,441,550	(118.5)%	(312.9)%
Nonoperating revenues and (expenses):					
Interest income – investments	**2,413,709**	3,287,599	4,644,020	(26.6)%	(29.2)%
State appropriations-net	**11,591,125**	186,440	30,811,634	6117.1%	(99.4)%
Program payments	**(53,117,614)**	(66,532,002)	(76,161,126)	(20.2)%	(12.6)%
Federal appropriations	**9,304,316**	6,922,918	7,293,688	34.4%	(5.1)%
Other (expense) revenue	**(735,139)**	(719,822)	(384,327)	2.1%	87.3%
Total nonoperating, net	**(30,543,603)**	(56,854,867)	(33,796,111)	(46.3)%	68.2%
Change in net position	**(28,790,323)**	(66,311,965)	(29,354,561)	(56.6)%	125.9%
Beginning net position	**563,797,976**	630,109,941	659,464,502		
Ending net position	**$ 535,007,653**	$ 563,797,976	$ 630,109,941		

Operating Revenues

During 2013, the Authority's operating revenues were positively impacted by the following:

- Grant Revenue increased by $11.1 million due to receipt of the second of three installments of the State Small Business Credit Initiative ("SSBCI").
- Real Estate development and management fees increased by $0.5 million from the Camden Aquarium project.
- Venture Fund Distributions increased by $0.7 million due to a distribution from Edison IV Venture Fund.

During 2012, the Authority's operating revenues were positively impacted by the following:

- Real Estate development and management fees increased by $0.5 million from the State Police Barracks and Camden Aquarium projects.
- Venture Fund Distributions increased by $0.5 million due to a distribution from Edison IV Venture Fund.

Operating Expenses

In 2013, total operating expenses increased by $0.9 million and in 2012 increased by $3.4 million. In both years this fluctuation was mainly attributable to the loss provision that increased by $2.8 million in 2013 and $3.0 million in 2012. Additionally, through continued program efficiencies there was a minimal decrease in salaries and benefits expense and marketing expenses in both 2013 and 2012.

Nonoperating Expenses – net

In 2013, nonoperating expenses – net, decreased by $26.3 million and increased by $23.1 million in 2012. This was due to the fluctuation in State appropriations and offset by the reduction in program payments resulting from the administration of fewer appropriations.

Allowance for Credit Losses

The Authority has aligned its allowance policy to that practiced in the financial services industry. Allowances for doubtful notes and guarantee payments are determined in accordance with guidelines established by the Office of the Comptroller of the Currency. The Authority accounts for its potential loss exposure through the use of risk ratings. These specifically assigned risk ratings are updated to account for changes in financial condition of the borrower or guarantor, delinquent payment history, loan covenant violations, and changing economic conditions.

The assigned risk rating classifications are consistent with the ratings used by the Office of the Comptroller of the Currency. Each risk rating is assigned a specific loss factor in accordance with the severity of the classification. Each month an analysis is prepared using the current loan balances, existing exposure on guarantees, and the assigned risk rating to determine the adequacy of the reserve. Any adjustments needed to adequately provide for potential credit losses (recoveries) are reported as a Loss Provision (Recovery).

The following table summarizes the Loan Allowance activity for the end of the period from December 31, 2011 through December 31, 2013:

December 31, 2011		
Allowance for loan losses	$ 25,679,433	
Accrued guarantee losses	2,580,048	
Total allowance		$ 28,259,481
2012 Provision for credit losses-net	1,140,840	
2012 Write-offs	(3,329,105)	(2,188,265)
December 31, 2012		
Allowance for loan losses	23,808,255	
Accrued guarantee losses	2,262,961	
Total allowance		26,071,216
2013 Provision for credit losses-net	2,563,745	
2013 Write-offs	(2,986,342)	(422,597)
December 31, 2013		
Allowance for loan losses	23,372,283	
Accrued guarantee losses	2,276,336	
Total allowance		$ 25,648,619

The Authority's write-down and Loan Loss Reserve policies closely align with the reporting requirements of the banking industry. When management determines that the probability of collection is less than 50% of the remaining balance, it is the policy to assign a Loss rating to the account. For an account rated as Loss, a loss provision is recognized for the entire loan balance.

Loans are written-off against the Loss Allowance when it is determined that the probability of collection within the near term is remote. The recognition of a loss does not automatically release the borrower from the obligation to pay the debt. Should the borrower, guarantors, or collateral position improve in the future, any and all steps necessary to preserve the right to collect these obligations will be taken.

Aggregate gross loan and guarantee exposure at December 31, 2013, was $187,422,037, of which $168,166,702 or 90% is for loans and $19,255,335 for issued loan guarantees.

Aggregate gross loan and guarantee exposure at December 31, 2012, was $192,075,430, of which $175,137,652 or 91% is for loans and $16,937,778 for issued loan guarantees.

At December 31, 2013 the Authority maintained a Credit Loss Allowance of $25,648,619 or 13.68% of total exposure to cover potential losses in the loan and guaranty portfolio. Total credit losses for the year ended December 31, 2013, were $2,986,342 or 1.59% of the loan and guaranty exposure.

At December 31, 2012 the Authority maintained a Credit Loss Allowance of $26,071,216 or 13.57% of total exposure to cover potential losses in the loan and guaranty portfolio. Total credit losses for the year ended December 31, 2012, were $3,329,105 or 1.73% of the loan and guaranty exposure.

The 2013 Loss Provisions – Net, of $5.6 million, are related to the following detailed information:

$2,500,000 Loan and Guarantee Program activity
$3,100,000 Authority's share in Venture Capital Funds and Capital Investments

The 2012 Loss Provisions – Net, of $2.8 million, are related to the following detailed information:

$1,100,000 Loan and Guarantee Program activity
$1,700,000 Authority's share in Venture Capital Funds and Capital Investments

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Authority independently, or in cooperation with a private or governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for the municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities. For the majority of these leases, future minimum lease rental payments are equal to the debt service payments related to the bonds or notes issued for the applicable property.

The following table summarizes the change in other Capital Assets-Net between fiscal year 2013 and 2012:

	2013	2012	2011	Current Year % Increase/ (Decrease)	Prior Year % Increase/ (Decrease)
Land	**$ 23,382,313**	$ 23,382,313	$ 23,397,313	0.0%	(0.1)%
Construction in progress	**1,310**	–	–	100%	N/A
Total nondepreciable capital assets	**23,383,623**	23,382,313	23,397,313		
Building	**97,364,839**	97,364,839	97,364,839	0.0%	0.0%
Leasehold improvements	**36,859,763**	36,859,763	36,859,763	0.0%	0.0%
Equipment	–	2,230,807	15,298,322	(100.0)%	(85.4)%
Total depreciable capital assets	**134,224,602**	136,455,409	149,522,924		
Less accumulated depreciation	**(73,133,290)**	(68,609,532)	(71,370,431)	6.6%	(3.9)%
Capital assets–net	**$ 84,474,935**	$ 91,228,190	$ 101,549,806	(7.4)%	(10.2)%

The purchase and sale of production equipment to MSNBC fluctuates each year. More detailed information about the Authority's capital assets is presented in the Notes to the financial statements.

Capital Debt. At year end, the Authority had $43,600,254 of gross bond and note principal outstanding; a net decrease of 13.7%, due to the paydown of scheduled debt. More detailed information about the Authority's capital debt is presented in the Notes to the financial statements.

The following table summarizes the changes in capital debt between fiscal year 2013 and 2012:

	2013	2012	2011	Current Year % Increase/ (Decrease)	Prior Year % Increase/ (Decrease)
Bonds payable – gross	**$ 32,765,000**	$ 39,290,000	$ 51,800,000	(16.6)%	(24.2)%
Notes payable	**10,835,254**	11,250,690	11,586,135	(3.7)%	(2.9)%
Total bonds and notes payable	**$ 43,600,254**	$ 50,540,690	$ 63,386,135	(13.7)%	(20.3)%

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens, and our customers, clients, investors and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional information, contact Customer Care at (609) 858-6700, CustomerCare@njeda.com, NJEDA, P.O. Box 990, Trenton, NJ 08625-0990, or visit our web site at: www.njeda.com.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Net Position

	December 31 2013	2012
Assets		
Current assets:		
Cash and cash equivalents – restricted	$ **54,415,854**	$ 75,315,327
Cash and cash equivalents – unrestricted	**18,942,874**	18,899,419
Investments	**68,724,841**	75,632,554
Receivables:		
Notes	**19,944,552**	53,369,879
Accrued interest on notes	**303,980**	445,544
Accrued interest on investments	**756,752**	773,872
Intergovernmental	**48,611**	693,058
Leases	**100,000**	100,000
Other receivables	**11,981,730**	36,188,335
Total receivables	**33,135,625**	91,570,688
Prepaids and deferred costs	**590,537**	384,214
Total current assets	**175,809,731**	261,802,202
Noncurrent assets		
Investments – restricted	**6,326,670**	6,253,401
Investments – unrestricted	**179,715,292**	162,165,828
Capital investments – unrestricted	**26,005,601**	26,222,769
Receivables:		
Notes	**148,222,150**	121,767,773
Accrued interest on notes	**4,416,223**	4,074,809
Unamortized discount	**(21,163)**	(25,355)
Total notes receivables	**152,617,210**	125,817,227
Allowance for doubtful notes and guarantees	**(23,372,283)**	(23,808,255)
Net notes receivable	**129,244,927**	102,008,972
Intergovernmental restricted – receivables	**120,835**	241,668
Leases – restricted	**7,548,102**	7,648,102
Unamortized discount	**(833,097)**	(952,110)
Net leases receivable	**6,715,005**	6,695,992
Total receivables	**136,080,767**	108,946,632
Prepaids and deferred costs	**77,130**	70,358
Nondepreciable capital assets	**23,383,623**	23,382,313
Depreciable capital assets, net	**61,091,312**	67,845,877
Total capital assets, net	**84,474,935**	91,228,190
Total noncurrent assets	**432,680,395**	394,887,178
Total assets	**608,490,126**	656,689,380
Deferred outflows of resources		
Accumulated decrease in the fair value of hedging derivatives	**1,115,345**	1,880,110

New Jersey Economic Development Authority
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Statements of Net Position (continued)

	December 31 2013	December 31 2012
Liabilities		
Current liabilities:		
Accrued liabilities	**$ 6,563,681**	$ 23,024,026
Unearned lease revenues	**1,486,825**	1,488,088
Deposits	**7,116,951**	2,098,695
Bonds payable	**1,490,000**	6,525,000
Notes payable	**473,797**	331,830
Accrued interest payable	**319,176**	266,751
Total current liabilities	**17,450,430**	33,734,390
Noncurrent liabilities		
Bonds payable – net	**31,275,000**	32,802,095
Notes payable	**10,361,457**	10,918,860
Unearned lease revenues	**12,119,250**	13,173,098
Accrued guarantee losses	**2,276,336**	2,262,961
Total noncurrent liabilities	**56,032,043**	59,157,014
Total liabilities	**73,482,473**	92,891,404
Deferred inflows of resources		
Accumulated increase in the fair value of hedging derivatives	**1,115,345**	1,880,110
Net position		
Invested in capital assets, net of related debt	**46,874,681**	51,382,500
Restricted by State laws and agreements	**22,388,440**	18,731,547
Unrestricted	**465,744,532**	493,683,929
Total net position	**$ 535,007,653**	$ 563,797,976

See accompanying notes.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Revenues, Expenses and Changes in Net Position

	Year Ended December 31 2013	2012
Operating revenues		
Financing fees	**$ 6,760,175**	$ 7,035,546
Interest income – intergovernmental obligations	**–**	22,067
Interest income – notes	**5,626,492**	6,444,249
Total interest income	**5,626,492**	6,466,316
Financing lease revenue	**119,014**	119,014
Operating lease revenue	**10,841,174**	11,346,242
Agency fees	**2,838,253**	3,090,367
Program services	**1,072,821**	885,676
Real estate development	**1,116,493**	883,788
Grant revenue	**11,141,030**	–
Other	**4,501,721**	2,040,729
Total other revenues	**31,630,506**	18,365,816
Total operating revenue	**44,017,173**	31,867,678
Operating expenses		
Salaries and benefits	**17,209,218**	18,590,944
General and administrative	**3,924,834**	3,174,389
Interest	**1,508,847**	1,804,370
Program costs	**7,390,962**	7,318,040
Depreciation	**6,618,900**	7,657,530
Loss provisions – net	**5,611,132**	2,779,503
Total operating expenses	**42,263,893**	41,324,776
Operating income (loss)	**1,753,280**	(9,457,098)
Nonoperating revenues and expenses		
Interest income – investments	**2,413,709**	3,287,599
Unrealized loss in investment securities	**(1,835,139)**	(719,822)
Gain on sale of assets – net	**1,100,000**	–
State appropriations – net	**11,591,125**	186,440
Federal appropriations	**9,304,316**	6,922,918
Program payments	**(53,117,614)**	(66,532,002)
Nonoperating expenses – net	**(30,543,603)**	(56,854,867)
Change in net position	**(28,790,323)**	(66,311,965)
Net position – beginning of year	**563,797,976**	630,109,941
Net position – end of year	**$ 535,007,653**	$ 563,797,976

See accompanying notes.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Cash Flows

	Year Ended December 31 2013	2012
Cash flows from operating activities		
Cash receipts from financing fees	**$ 7,135,258**	$ 7,779,092
Interest from notes	**6,826,554**	7,704,789
Lease rents	**9,975,038**	10,597,042
Agency fees	**3,270,839**	2,970,481
Program services	**3,762,565**	1,965,007
Grants	**11,141,030**	–
Distributions	**21,358**	188,240
Real estate development	**1,344,024**	646,676
General and administrative expenses paid	**(21,620,322)**	(21,328,581)
Program costs paid	**(6,363,604)**	(6,466,310)
Collection of notes receivable	**37,571,825**	35,188,127
Loans disbursed	**(21,353,547)**	(18,345,595)
Deposits received	**6,682,244**	20,971,602
Deposits released	**(1,580,935)**	(23,203,566)
Net cash provided by operating activities	**36,812,327**	18,667,004
Cash flows from noncapital financing activities		
Deposits	**(6,232)**	–
Program funding received	**765,279**	620,833
Redemption and refunding of bonds	**(5,195,000)**	(11,545,000)
Interest paid on revenue bonds	**(1,293,506)**	(1,638,618)
Obligations paid	**(346,911)**	(346,911)
Issuance and servicing costs paid	**(525,596)**	(542,424)
Appropriations received	**169,636,542**	228,643,613
Payments to State of New Jersey	**(5,965,320)**	(5,643,666)
Program payments	**(200,172,797)**	(282,271,563)
Net cash used in noncapital financing activities	**(43,103,541)**	(72,723,736)
Cash flows from capital and related financing activities		
Payment of bonds and notes	**(3,075,436)**	(2,265,444)
Interest paid on bonds and notes	**(1,607,785)**	(1,815,206)
Purchase of capital assets	**(8,378)**	–
Sale of capital assets	**1,235,665**	2,663,610
Net cash used in capital and related financing activities	**(3,455,934)**	(1,417,040)
Cash flows from investing activities		
Interest from investments	**2,430,830**	3,580,214
Return on capital investments	**382,908**	782,116
Purchase of investments	**(33,297,608)**	(47,915,390)
Proceeds from sales and maturities of investments	**19,375,000**	101,793,698
Net cash (used in) provided by investing activities	**(11,108,870)**	58,240,638
Net (decrease) increase in cash and cash equivalents	**(20,856,018)**	2,766,866
Cash and cash equivalents – beginning of year	**94,214,746**	91,447,880
Cash and cash equivalents – end of year	**$ 73,358,728**	$ 94,214,746

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Cash Flows (continued)

	Year Ended December 31 2013	2012
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	**$ 1,753,280**	$ (9,457,098)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Loss provisions-net	**5,611,132**	2,779,503
Depreciation	**6,618,900**	7,657,530
Amortization of discounts	**(160,300)**	(238,534)
Cash provided by nonoperating activities	**7,314,112**	1,425,019
Change in assets and liabilities:		
Notes receivables	**6,970,950**	19,304,412
Accrued interest receivables-notes	**(182,730)**	152,575
Lease payment receivables	**100,000**	100,000
Other receivables	**24,971,885**	(15,561,135)
Prepaids and deferred costs	**(213,095)**	792,186
Notes payables	**(415,436)**	(335,445)
Accrued liabilities	**(16,460,345)**	15,913,210
Unearned lease revenues	**(1,055,111)**	(794,184)
Accrued interest payables	**52,425**	(238,633)
Deposits	**5,018,256**	(2,168,405)
Accrued guarantee losses	**13,375**	(317,086)
Other liabilities	**(3,124,971)**	(346,911)
Net cash provided by operating activities	**$ 36,812,327**	$ 18,667,004
Noncash investing activities		
Unrealized loss in investment securities	**$ (1,835,139)**	$ (719,822)

See accompanying notes.

Note 1: Nature of the Authority

The New Jersey Economic Development Authority ("Authority") is a public body corporate and politic, constituting an instrumentality and component unit of the State of New Jersey ("State"). The Authority was established by Chapter 80, P.L. 1974 ("Act") on August 7, 1974, as amended and supplemented, primarily to provide financial assistance to companies for the purpose of maintaining and expanding employment opportunities in the State and increasing tax ratables in underserved communities. The Act prohibits the Authority from obligating the credit of the State in any manner.

As the State's financing arm, the Authority assists with access to capital and primarily offers the following products and services:

(a) Bond Financing

The Authority issues tax-exempt private activity bonds and taxable bonds. The proceeds from these single issue or composite series bonds are used to provide long-term, below-market interest loans to eligible entities, which include certain 501(c)(3) nonprofit organizations, manufacturers, exempt public facilities, solid waste facilities, and local, county, and State governmental agencies for capital improvements including real estate acquisition, equipment, machinery, building construction and renovations. All such bonds are special conduit debt obligations of the Authority, are payable solely from the revenues pledged with respect to the issue, and do not constitute an obligation against the general credit of the Authority.

(b) Loans/Guarantees/Investments and Tax Incentives

The Authority directly provides loans, loan participations, loan guarantees and line of credit guarantees to for-profit and not-for-profit enterprises for various purposes to include: the acquisition of fixed assets; building construction and renovation; financing for working capital; technological development; and infrastructure improvements. The Authority also may provide financial assistance in the form of convertible debt, and take an equity position in technology and life sciences companies through warrant options. In addition to lending and investing its own financial resources, the Authority administers several business growth programs supported through State appropriation/allocation, including the technology business tax certificate transfer program, the angel investor tax credit program, tax credits for film industry and digital media projects, job creation and retention incentive grants and tax credits, tax credits for capital investment in urban areas, and reimbursement grants based on incremental revenues generated

Note 1: Nature of the Authority (continued)

by redevelopment projects. Other state mandated programs include loans/grants to support hazardous discharge site remediation and petroleum underground storage tank remediation.

(c) Real Estate Development

The Authority independently, or in cooperation with a private or another governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities.

(d) Stronger NJ Business Programs

Earlier this year, the Authority was awarded a sub-grant from the New Jersey Department of Community Affairs for the purpose of administering a portion of the State's Community Development Block Grant Disaster Recovery allocation to support the recovery of businesses impacted by Superstorm Sandy. To achieve this, the Authority may provide grants and loans to eligible businesses, as well as financial assistance to governmental entities to support community development, neighborhood revitalization and other public improvement projects.

Component Units

Pursuant to Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the financial statements include the accounts of the Authority and the Camden County Urban Renewal Limited Partnership ("CCURLP"), a blended component unit. CCURLP is a real estate joint venture which provides services for the exclusive benefit of the Authority. All intercompany transactions and balances are eliminated.

The Authority's financial statements do not include the accounts of the New Jersey Community Development Entity ("NJCDE"), a component unit. NJCDE is a separate legal entity whose primary mission is to provide investment capital for low-income communities, on behalf of the Authority, through the allocation of federal New Markets Tax Credits. The Authority does not deem the operations of the NJCDE to be significant to the operations of the Authority. As of December 31, 2013 and 2012, total NJCDE assets were $3,166,602 and $3,224,757, respectively.

Note 1: Nature of the Authority (continued)

Related Party Transactions

The Authority has contracted with several other State entities to administer certain loan programs on their behalf for a fee. In order for the Authority to effectively administer the programs, the Authority has custody of the cash accounts for each program. The cash in these accounts, however, is not an asset of the Authority and, accordingly, the balances in these accounts have not been included in the Authority's statements of net position. The cash balances total $95,599,426 and $97,316,338 at December 31, 2013 and 2012, respectively. The following is a summary of the programs that the Authority manages on behalf of other State entities:

Department/Board	Program	2013	2012
Treasury	Local Development Financing Fund	**$ 35,873,116**	$ 31,809,949
Board of Public Utilities	BPU Clean Energy Program	**59,726,310**	65,506,389

Note 2: Summary of Significant Accounting Policies

(a) Basis of Accounting and Presentation

The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. While detailed sub-fund information is not presented, separate accounts are maintained for each program and include certain funds that are legally designated as to use. Administrative expenses are allocated to the various programs.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB").

(b) Revenue Recognition

The Authority charges various program financing fees that may include an application fee, commitment fee, closing fee, annual servicing fee and a document execution fee. The Authority also charges a fee for the administration of financial programs for various government agencies and for certain real estate development and management activities. Fees are recognized when earned. Grant revenue is recognized when the Authority has complied with the terms and

Note 2: Summary of Significant Accounting Policies (continued)

conditions of the grant agreements. The Authority recognizes interest income on lease revenue by amortizing the discount over the life of the related agreement. Operating lease revenue is recognized pursuant to the terms of the lease.

When available, it is the Authority's policy to first use restricted resources for completion of specific projects.

(c) Cash Equivalents

Cash equivalents are highly liquid debt instruments with original maturities of three months or less and units of participation in the State of New Jersey Cash Management Fund ("NJCMF"). The NJCMF is managed by the State's Division of Investment under the Department of the Treasury. All investments must fall within the guidelines set forth by the Regulations of the State Investment Council. The Division of Investment is permitted to invest in a variety of securities to include obligations of the U.S. Government and certain of its agencies, certificates of deposit, commercial paper, repurchase agreements, bankers' acceptances and loan participation notes. Investment guidelines provide that all investments in the NJCMF should mature or are to be redeemed within one year, except that up to 25% of the NJCMF may be invested in eligible securities which mature within 25 months; provided, however, that the average maturity of all investments in the NJCMF shall not exceed one year. Cash equivalents are stated at fair value.

(d) Investments

All investments, except for investment agreements, are stated at fair value. The Authority also invests in various types of joint ventures and uses the cost method to record such investments, as the Authority lacks the ability to exercise significant control in the ventures. Under the cost method, the Authority records the investment at its historical cost and recognizes as income dividends received from net earnings of the Fund. Dividends received in excess of earnings are considered a return of investment and reduce the cost basis.

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Note 2: Summary of Significant Accounting Policies (continued)

(e) Amortization of Discounts and Premiums

The Authority uses the bonds outstanding method as it relates to the amortization of the discounts on bonds.

(f) Guarantees Receivable

Payments made by the Authority under its various guarantee programs are reported as Guarantees Receivable. These receivables are expected to be recovered either from the lender, as the lender continues to service the loan, or from the liquidation of the underlying collateral. Recoveries increase Worth (see Note 10).

(g) Allowance for Doubtful Notes and Accrued Guarantee Losses

Allowances for doubtful notes and accrued guarantee losses are determined in accordance with guidelines established by the Office of Comptroller of Currency. These guidelines include classifications based on routine portfolio reviews of various factors that impact collectability.

(h) Operating and Non-Operating Revenues and Expenses

The Authority defines operating revenues and expenses as relating to activities resulting from providing bond financing, direct lending, incentives, and real estate development to commercial businesses, certain not-for-profit entities, and to local, county and State governmental entities. Non-operating revenues and expenses include income earned on the investment of funds, proceeds from the sale of certain assets, State appropriations and program payments.

(i) Taxes

The Authority is exempt from all Federal and State income taxes and real estate taxes.

(j) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2: Summary of Significant Accounting Policies (continued)

(k) Capitalization Policy

Unless material, it is the Authority's policy to expense all expenditures of an administrative nature. Administrative expenditures typically include expenses directly incurred to support staff operations, such as automobiles, information technology hardware and software, office furniture, and equipment.

With the exception of immaterial tenant fit-out costs of retail space that is sublet from the State of New Jersey, the Authority capitalizes all expenditures related to the acquisition of land, construction and renovation of buildings, and procurement of certain production equipment intended for sale or lease to its clients.

(l) Depreciation Policy

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the following estimated economic useful lives of the assets:

Building	20 years
Building improvements	20 years
Leasehold improvements	Term of the lease
Tenant fit-out	Term of the lease
Production equipment	4 to 15 years
Vehicles	Expensed
Furniture and equipment	Expensed

(m) Reclassifications

Certain fiscal year 2012 balances have been reclassified in order to conform to the current year presentation.

Note 2: Summary of Significant Accounting Policies (continued)

(n) Recent Accounting Standards

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB 65"). The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The implementation of GASB 65 did not have an impact on the Authority's financial statements.

In March 2012, GASB issued Statement No. 66, *Technical Corrections–2012* ("GASB 66"). The objective of this Statement is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements–Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No.62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre – November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The implementation of GASB 66 did not have an impact on the Authority's financial statements.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans* ("GASB 67"). The objective of this Statement is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. GASB 67 will not have an impact on the Authority.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. GASB 68 also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The Authority has not completed the process of evaluating the impact of GASB 68 on its financial statements.

Note 2: Summary of Significant Accounting Policies (continued)

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* ("GASB 69"). The objective of this Statement is to improve the accounting for mergers and acquisitions among state and local governments by providing guidance specific to the situations and circumstances encountered within the governmental environment. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. The Authority does not anticipate that the implementation of this standard will have an impact on its financial statements.

In February 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* ("GASB 70"). The objective of this Statement is to improve the comparability of financial statements among governments by requiring consistent reporting by those governments that extend and/or receive nonexchange financial guarantees. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. The Authority does not anticipate that the implementation of this standard will have an impact on its financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB 68*, ("GASB 71"). The objective of this Statement is to address an issue regarding application of the transition provisions of GASB 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The Authority has not completed the process of evaluating the impact of GASB 71 on its financial statements.

Note 3: Deposits and Investments

(a) Cash and Cash Equivalents

Operating cash is held in the form of Negotiable Order of Withdrawal ("NOW") accounts, money market accounts, and certificates of deposit. At December 31, 2013, the Authority's bank balance was $38,692,715. Of the bank balance, $750,000 was insured with Federal Deposit Insurance.

Note 3: Deposits and Investments (continued)

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the Authority's NOW accounts, as well as money market accounts and certificates of deposit, are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Authority would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uninsured, uncollateralized (securities are not pledged to the depositor), 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 government's (NJEDA) name. At December 31, 2013 and 2012, all of the Authority's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

Cash deposits at December 31, 2013 and 2012 were as follows:

Deposit Type	2013	2012
NOW Accounts	**$ 13,714,086**	$ 24,852,179
Money Market Accounts	**9,164,042**	9,152,175
Certificates of Deposit	**6,326,670**	6,253,402
Total deposits	**$ 29,204,798**	$ 40,257,756

(b) Investments

Pursuant to the Act, the funds of the Authority may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Authority may approve. Accordingly, the Authority directly purchases permitted securities and enters into interest-earning investment contracts.

As of December 31, 2013 the Authority's total investments, excluding capital investments, amounted to $254,766,803. The Authority's investment portfolio ("Portfolio") is comprised of short to medium term bonds and is managed by a financial institution for the Authority. These investments include obligations guaranteed by the U.S. Government, Government Sponsored Enterprises, Money Market Funds, Corporate Debt rated at least AA-/Aa3 by Standard & Poors or Moody's, and Repurchase Agreements. The Portfolio is managed with the investment objectives of: preserving capital, maintaining liquidity, achieving superior yields, and providing

Note 3: Deposits and Investments (continued)

consistent returns over time. In order to limit interest rate risk, investments are laddered, with maturities ranging from several months to a maximum of five years.

Investment of bond proceeds is made in accordance with the Authority's various bond resolutions. The bond resolutions generally permit the investment of funds held by the trustee in the following: (a) obligations of, or guaranteed by, the State or the U.S. Government; (b) repurchase agreements secured by obligations noted in (a) above; (c) interest-bearing deposits, in any bank or trust company, insured or secured by a pledge of obligations noted in (a) above; (d) NJCMF; (e) shares of an open-end diversified investment company which invests in obligations with maturities of less than one year of, or guaranteed by, the U.S. Government or Government Agencies; and (f) non-participating guaranteed investment contracts.

In order to maintain adequate liquidity, significant Authority funds are invested in the NJCMF, which typically earns returns that mirror short term interest rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2013 and 2012 the Authority's balance in the NJCMF is $50,372,051 and $57,867,127, respectively.

(c) Special Purpose Investments

Pursuant to the Authority's mission, from time to time, in order to expand employment opportunities in the State and to spur economic development opportunities, the Authority, with the authorization of the Board, will make special purpose investments. These special purpose investments include the following:

The Authority is the managing member of the Technology Centre of New Jersey, L.L.C., a real estate joint venture formed in 1999 to spur the growth of high tech industries in the State. The Centre is situated on a 50 acre site and comprised of infrastructure improvements and buildings. As the managing member, the Authority earns an administrative fee based on 5% of gross rents received from the operation of the Centre. At December 31, 2013 and 2012, the value of the Authority's investment in the Centre is $15,712,340 and $14,320,012, respectively. On behalf of the venture, the Authority prepares an annual report, a copy of which may be obtained by contacting the Authority.

Note 3: Deposits and Investments (continued)

The Authority is also a limited partner in various venture funds formed with the primary purpose of providing venture capital to exceptionally talented entrepreneurs dedicated to the application of proprietary technologies or unique services in emerging markets and whose companies are in the expansion stage. At December 31, 2013 and 2012, the aggregate value of the Authority's investment in these funds is $10,043,261 and $11,652,756, respectively. As a limited partner, the Authority receives financial reports from the managing partner of the funds, copies of which may be obtained by contacting the Authority.

At December 31, 2013 and 2012, the Authority held other equity investments of $250,000. The investments are held in the form of stock. Value is based on analysis of companies' prospects in conjunction with valuations of comparable companies.

Custodial Credit Risk

Pursuant to GASB 40, the Authority's investments are profiled to determine if they are exposed to Custodial Credit Risk. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government (NJEDA), and are held by either: the counterparty (institution that pledges collateral to government or that buys/sells investments for government) or the counterparty's trust department or agent but not in the name of the government. Investment pools such as the NJCMF and open ended mutual funds including Mutual Bond Funds are deemed not to have custodial credit risk. As of December 31, 2013, no investments are subject to custodial credit risk as securities in the Portfolio are held in the name of the Authority.

Concentration of Credit Risk

The Authority limits investments in certain issuers. No more than 5% of the Authority funds may be invested in individual corporate and municipal issuers; and no more than 30% in individual U.S. Government Agencies. At December 31, 2013 more than 5 percent of the Authority's investments are in: Federal Home Loan Bank ("FHLB"), Federal Farm Credit Bank ("FFCB"), Federal Home Loan Mortgage Corp ("FHLMC"), and Federal National Mortgage Association ("FNMA"). These investments are 8.13% ($26,946,388), 8.94% ($29,602,977), 14.99% ($49,668,326), and 8.15% ($26,999,985), respectively, of the Authority's total investments. These four investments are included in the U.S. Government Agency category of investments. Investments issued by or guaranteed by the U.S. Government, mutual fund investments, and pooled investments are exempt from this requirement.

Note 3: Deposits and Investments (continued)

Credit Risk

The Authority does not have an investment policy regarding the management of Credit Risk, as outlined above. 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 investments guaranteed by the U.S. government. All investments in U.S. Agencies are rated Aaa by Moody's and AA+ by Standard & Poors ("S&P"). The mutual bond fund was rated AAA by S&P. Corporate bonds were rated AAA ($5,789,676), and AA/AA+/AA- ($48,714,799), by S&P. Commercial Paper was rated A-1 by S&P. Municipal bonds are rated AA by S&P. The NJCMF is not rated.

Interest Rate Risk

The Authority does not have a policy to limit interest rate risk, however, its practice is to hold investments to maturity.

As of December 31, 2013 and 2012, the Authority had the following investments and maturities:

	December 31, 2013			Fair Value as of
Investment Type	**Fair Value**	**Investments Less than 1 Year**	**Maturities 1-5 Years**	**December 31, 2012**
Debt Securities:				
U.S. Treasuries	**$ 45,895,133**	$ 14,428,426	$ 31,466,707	$ 45,014,201
U.S. Agencies	**141,526,754**	31,192,399	110,334,355	135,063,768
Corporate Bonds	**54,504,475**	19,202,870	35,301,605	53,567,475
Commercial Paper	**2,991,606**	2,991,606	–	–
Municipal Bonds	**3,522,165**	909,540	2,612,625	4,152,938
Mutual Bond Funds	**108,549**	108,549	–	2,130,451
Certificates of Deposit	**6,326,670**	–	6,326,670	6,253,402
NJ Cash Management Fund	**50,372,051**	50,372,051	–	57,867,127
Subtotal, total debt securities	**305,247,403**	119,205,441	186,041,962	304,049,362
Special purpose investments:				
Investment in Technology Centre Joint Venture	**15,712,340**	–	15,712,340	14,320,012
Venture Fund Investments	**10,043,261**	–	10,043,261	11,652,756
Other Equity Investments	**250,000**	–	250,000	250,000
Subtotal	**331,253,004**	119,205,441	212,047,563	330,272,130
Less amounts reported as cash equivalents	**(50,480,600)**	(50,480,600)	–	(59,997,578)
Total investments	**$ 280,772,404**	$ 68,724,841	$ 212,047,563	$ 270,274,552

Note 4: Notes Receivable

Notes receivable consist of the following:

	December 31 2013	December 31 2012
Economic Development Fund ("EDF") loan program; interest ranging up to 6.75%; maximum term 14 years	**$ 45,098,045**	$ 38,872,075
Economic Recovery Fund ("ERF") loan and guarantee programs; interest ranging up to 6.75%; maximum term of 7 years	**117,433,516**	118,857,774
Hazardous Discharge Site Remediation ("HDSR") loan program; interest ranging up to 5.5%; maximum term of 4 years	**2,709,088**	3,076,235
Public School Facilities ("PSF") loan program; paid in full July 2013	**–**	11,250,149
Municipal Economic Recovery Initiative ("MERI") loan program; interest ranging up to 3%; maximum term of 17 years	**2,926,053**	3,081,419
	$ 168,166,702	$ 175,137,652

Aggregate Notes Receivable activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Loan Disbursements	Loan Receipts	Write-offs, Adjustments, Restructures-Net	Ending Balance	Amounts Due Within One Year
EDF/ERF	$ 157,729,849	$ 21,107,575	($ 24,223,190)	$ 7,917,327	162,531,561	$ 19,562,635
HDSR	3,076,235	245,972	(613,119)	–	2,709,088	256,687
PSF	11,250,149	–	(11,250,148)	(1)	–	–
MERI	3,081,419	–	(155,366)	–	2,926,053	125,230
	$ 175,137,652	$ 21,353,547	($ 36,241,823)	$ 7,917,326	168,166,702	$ 19,944,552

Note 5: Intergovernmental Receivable

The Authority has an agreement with the Port Authority of New York New Jersey ("Port Authority") relating to the issuance of Bonds. Pursuant to the terms of the agreement, the debt service on these bonds is payable solely from scheduled amounts receivable.

The Series 1996 Port Authority bonds are secured solely by loan payments originally scheduled to be made to the Port Authority by various utilities authorities. The Port Authority has assigned the right to receive such loan payments to the Authority.

At December 31, 2013 and 2012, the Intergovernmental Receivable totals, $169,446 and $934,726, respectively.

Intergovernmental Receivable activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Receivable	$ 934,726	$ (765,280)	$ 169,446	$ 48,611

Note 6: Leases

(a) Leases Receivable

The Authority has a financing lease relating to the issuance of Bonds and Notes Payable. Bond and Note proceeds finance specific projects. The financing lease provides for basic rental payments, by the tenant to the Authority, in an amount at least equal to the amount of debt service on the Bonds and Notes. In the event of default by the tenant to make rental payments, the Authority generally has recourse, including, but not limited to, taking possession and selling or subletting the leased premises and property.

Note 6: Leases (continued)

The outstanding lease is as follows:

Lease Description	2013	2012
NY Daily News, through 1/23/21	**$ 7,648,102**	$ 7,748,102
Unamortized discount	**(833,097)**	(952,110)
Aggregate lease payments receivable – net	**$ 6,815,005**	$ 6,795,992

Aggregate lease receipts due through 2018 and thereafter are as follows:

2014	$ 100,000
2015	100,000
2016	100,000
2017	100,000
2018	100,000
2019-2021	7,148,102
	$ 7,648,102

Lease payments receivable activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Gross receivable	$ 7,748,102	$ (100,000)	$ 7,648,102	$ 100,000
Discount	(952,110)	119,013	(833,097)	
Net receivable	$ 6,795,992	$ 19,013	$ 6,815,005	

Note 6: Leases (continued)

(b) Operating Leases

(i) Authority as Lessor

At December 31, 2013, capital assets with a carrying value of $142,889,062 and accumulated depreciation of $66,512,654 are leased to commercial enterprises. These leases generally provide the tenant with renewal and purchase options. Aggregate minimum lease receipts are expected as follows:

2014	$ 8,623,633
2015	7,874,235
2016	7,373,532
2017	6,120,481
2018	2,975,521
2019-2023	5,768,251
2024-2026	2,634,619
	$ 41,370,272

Note 6: Leases (continued)

(ii) Authority as Lessee

The Authority leases commercial property, buildings, and office space. The leased premises are either sublet to commercial enterprises or utilized by Authority staff. Aggregate rental expense for the current year on commercial property amounted to $714,278; and for property used by the Authority, rental expense amounted to $185,755. Aggregate future lease obligations are as follows:

2014	$ 750,368
2015	795,245
2016	807,074
2017	654,744
2018	641,413
2019-2023	2,175,072
2024-2028	1,532,427
2029-2033	1,292,000
2034-2038	1,094,440
2039-2043	646,300
2044-2048	723,860
2049-2053	743,250
2054-2057	148,650
	$ 12,004,843

Note 7: Capital Assets

Capital asset activity for the years ended December 31, 2013 and 2012 was as follows:

	December 31, 2012	Additions	Reductions	Reduction to Reserve	December 31, 2013
Capital assets not being depreciated:					
Land	$ 23,382,313	$ –	$ –	$ –	**$ 23,382,313**
Construction in Progress	–	1,310	–	–	**1,310**
Capital assets being depreciated:					
Buildings	97,364,839	–	–	–	**97,364,839**
Leasehold improvements	36,859,763	–	–	–	**36,859,763**
Production equipment	2,230,807	–	(2,230,807)	–	**–**
Capital assets – gross	159,837,722	1,310	(2,230,807)	–	**157,608,225**
Less: accumulated depreciation	68,609,532	6,618,900	(2,095,142)	–	**73,133,290**
Capital assets – net	$ 91,228,190	$ (6,617,590)	$ (135,665)	$ –	**$ 84,474,935**

	December 31, 2011	Additions	Reductions	Reduction to Reserve	December 31, 2012
Capital assets not being depreciated:					
Land	$ 23,397,313	$ –	$ (15,000)	$ –	$ 23,382,313
Capital assets being depreciated:					
Buildings	97,364,839	–	–	–	97,364,839
Leasehold improvements	36,859,763	–	–	–	36,859,763
Production equipment	15,298,322	–	(13,444,970)	377,455	2,230,807
Capital assets – gross	172,920,237	–	(13,459,970)	377,455	159,837,722
Less: accumulated depreciation	71,370,431	7,657,530	(10,418,429)	–	68,609,532
Capital assets – net	$ 101,549,806	$ (7,657,530)	$ (3,041,541)	$ 377,455	$ 91,228,190

Note 7: Capital Assets (continued)

In 2013, the Authority sold the remainder of certain production equipment to a television network. The equipment had been leased to the network as part of an existing structured financing arrangement.

In 2013, the Authority negotiated and agreed to sell a parcel of land in Logan Township, New Jersey, at a price of $165,000. The property was appraised at $180,000, and was obtained several years earlier as collateral on a previous financing. The sale did not take place as the potential buyer withdrew, however, the Authority has adjusted the value of said parcel to coincide with the agreed upon sale price and still maintains that valuation.

Note 8: Bonds Payable

The bonds reported in the following table have been issued in order to fund commercial loans, loans to school districts, commercial real estate development and capital construction. The bonds are secured by lease rental payments, loan repayments, and the underlying assets pledged pursuant to the bond resolutions. In the event of default by the tenant to make rental payments, the Authority generally has recourse, including, but not limited to, taking possession and selling or subletting the leased premises and property.

Note 8: Bonds Payable (continued)

The outstanding issues are as follows:

	December 31 2013	2012
$46,815,000 NJEDA Revenue Bonds (Public Schools Small Project Loan Program), 2004 Series, interest rate of 5%; Series 1993 was refunded on 3/15/04; Paid in full 8/15/13.	**$ –**	$ 4,695,000
$43,000,000 Variable Rate Lease Revenue Bonds, 2002 Series A and B, (Camden Center Urban Renewal Limited Partnership Project); adjustable rate with maximum of 12% per annum, due annually through 3/15/18.	**32,765,000**	34,095,000
$167,500,000 NJEDA Taxable Economic Development Bonds MSNBC/CNBC Project, 1997 Series A and B, adjustable rate with maximum of 15% per annum; Paid in full 7/1/13.	**–**	500,000
Subtotal	**32,765,000**	39,290,000
Unamortized premium	**–**	37,095
	$ 32,765,000	$ 39,327,095

At December 31, 2013, aggregate debt service requirements of bonds payable through 2018 are as follows:

	Principal	Interest	Total
2014	$ 1,490,000	$ 1,356,983	$ 2,846,983
2015	1,570,000	1,296,638	2,866,638
2016	1,715,000	1,233,053	2,948,053
2017	1,840,000	1,163,595	3,003,595
2018	26,150,000	272,269	26,422,269
	$ 32,765,000	$ 5,322,538	$ 38,087,538

Note 8: Bonds Payable (continued)

Bonds payable activity for the years ended December 31, 2013 and 2012 was as follows:

	December 31, 2012	Additions	Reductions	December 31, 2013	Amounts Due Within One Year
Bonds payable – gross	$ 39,290,000	$ –	$ (6,525,000)	**$ 32,765,000**	$ 1,490,000
Unamortized premium	37,095	–	(37,095)	**–**	
Total bonds payable – net	$ 39,327,095	$ –	$ (6,562,095)	**$ 32,765,000**	

	December 31, 2011	Additions	Reductions	December 31, 2012	Amounts Due Within One Year
Bonds payable – gross	$ 51,800,000	$ –	$ (12,510,000)	$ 39,290,000	$ 6,525,000
Unamortized premium	134,119	–	(97,024)	37,095	
Total bonds payable – net	$ 51,934,119	$ –	$ (12,607,024)	$ 39,327,095	

Pursuant to GASB Interpretation No.2, *Disclosure of Conduit Debt Obligations,* there is no requirement to record conduit debt that is simultaneously recorded by the entity that is responsible for its payment. The State of New Jersey records this debt on its financial statements. It is the Authority's opinion that by not reporting the State-backed conduit debt and agency type transactions on its financial statements, a more accurate presentation of the Authority's financial position and operations exists.

Note 9: Notes Payable

Generally, Notes Payable are special obligations of the Authority payable solely from loan payments, lease rental payments and other revenues, funds and other assets pledged under the notes and do not constitute obligations against the general credit of the Authority. Note proceeds are used to fund specific programs and projects and are not co-mingled with other Authority funds.

The outstanding notes are as follows:

	December 31, 2013	December 31, 2012
Community Development Investments, LLC; interest at 5%; principal & interest due monthly through 4/12/14 with payments of principal based solely on receipt of surcharge revenue. The note is scheduled to mature on 5/12/14, however, full repayment is subject to receipt of surcharge revenue.	**$ 2,000,000**	$ 2,000,000
City of Camden, NJ; interest at 6%; principal & interest due monthly through maturity on 2/5/16; payments based solely on receipt of surcharge revenue	**2,835,254**	3,250,690
FirstEnergy Corp./JCP&L; interest at 3%; interest–only due monthly through 11/12/20; principal due at maturity on 11/12/20	**1,000,000**	1,000,000
Public Service New Millennium Economic Development Fund, LLC; interest at 2%; interest only due monthly through 11/7/20; principal due at maturity on 11/7/20	**5,000,000**	5,000,000
	$ 10,835,254	$ 11,250,690

At December 31, 2013, aggregate debt service requirements of notes payable through 2018 and thereafter are as follows:

	Principal	Interest	Total
2014	$ 473,797	$ 391,106	$ 864,903
2015	538,684	293,744	832,428
2016	656,114	263,057	919,171
2017	680,000	140,937	820,937
2018	680,000	130,000	810,000
2019-2021	7,806,659	242,722	8,049,381
Total	$ 10,835,254	$ 1,461,566	$ 12,296,820

Note 9: Notes Payable (continued)

Notes payable activity for the years ended December 31, 2013 and 2012 was as follows:

December 31, 2012	Additions	Reductions	December 31, 2013	Amounts Due Within One Year
$ 11,250,690	$ –	$ (415,436)	**$ 10,835,254**	$ 473,797

December 31, 2011	Additions	Reductions	December 31, 2012	Amounts Due Within One Year
$ 11,586,135	$ –	$ (335,445)	$ 11,250,690	$ 331,830

Note 10: Commitments and Contingencies

(a) Loan and Bond Guarantee Programs

The Authority has a special binding obligation regarding all guarantees to the extent that funds are available in the guarantee accounts as specified in the guarantee agreements. Guarantees are not, in any way, a debt or liability of the State.

(1) Economic Recovery Fund

The guarantee agreements restrict the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt (exposure and commitments) to Worth (the amount on deposit and available for payment) ratio is greater than 5 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the guarantee program account. Principal payments on guaranteed loans and bonds reduce the Authority's exposure. At December 31, 2013, Debt was $10,591,415 and Worth was $99,427,462, with a ratio of 0.11 to 1.

Note 10: Commitments and Contingencies (continued)

(2) New Jersey Business Growth Fund

The Authority guarantees between 25% and 50% of specific, low-interest loans to New Jersey companies, made by one of its preferred lenders, with a maximum aggregate exposure to the Authority not to exceed \$10 million and, at no time will the Authority pay more than \$10 million, net, of guarantee demands. At December 31, 2013, aggregate exposure and related worth within the Business Growth Fund account are both \$9,182,522.

(3) New Jersey Global Growth Fund

The Authority guarantees up to 50% of any approved term loan or line of credit to New Jersey companies, made by one of its premier lenders, with a maximum aggregate exposure to the Authority not to exceed \$10 million and, at no time will the Authority pay more than \$10 million, net, of guarantee demands. At December 31, 2013, aggregate exposure and related worth within the NJ Global Growth Fund account are both \$10,000,000.

(4) State Small Business Credit Initiative Fund

The Federal grant agreement restricts the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt (exposure and commitments) to Worth (the amount on deposit and available for payment) ratio is greater than 1 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the State Small Business Credit Initiative Fund. At December 31, 2013, Debt was \$7,964,914 and Worth was \$14,989,722, with a ratio of 0.53 to 1.

(b) Loan Program Commitments and Project Financings

At December 31, 2013 the Authority has \$11,904,544 of loan commitments not yet closed or disbursed and \$75,554,386 of project financing commitments.

Note 10: Commitments and Contingencies (continued)

(c) New Markets Tax Credit Program

On December 28, 2005, the Authority loaned $31,000,000 to a limited liability company ("company"), to facilitate their investment in a certified community development entity ("entity") whose primary mission is to provide loan capital for commercial projects in low-income areas throughout New Jersey. The company also received an equity investment from a private corporation ("corporation"). The company then invested the combined proceeds in the entity, which was awarded an allocation in Federal tax credits under the New Markets Tax Credit Program.

During 2007, the Authority made two additional New Markets commitments. On September 24, 2007 the Authority facilitated a transaction in which $3,500,000 in credits were allocated (no Authority funds were utilized). On September 26, 2007, the Authority loaned $20,296,000 to another company with terms similar to the first transaction.

During 2008, the Authority closed three additional New Markets commitments. A total of $37,000,000 in credits were allocated (no Authority funds were utilized).

In 2009, one New Markets commitment was closed. A total of $12,419,151 in credits were allocated (no Authority funds were utilized).

On February 28, 2013, the first New Markets loan pool, created in 2005, ceased operations, as the investor exercised its option to sell its membership interest.

As part of the remaining agreements, the corporation will claim the Federal tax credits in exchange for their investment. Claiming these credits carries the risk of recapture, whereby an event occurs that would negate the credit taken, causing it to be returned with interest. Based on the agreements between the Authority and the respective companies, the Authority will provide a guaranty to the corporation against adverse consequences caused by a recapture event. As of December 31, 2013, the aggregate exposure to the Authority for the remaining transactions described above is $36,829,054. The Authority has determined the likelihood of paying on the guaranty, at this time, is remote.

Note 11: State Appropriations and Program Payments

The Authority receives appropriations from the State of New Jersey, as part of the State's annual budget, for purposes of administering certain grant programs enacted by State statute. The Authority also collects loan repayments on behalf of the State for the Public School Facilities Program (see Note 4), which are remitted to the State, semiannually. The Authority recognizes the disbursement of these funds to both grantees and the State as program payments. For the year ended December 31, 2013 state appropriations and program payments were $11,591,125 and $53,117,614, respectively.

Note 12: Derivative Instrument

In connection with its issuance of $43,000,000 Variable Rate Revenue Refunding Bonds, 2002 Series A and B issues, on April 27, 2010, the Authority entered into a fixed interest rate swap agreement (swap) with TD Bank, N.A. ("TD"), for which the fair value as of December 31, 2013 and 2012 was ($1,115,345) and ($1,880,110), respectively. For accounting and financial reporting purposes, the swap is considered a hedging derivative instrument and reported as a deferred inflow and as a deferred outflow on the statement of net position.

Objective and Terms of Hedging Derivative Instrument

The swap is a pay-fixed interest rate swap. The objective is to hedge against changes in cash flows of the 2002 Series A and B CCURLP bonds by limiting interest rate risk. The notional amount of the swap is currently $32,705,000 which was effective as of May 1, 2010 and is due to expire on May 1, 2015. The terms call for the Authority to pay a fixed rate of 2.65% on the Series A bonds (notional amount $12,705,000) and 2.80% on the Series B bonds (notional amount $20,000,000), while receiving a variable rate based on the one month LIBOR rate. The swap provider is currently rated AA- by Standard & Poor's.

Swap Payments and Associated Debt

Over the remaining life of the Authority's interest rate swap, which expires in 2015, the Authority has debt service requirements on its debt and net swap payments as shown in the table below. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of the interest rate swap as of December 31, 2013 will not change. As these rates vary, interest rates on the variable rate bonds and net receipts/payments on the interest rate swap will vary.

Note 12: Derivative Instrument (continued)

Year	Principal	Interest	Net Swap Payment	Total
2014	$ 1,490,000	$ 56,263	$ 849,717	$ 2,395,980
2015	–	17,870	270,403	288,273
	$ 1,490,000	$ 74,133	$ 1,120,120	$ 2,684,253

Credit Risk

The Authority is exposed to credit risk to the extent hedging instruments are in asset positions. As of December 31, 2013 and 2012, the Authority was not exposed to credit risk, as the swap had a negative fair value. Should interest rates change and the fair value of the swap become positive, however, the Authority would be exposed to credit risk in the amount of the swap's fair value. The Authority has no policy in place in order to limit such risk. No counterparty collateral is being held. There are no netting arrangements.

Rollover Risk

The swap agreement is due to expire on May 1, 2015, while the bonds are due to mature in March 2018. Presently, no arrangement has been made to renew the swap or provide for a similar instrument. If the swap is not renewed the Authority would be exposed to interest rate risk on its variable rate bonds. This could unfavorably impact cash flows.

Note 13: Litigation

The Authority is involved in several lawsuits that, in the opinion of the management of the Authority, will not have a material effect on the accompanying financial statements.

Note 14: Employee Benefits

(a) Public Employees Retirement System of New Jersey ("PERS")

The Authority's employees participate in the PERS, a cost sharing multiple-employer defined benefit plan administered by the State. The Authority's contribution is based upon an actuarial

Note 14: Employee Benefits (continued)

computation performed by the PERS. Pursuant to the Pension Security Legislation Act of 1997, the issuance of bonds permitted the pension benefit obligation to be fully funded from 1998 to 2004. Beginning in 2005, the Authority was assessed a portion of its normal contribution, which increased each year until 2009, when 100% of the normal contribution was assessed, and for each year thereafter. For the years ended December 31, 2013, 2012 and 2011, the Authority's contribution to the PERS was \$1,188,900, \$1,262,300 and \$1,292,500, respectively, and was equal to 100% of the required contributions for the year. Employees of the Authority are required to participate in the PERS and contribute 6.78% of their annual compensation. The payroll for employees covered by PERS for the years ending December 31, 2013, 2012 and 2011 was \$10,970,510, \$10,472,305 and \$12,062,333, respectively.

The general formula for annual retirement benefits is the final average salary divided by 55, times the employee's years of service. For employees hired after May 21, 2010, the final average salary is divided by 60. Pension benefits fully vest upon reaching 10 years of credited service. Members are eligible for retirement between the ages of 60 and 65, depending on date of hire, with no minimum years of service required. Members who have 25 years or more of credited service may select early retirement without penalty at or after age 55 and receive full retirement benefits. The PERS also provides death and disability benefits. All benefits and contribution requirements are established, or amended, by State statute.

The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for the PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

(b) Postemployment Health Care and Insurance Benefits

The Authority sponsors a single employer postemployment benefits plan that provides benefits in accordance with State statute, through the State Health Benefits Bureau, to its retirees having 25 years or more of service in the PERS, and 30 years or more of service if hired after June 28, 2011, or to employees approved for disability retirement. Health benefits and prescription benefits provided by the plan are at no cost to eligible retirees who had accumulated 20 years of service credit as of June 30, 2010. All other future retirees will contribute to a portion of their health and prescription premiums. Upon turning 65 years of age, a retiree must utilize Medicare

Note 14: Employee Benefits (continued)

as their primary coverage, with State Health Benefits providing supplemental coverage. In addition, life insurance is provided at no cost to the Authority and the retiree in an amount equal to 3/16 of their average salary during the final 12 months of active employment.

Since the Authority is a participating employer in the State Health Benefits Bureau, the Authority does not issue a separate stand-alone financial report regarding other postemployment benefits. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements for the State Health Benefits Program Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

The State has the authority to establish and amend the benefit provisions offered and contribution requirements.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting & Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority obtained an actuarially determined calculation for this obligation, and has established and funded an irrevocable trust for the payments required by this obligation.

The Authority's annual other postemployment benefits ("OPEB") cost for the plan is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. This represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year, and to amortize any unfunded actuarial accrued liability ("UAAL") or excess over a period not to exceed 30 years. The Authority elected to amortize the UAAL over one year in 2006. The Authority's annual OPEB cost for the years ended December 31, 2013 and 2012, and the related information for the Plan are as follows (dollar amounts in thousands):

Note 14: Employee Benefits (continued)

		2013		2012
Annual required contribution (ARC)	**$**	**850**	$	3,327
Contributions made		**536**		3,327
Increase in net OPEB obligation		**314**		–
Net OPEB Obligation – beginning of year		**–**		–
Net OPEB Obligation – end of year	**$**	**314**	$	–

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for fiscal years 2013, 2012 and 2011 are as follows (dollar amounts in thousands):

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
December 31, 2013	$	850	63.1%	$	314
December 31, 2012		3,327	100.0%		–
December 31, 2011		806	100.0%		–

As of December 31, 2012, the actuarial accrued liability for benefits was $20,793,759, none of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $10,472,305, and the ratio of unfunded actuarial accrued liability to the covered payroll was 0%.

To fund its OPEB obligation, the Authority has established an irrevocable trust and set aside monies (plan assets) in a bank account administered by a Trustee for the payment of future OPEB obligations. As of December 31, 2013, the balance was $21,490,285 and investment earnings on the account were $46,123 in 2013. The plan assets are reported at fair value.

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrence of future events, such as employment, mortality, and healthcare costs. Amounts determined regarding the funded status of the plan and the annual required contributions of the

Note 14: Employee Benefits (continued)

Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made regarding 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 liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the January 1, 2012 actuarial valuations, the projected unit credit actuarial cost method was used. In this method benefits are attributed from date of hire to the date of decrement. In the actuarial assumptions the investment return on plan assets was projected at an annual rate of 4%. The healthcare cost trend assumed in the actuarial valuation includes an initial annual healthcare cost trend rate of 9% annually, decreasing by 0.5% per year to an ultimate rate of 5% effective 2020 and thereafter. Both rates include a 4% inflation assumption.

Note 15: Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Authority recorded current liabilities in the amount of $868,197 and $718,610 as of December 31, 2013 and 2012, respectively. The liability as of those dates is the value of employee accrued vacation time and vested estimated sick leave benefits that are probable of payment to employees upon retirement. The vested sick leave benefit to eligible retirees for unused accumulated sick leave is calculated at the lesser of ½ the value of earned time or $15,000. The payment of sick leave benefits, prior to retirement, is dependent on the occurrence of sickness as defined by Authority policy; therefore, such non-vested benefits are not accrued.

Note 16: Net Position

The Authority's Net Position is categorized as follows:

- Invested in capital assets, net of related debt
- Restricted
- Unrestricted

Invested in Capital Assets, Net of Related Debt includes capital assets net of accumulated depreciation used in the Authority's operations as well as capital assets that result from the Authority's real estate development and operating lease activities. Restricted net position include net assets that have been restricted in use in accordance with State law, such as the Public School Facilities loan program, noted in Note 4, as well as Federal grant proceeds intended for specific projects. Unrestricted net assets include all net assets not included above.

Required Supplementary Information

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Schedule of Funding Progress of the Postemployment Healthcare Plan

The funding status of the postemployment health care plan as of December 31, 2012 (based on January 1, 2012 valuation date), and the preceding actuarial valuation date of January 1, 2009, is as follows:

	2012	**2009**
Actuarial accrued liability (AAL)	$ 20,793,759	$ 16,298,519
Actuarial value of plan assets	18,373,620	13,363,000
Unfunded actuarial accrued liability (UAAL)	$ 2,420,139	$ 2,935,519
Funded ratio (actuarial value of plan assets/AAL)	88.4%	82.0%
Covered payroll (active plan members)	$ 10,472,305	$ 11,507,298
UAAL as a percentage of covered payroll	23.1%	25.5%

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2013 Project List

ATLANTIC COUNTY							
Project	**Municipality**	**Proj. Type**	**Estimated New Jobs**	**At-Risk Retained Jobs**	**Program**	**Financing Amt.**	**Total Pub/Priv Investment**
DGMB Casino, LLC	Atlantic City	RT	171		Economic Redevelopment Growth	$ 5,055,556	$ 43,236,660
Monopoly Management, LLC	Egg Harbor City	CT	15		Statewide Loan Pool	$ 133,750	$ 540,094
2 projects			**186**			**$ 5,189,306**	**$ 43,776,754**

BERGEN COUNTY							
Project	**Municipality**	**Proj. Type**	**Estimated New Jobs**	**At-Risk Retained Jobs**	**Program**	**Financing Amt.**	**Total Pub/Priv Investment**
HighRoad Press, LLC	Moonachie Borough	CM	60		Program	$ 345,750	$ 2,250,750
Lonza America, Inc., Lonza Inc., Arch Chemicals, I Inc.	Allendale Borough	TC	40		Business Employment Incentive Program	$ 691,800	$ 1,446,800
Northern Building Products, Inc.	Carlstadt Borough	MF	40		Business Employment Incentive Program	$ 118,000	$ 784,000
SRS Software of New Jersey, LLC	Montvale Borough	TC	130		Business Employment Incentive Program	$ 762,369	$ 1,322,369
Wisco Promo & Uniform Inc.	Saddle Brook Township	MF	6		New Jersey Business Growth Fund	$ 232,500	$ 1,070,000
Acupac Packaging, Inc.	Mahwah Township	MF	0	50	Business Retention & Relocation Grant	$ 112,500	$ 482,500
Home Dynamix, LLC	Moonachie Borough	DS	0	252	Business Retention & Relocation Grant	$ 1,134,000	$ 3,634,000
Lonza America, Inc., Lonza Inc., Arch Chemicals, I Inc.	Allendale Borough	TC	0	148	Business Retention & Relocation Grant	$ 333,000	$ 333,000
Prudent Publishing Co., Inc.	Ridgefield Park Village	OF	0	154	Business Retention & Relocation Grant	$ 346,500	$ 1,311,420
Diamond Family Partners, LLC	Paramus Borough	DS	16		Direct Loan	$ 800,000	$ 3,512,000
FlightSafety International Inc.	Moonachie Borough		12	101	Grow New Jersey Tax Credit	$ 6,780,000	$ 24,736,876
Soundview Paper Holdings LLC	Edgewater Borough		0	509	Grow New Jersey Tax Credit	$ 25,450,000	$ 47,351,000
The Dress Barn, Inc. and 933 Inspiration LLC	Mahwah Township	CM	405	0	Grow New Jersey Tax Credit	$ 32,400,000	$ 53,100,002
Michael Dobrovolsky and Nancy Dobrovolsky	Bergenfield Borough	SR	0		Hazardous Site Remediation - Commercial	$ 17,343	$ 35,186
Wyckoff Cleaners, Inc.	Wyckoff Township	SR	0		Hazardous Site Remediation - Commercial	$ 17,998	$ 20,298
Triangle Realty of NJ, LLC	Carlstadt Borough	DS	3		Main Street Assistance Term	$ 500,000	$ 2,484,000
29 Ash Realty LLC	Ridgefield Park Village	MF	0		Statewide Loan Pool	$ 885,000	$ 6,001,750
Acme Gear Co., Inc. Liability	Englewood City	MF	0		Statewide Loan Pool	$ 1,000,000	$ 3,750,000
Gelles Holdings, Limited Liability Company Liability Company	Englewood City	MF	25		Statewide Loan Pool	$ 1,000,000	$ 3,600,000
19 projects			**737**	**1214**		**$ 72,926,760**	**$ 157,225,951**

BURLINGTON COUNTY							
Project	**Municipality**	**Proj. Type**	**Estimated New Jobs**	**At-Risk Retained Jobs**	**Program**	**Financing Amt.**	**Total Pub/Priv Investment**
PHH Mortgage Corporation	Mount Laurel Township	SV	300		Business Employment Incentive Program	$ 2,074,500	$ 12,074,500
Baker Boy Properties, LLC	Burlington Township	RT	2		New Jersey Business Growth Fund	$ 51,750	$ 209,472
City of Burlington	Burlington Township	GF	0		Community Economic Development	$ 50,000	$ 51,825
Burlington Coat Factory Warehouse Corp.	Florence Township		120	626	Grow New Jersey Tax Credit	$ 40,000,000	$ 41,591,757
Allied Recycling, Inc.	Mount Holly Township	RC	6		Main Street Assistance Line	$ 150,000	$ 303,575
5 projects			**428**	**626**		**$ 42,326,250**	**$ 54,231,129**

CAMDEN COUNTY							
Project	**Municipality**	**Proj. Type**	**Estimated New Jobs**	**At-Risk Retained Jobs**	**Program**	**Financing Amt.**	**Total Pub/Priv Investment**
Veolia Water Solutions & Technologies North Americ America, Inc. & Veolia Environmental S.A.	Pennsauken Township	PC	20		Business Employment Incentive Program	$ 561,630	$ 1,151,630
5 N. Olney LLC	Cherry Hill Township	RT	0		New Jersey Business Growth Fund	$ 196,875	$ 879,286
BC Real Estate Holdings Limited Liability Company	Winslow Township	OF	1		New Jersey Business Growth Fund	$ 31,250	$ 127,216
Caspenny, LLC and International Welding Technologies, Inc.	Lindenwold Borough	MF	1		New Jersey Business Growth Fund	$ 75,475	$ 303,919
Humes & Kaplan, LLC	Berlin Township	MF	10		New Jersey Business Growth Fund	$ 33,125	$ 134,500
Tulip Associates Limited Liability Company	Camden City	WS	10		New Jersey Business Growth Fund	$ 125,000	$ 503,388
Cooperative Business Assistance Corporation	Camden City	CM	0		Community Economic Development	$ 780,000	$ 781,000
C&L Machining Company, Inc	Brooklawn Borough	MF	1		Direct Loan	$ 200,000	$ 298,975
Camden Coalition of Healthcare Providers	Camden City	NP	7		Economic Recovery Board - Camden	$ 82,359	$ 805,788
Camden Special Services District	Camden City	NP	2		Economic Recovery Board - Camden	$ 101,200	$ 444,340
Cooper's Ferry Partnership	Camden City	IN	0		Economic Recovery Board - Camden	$ 750,000	$ 850,000

Camden County continued

CAMDEN COUNTY (cont.)							
Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Extreme I, Inc.	Camden City	RT	1		Economic Recovery Board - Camden	$ 20,000	$ 152,000
Salvation Army, A New York Corporation Salvation Army Kroc Community Center	Camden City	NP	42		Economic Recovery Board - Camden	$ 5,000,000	$ 33,590,463
Estate of Dorothy Y. Trombold	Haddonfield Borough	SR	0		Hazardous Site Remediation - Commercial	$ 83,566	$ 84,727
Yong Choi	Cherry Hill Township	SR	0		Hazardous Site Remediation - Commercial	$ 1,799	$ 7,694
Camden Redevelopment Agency (BDA - Harrison Avenue Landfill)	Camden City	SR	0		Hazardous Site Remediation - Municipal	$ 860,323	$ 1,147,598
Camden Redevelopment Agency (BDA- Harrison Ave. Landfill)	Camden City	SR	0		Hazardous Site Remediation - Municipal	$ 2,021,394	$ 2,695,691
Cooperative Business Assistance Corporation	Camden City	NP	0		Loan to Lenders	$ 500,000	$ 1,001,000
Bestwork Industries for the Blind, Inc.	Cherry Hill Township	MF	5		Statewide Loan Pool	$ 1,000,000	$ 3,001,825
Link-Burns Mfg. Co., Inc.	Voorhees Township	MF	4		Statewide Loan Pool	$ 500,000	$ 1,009,000
Parmar Real Estate LLC	Pine Hill Borough	SV	1		Statewide Loan Pool	$ 182,875	$ 424,000
Willie James Enterprises, LLC	Pennsauken Township	SV	10		Statewide Loan Pool	$ 100,000	$ 511,825
Burlington Coat Factory Warehouse Corp.	Winslow Township	OF	0		Sales Use and Tax	$ 1,206,473	$ 1,206,473
23 projects			**114**	**0**		**$ 14,393,344**	**$ 50,960,338**

CAPE MAY COUNTY							
Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Upper Township (Estate of Samuel Migliaccio)	Upper Township	SR	0		Hazardous Site Remediation - Municipal	$ 49,935	$ 50,435
Woodbine Borough (Woodbine Hat Company)	Woodbine Borough	SR	0		Hazardous Site Remediation - Municipal	$ 34,729	$ 35,229
2 projects			**0**	**0**		**$ 84,664**	**$ 85,664**

CUMBERLAND COUNTY							
Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Clement Pappas and Company, Inc.	Upper Deerfield Township	MF	0	286	Business Retention & Relocation Grant	$ 1,287,000	$ 4,787,000
Millville Urban Redevelopment Corporation	Millville City	NP	65		Community Economic Development	$ 200,000	$ 404,575
Millville Urban Redevelopment Corporation	Millville City	NP	40		Community Economic Development	$ 50,000	$ 50,000
Gran Prix Partners, LP	Millville City	SV	24		Direct Loan	$ 1,000,000	$ 14,817,000
Tri-County Community Action Partnership	Bridgeton City	SR	0		Hazardous Site Remediation - Commercial	$ 130,342	$ 130,842
City of Millville (Stewart's Amoco)	Millville City	SR	0		Hazardous Site Remediation - Municipal	$ 172,451	$ 172,951
Triad Advisory Services, Inc.	Vineland City	SV	0		Main Street Assistance Line	$ 200,000	$ 203,075
7 projects			**129**	**286**		**$ 3,039,793**	**$ 20,565,443**

ESSEX COUNTY							
Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Rajiyah Family Limited Partnership	West Orange Township	SV	10		New Jersey Business Growth Fund	$ 172,500	$ 693,981
Specialized Sales and Service LLC and Specialized Storage Systems Incorporated (Specialized Storage Systems)	Fairfield Borough	MF	4		New Jersey Business Growth Fund	$ 84,547	$ 2,141
Fairfield Gourmet Food Corp.	Cedar Grove Township	CM	0	306	Business Retention & Relocation Grant	$ 1,349,999	$ 4,049,999
330 Fairfield Road, LLC	Fairfield Borough	RT	7		Direct Loan	$ 270,000	$ 1,687,870
Business Automation Technologies, Inc.	Newark City	SV	12		Direct Loan	$ 71,888	$ 80,970
Hampton-Clarke, Inc	Fairfield Borough	SV	5		Direct Loan	$ 137,770	$ 190,203
TDAF I Pru Hotel Urban Renewal Company, LLC	Newark City		45		Economic Redevelopment Growth	$ 6,583,637	$ 35,015,193
Schoolhouse Joint Venture	Millburn Township	SR	0		Hazardous Site Remediation - Commercial	$ 103,213	$ 103,713
Vision of Hope Family Life Campus	Newark City	SR	0		Hazardous Site Remediation - Commercial	$ 178,978	$ 179,478
Township of Bloomfield (230 Grove Street)	Bloomfield Township	SR	0		Hazardous Site Remediation - Municipal	$ 58,305	$ 58,805
Township of West Orange	West Orange Township	SR	0		Hazardous Site Remediation - Municipal	$ 40,910	$ 41,410
810 Broad St Urban Renewal Company LLC	Newark City	CM	65		Stand-Alone Bond	$ 4,700,000	$ 29,629,549
Ashland School, Inc.	Newark City	NP	2		Stand-Alone Bond	$ 20,885,000	$ 23,000,000
BWP School Partners LLC	Newark City	NP	2		Stand-Alone Bond	$ 10,010,000	$ 11,000,000
Newark City & Matrix/SJP Riverfront Plaza I Urban Renewal, L.L.C.	Newark City	CM	250		Stand-Alone Bond	$ 10,541,703	$ 28,420,000
Portuguese Baking Company, LP	Newark City	MF	40		Stand-Alone Bond	$ 6,000,000	$ 6,000,000
Uncommon Properties III, LLC	Newark City	NP	15		Stand-Alone Bond	$ 2,829,697	$ 6,074,514
Uncommon Properties III, LLC	Newark City	NP	8		Stand-Alone Bond	$ 32,870,303	$ 41,006,704
Uncommon Properties, LLC (or an affiliated entity)	Newark City	NP	0		Stand-Alone Bond	$ 7,132,000	$ -
60 Lockwood Associates, LLC	Newark City	RC	20		Statewide Loan Pool	$ 970,000	$ 3,311,825

Essex County continued

ESSEX COUNTY (cont.)							
Arlington Machine and Tool Company and Titan Technologies International, Inc.	Fairfield Borough	MF	30		Statewide Loan Pool	$ 1,250,000	$ 3,358,825
Phone.com, Inc.	Newark City	TC	18		Edison Innovation VC Growth Fund	$ 600,000	$ 1,208,000
22 projects			**533**	**306**		**$ 106,840,450**	**$ 195,113,180**

GLOUCESTER COUNTY

Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Great Dames Limited Liability Company	Logan Township	DS	56		Business Employment Incentive Program	$ 330,022	$ 3,330,022
Heritage Real Estate, LLC	Deptford Township	CT	2		New Jersey Business Growth Fund	$ 41,000	$ 166,300
Woodbury Investments, LLC	Woodbury City	SV	4		New Jersey Business Growth Fund	$ 90,000	$ 362,950
Worthington Property Management, Limited Liability Corporation	Westville Borough	TP	0		New Jersey Business Growth Fund	$ 166,250	$ 669,000
Borough of Glassboro (Lew's Auto)	Glassboro Borough	SR	0		Hazardous Site Remediation - Municipal	$ 156,853	$ 157,353
5 projects			**62**	**0**		**$ 784,125**	**$ 4,685,625**

HUDSON COUNTY

Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Caduceus, Inc.	Jersey City	CM	60		Business Employment Incentive Program	$ 658,800	$ 1,258,800
Locus Energy, LLC	Hoboken City	TC	20		Business Employment Incentive Program	$ 365,200	$ 383,200
The Royal Group LLC	Kearny Town	CM	30		Business Employment Incentive Program	$ 213,750	$ 518,750
Vitamin Shoppe Industries, Inc.	Secaucus Town	WS	100		Business Employment Incentive Program	$ 1,402,200	$ 9,623,200
RLC Plus, Inc. and Tom Carroll Scenery, Inc.	Jersey City	SV	0		New Jersey Business Growth Fund	$ 95,270	$ 383,345
Port Imperial South L.L.C. or Affiliate	Weehawken Township		42		Economic Redevelopment Growth	$ 8,893,049	$ 58,598,720
Imperial Bag & Paper Co., LLC	Jersey City	OF	0	364	Grow New Jersey Tax Credit	$ 29,120,000	$ 126,888,888
Town of Kearny (Belgrove Dr. Property)	Kearny Town	SR	0		Hazardous Site Remediation - Municipal	$ 47,528	$ 48,028
8 projects			**252**	**364**		**$ 40,795,797**	**$ 197,702,931**

HUNTERDON COUNTY

Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Agnes Scholink	Raritan Township	SR	0		Hazardous Site Remediation - Commercial	$ 5,311	$ 21,744
1 project			**0**	**0**		**$ 5,311**	**$ 21,744**

MERCER COUNTY

Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
AEON Corporation	West Windsor Township	MF	3		Direct Loan	$ 200,000	$ 800,000
Bristol-Myers Squibb Company	Pennington Borough	RD	0		Large Scale CHP - Fuel Cells Program	$ 1,980,960	$ 9,307,350
Dataline, Inc.	West Windsor Township	SV	3		Main Street Assistance Line	$ 350,000	$ 904,361
SDB Realty LLC	Ewing Township	SV	0		Main Street Assistance Term	$ 2,000,000	$ 5,355,000
The Village Charter School, Inc.	Trenton City	NP	1		Stand-Alone Bond	$ 6,000,000	$ 8,000,000
5 projects			**7**	**0**		**$ 10,530,960**	**$ 24,366,711**

MIDDLESEX COUNTY

Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
CLS Bank International	Woodbridge Township	OF	51		Business Employment Incentive Program	$ 2,550,000	$ 4,913,000
Cellco Partnership (d/b/a Verizon Wireless)	Piscataway	OF	300		Business Employment Incentive Program	$ 5,478,000	$ 9,478,000
EisnerAmper LLP	Woodbridge Township	SV	100		Business Employment Incentive Program	$ 1,826,000	$ 10,511,000
GENEWIZ, Inc.	South Plainfield Borough	TC	30		Business Employment Incentive Program	$ 299,322	$ 1,555,322
Spectrum Laboratory Products, Inc.	New Brunswick City	CM	30		Business Employment Incentive Program	$ 276,600	$ 1,326,600
Loumis Realty Company LLC	South Amboy City	SV	2		New Jersey Business Growth Fund	$ 601,250	$ 2,609,000
EisnerAmper LLP	Woodbridge Township	SV	0	255	Business Retention & Relocation Grant	$ 1,147,500	$ 1,147,500
AZ Holdings, LLC	South Amboy City	CM	0		Direct Loan	$ 450,000	$ -
United Silicon Carbide, Inc.	South Brunswick Township	TC	14		Edison Innovation Green Growth Fund	$ 2,000,000	$ 4,000,000
R.C.J., Inc. (RCJ, Inc)	South Plainfield Borough	SR	0		Hazardous Site Remediation - Commercial	$ 97,657	$ 391,128
R.C.J., Inc. (RCJ, Inc)	South Plainfield Borough	SR	0		Hazardous Site Remediation - Commercial	$ 97,657	$ 391,128
R.C.J., Inc. (RCJ, Inc)	South Plainfield Borough	SR	0		Hazardous Site Remediation - Commercial	$ 195,312	$ 393,078

Middlesex County continued

MIDDLESEX COUNTY (cont.)							
Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Dunellen Borough (The Strip Joint, Inc.) (The Strip Joint, Inc.)	Dunellen Borough	SR	0		Hazardous Site Remediation - Municipal	$ 27,537	$ 28,037
Community Loan Fund of New Jersey, Inc.	New Brunswick City	NP	0		Loan to Lenders	$ 500,000	$ 500,000
Broadway Packaging Solutions, Inc. and Broadway Kleer-Guard Corporation	Monroe Township	MF	10		Main Street Assistance Line	$ 500,000	$ 2,514,250
Forman Industries, Inc	Old Bridge Township	CT	0		Main Street Assistance Line	$ 500,000	$ -
Logistic Solutions, Inc.	Piscataway	SV	0		Main Street Assistance Line	$ 500,000	$ -
KIPN Partners, LLC, Gautam Partners, LLC and KAIP Investments, LLC	South Brunswick Township	DC	26		Main Street Assistance Term	$ 1,887,500	$ 3,802,000
AZ Holdings, LLC	South Amboy City	MF	10		Stand-Alone Bond	$ 1,350,000	$ 2,610,000
College Avenue Redevelopment Associates LLC	New Brunswick City	GF	32		Stand-Alone Bond	$ 237,055,000	$ 350,000,000
Akcorp, LLC	North Brunswick Township	MF	35		Statewide Loan Pool	$ 1,250,000	$ 3,301,825
Antoinette Marie Tauk, DDS, LLC	North Brunswick Township	SV	0		Statewide Loan Pool	$ 167,500	$ 336,825
Linden Holdings NJ	Carteret Borough	DS	25		Statewide Loan Pool	$ 1,250,000	$ 4,512,000
Logistic Solutions, Inc.	Piscataway	SV	50		Statewide Loan Pool	$ 491,250	$ 2,859,516
Six Partners LLC	Old Bridge Township	CT	15		Statewide Loan Pool	$ 720,000	$ 4,750,000
25 projects			**167**	**0**		**$ 242,283,750**	**$ 368,370,166**

MONMOUTH COUNTY							
Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
CommVault Americas, Inc.	Tinton Falls Borough	OF	250		Business Employment Incentive Program	$ 7,206,000	$ 94,456,000
71 East Main Street, LLC	Holmdel Township	SV	15		New Jersey Business Growth Fund	$ 132,500	$ 533,481
CommVault Americas, Inc.	Tinton Falls Borough	OF	0	300	Business Retention & Relocation Grant	$ 1,350,000	$ 1,350,000
Monmouth Medical Center, Inc.	Long Branch City	NP	3		Large Scale CHP - Fuel Cells Program	$ 1,584,000	$ 6,415,000
Aurora Multimedia Corporation	Marlboro Township	MF	0		Main Street Assistance Line	$ 175,000	$ -
Girl Scouts of the Jersey Shore, Inc.	Farmingdale Borough	NP	2		Stand-Alone Bond	$ 1,020,000	$ 1,048,000
The Freehold Young Men's Christian Association	Single County - Multi City	NP	2		Stand-Alone Bond	$ 5,300,000	$ 5,323,722
The Rumson Country Day School	Rumson Borough	NP	1		Stand-Alone Bond	$ 5,000,000	$ 5,093,220
Aurora Multimedia Corporation	Marlboro Township	MF	10		Statewide Loan Pool	$ 155,404	$ 690,000
Sire Stakes Holdings, LLC	Ocean Township	SV	2		Statewide Loan Pool	$ 295,000	$ 301,250
10 projects			**285**	**300**		**$ 22,217,904**	**$ 115,210,673**

MORRIS COUNTY							
Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
CVS Pharmacy, Inc. and CVS Caremark	Florham Park Borough	OF	250		Business Employment Incentive Program	$ 5,961,313	$ 10,861,313
Ferring Production Inc., Ferring Pharmaceuticals, Inc. & Ferring International Pharmascience Center US Inc.	Parsippany-Troy Hills Township	MF	175		Business Employment Incentive Program	$ 3,129,875	$ 90,129,875
Orexo US, Inc. & Orexo AB	Morristown Town	RD	46		Business Employment Incentive Program	$ 985,320	$ 1,247,320
The Medicines Company	Parsippany-Troy Hills Township	RD	30		Business Employment Incentive Program	$ 1,500,000	$ 5,640,000
Zoetis Inc. and Subsidiaries	Florham Park Borough	OF	385		Business Employment Incentive Program	$ 19,250,000	$ 26,750,000
22A-B Hill Road, LLC	Parsippany-Troy Hills Township	SV	2		New Jersey Business Growth Fund	$ 110,750	$ 403,075
Automatic Switch Company	Florham Park Borough		0	350	Grow New Jersey Tax Credit	$ 24,500,000	$ 39,733,775
Honeywell International Inc.	Morristown Town		0	1,061	Grow New Jersey Tax Credit	$ 40,000,000	$ 99,650,000
Siemens Healthcare Diagnostics Inc.	Mount Olive Township		525	0	Grow New Jersey Tax Credit	$ 36,750,000	$ 36,654,000
One Stewart Court LLC	Denville Township	SV	6		Main Street Assistance Term	$ 397,500	$ 1,591,825
10 projects			**1419**	**1411**		**$ 132,584,758**	**$ 312,661,183**

STATEWIDE							
Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Dakota Properties, Inc.	Statewide	NP	4		Stand-Alone Bond	$ 3,020,000	$ 3,067,600
Twin Oaks Community Services, Inc.	Statewide	NP	20		Stand-Alone Bond	$ 2,285,000	$ 2,328,600
2 projects			**24**	**0**		**$ 5,305,000**	**$ 5,396,200**

OCEAN COUNTY							
Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Paul McCarthy	Barnegat Township	SR	0		Hazardous Site Remediation - Commercial	$ 7,620	$ 30,979
Community Medical Center, Inc. d/b/a Barnabas Health, Inc.	Dover Township	NP	3		Large Scale CHP - Fuel Cells Program	$ 1,584,000	$ 6,665,000
Bais Yaakov High School of Lakewood, Inc.	Lakewood Township	NP	12		Stand-Alone Bond	$ 1,600,000	$ 1,600,000
Beth Medrash of Asbury Park, Inc.	Lakewood Township	NP	2		Stand-Alone Bond	$ 2,275,000	$ 2,330,250

Ocean County continued

OCEAN COUNTY (cont.)							
Sporrelli Limited Liability Corporation	Lakewood Township	MF	0		Statewide Loan Pool	$ 785,400	$ 1,995,000
5 projects			**17**	**0**		**$ 6,252,020**	**$ 12,621,229**

PASSAIC COUNTY

Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Precision Custom Coatings LLC	Totowa Borough	MF	0	225	Business Retention & Relocation Grant	$ 506,250	$ 4,756,250
Bloomingdale Warehouse LLC	Bloomingdale Borough	SR	0		Hazardous Site Remediation - Commercial	$ 10,504	$ 46,718
Frank Graafsma	Hawthorne Borough	SR	0		Hazardous Site Remediation - Commercial	$ 50,118	$ 51,193
UMM Energy Partners, LLC	Little Falls Township	PC	2		Large Scale CHP - Fuel Cells Program	$ 2,380,100	$ 26,536,000
4 projects			**2**	**225**		**$ 2,946,972**	**$ 31,390,161**

SOMERSET COUNTY

Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
PVH Corp. (PVH Corp.) (PVH Corp.)	Bridgewater Township	CM	125		Business Employment Incentive Program	$ 720,313	$ 2,840,313
Rosenwach Group, Inc.	Franklin Township	OF	90		Business Employment Incentive Program	$ 558,225	$ 12,033,225
Santelli Brothers Automotive	Bridgewater Township	SR	0		Hazardous Site Remediation - Commercial	$ 37,061	$ 148,745
Township of Bridgewater (Dept Public Works Muni Garage)	Bridgewater Township	SR	0		Hazardous Site Remediation - Municipal	$ 115,526	$ 152,422
4 projects			**215**	**0**		**$ 1,431,125**	**$ 15,174,705**

UNION COUNTY

Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Intervet Inc.	Summit City	CM	80		Business Employment Incentive Program	$ 3,981,600	$ 14,881,600
Deep Foods Incorporated	Union Township		175	275	Grow New Jersey Tax Credit	$ 27,000,000	$ 26,907,293
Steel Brite Polishing Corporation Joseph Anfuso,Jr & Elaine Scala	Elizabeth City	SR	0		Hazardous Site Remediation - Commercial	$ 76,013	$ 77,514
County of Union (Summit Transfer Station)	Summit City	SR	0		Hazardous Site Remediation - Municipal	$ 193,495	$ 193,995
Daron Realty, L.L.C.	Rahway City	DS	0		Main Street Assistance Term	$ 249,959	$ 259,292
Kent Place School	Summit City	NP	2		Stand-Alone Bond	$ 5,000,000	$ 5,000,000
NYNJ Link Borrower LLC & NYNJ Link Developer LLC	Elizabeth City	GF	30		Stand-Alone Bond	$ 460,915,000	$ 1,000,000,000
7 projects			**287**	**275**		**$ 497,416,067**	**$ 1,047,319,694**

WARREN COUNTY

Project	Municipality	Proj. Type	Estimated New Jobs	At-Risk Retained Jobs	Program	Financing Amt.	Total Pub/Priv Investment
Flexco Microwave, Inc.	Mansfield Township	SR	0		Hazardous Site Remediation - Commercial	$ 508,583	$ 1,017,666
Flexco Microwave, Inc.	Mansfield Township	SR	0		Hazardous Site Remediation - Commercial	$ 250,000	$ 1,000,500
Blair Academy	Blairstown Township	NP	2		Stand-Alone Bond	$ 10,000,000	$ 15,000,000
YMCA Camp Ralph S. Mason, Inc.	Hardwick Township	NP	2		Stand-Alone Bond	$ 1,235,000	$ 1,235,000
4 projects			**4**	**0**		**$ 11,993,583**	**$ 18,253,166**

Technology Business Tax Certificate Transfer Program

2013 List of Approved Sellers

Company	County
IGI Labs Inc.	Atlantic
MDX Medical, Inc. (dba Vitals, Inc.)	Bergen
ADM Tronics Unlimited Inc.	Bergen
Elite Laboratories, Inc.	Bergen
Millenium Biotechnologies Group, Inc	Bergen
DVTel, Inc.	Bergen
Cancer Genetics, Inc.	Bergen
Circulite Inc.	Bergen
Eagle Pharmaceuticals, Inc.	Bergen
I.D. Systems, Inc.	Bergen
Ivy Sports Medicine LLC	Bergen
Agilence Inc.	Burlington
Antenna Software, Inc	Hudson
Voxware, Inc.	Mercer
Princeton Power Systems	Mercer
Ocean Power Technologies, Inc	Mercer
PD-LD Inc.	Mercer
Advaxis, Inc.	Mercer
Agile Therapeutics	Mercer
Midawi Holdings	Mercer
SightLogix, Inc.	Mercer
Soligenix, Inc.	Mercer
World Water & Solar Technologies	Mercer
Alphion Corporation	Mercer
Amicus Therapeutics, Inc.	Middlesex
Blacklight Power, inc.	Middlesex
Palatin Technologies, Inc	Middlesex
Cornerstone Pharmaceuticals	Middlesex
Oncobiologics Inc.	Middlesex
Replication Medical, Inc	Middlesex
Vaxinnate Corporation	Middlesex
Savient Pharmaceuticals, Inc	Middlesex
Symbolic IO Corporation	Middlesex
CytoSorbents, Inc.	Middlesex
Insmed Incorporated	Middlesex
Rive Technology, Inc.	Middlesex
TyRx Pharma, Inc.	Middlesex
Liquid Light	Middlesex
Connotate Technologies, Inc	Middlesex
Hemispherx Biopharma, Inc.	Middlesex
Solidia Technologies	Middlesex
Innopharma, Inc.	Middlesex
iBiquity Digital Corporation	Middlesex
Celator Pharmaceuticals, Inc.	Middlesex
Angel Medical Systems, Inc.	Monmouth
Emisphere Technologies, Inc.	Morris
DataMotion, Inc.	Morris
Aerie Pharmaceuticals, Inc.	Somerset
Conolog Corporation	Somerset
VPI Systems Corporation	Somerset
Roka Bioscience, Inc.	Somerset
Edge Therapeutics	Union
Svelte Medical Systems, Inc.	Union
Celldex Research Corporation	Warren
54 companies	**$60 million**

BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

SUBJECT: NJEDA School Facilities Construction 2014 Obligations

DATE: April 8, 2014

SUMMARY OF PROPOSED FINANCING

The Authority is currently being asked to approve the issuance of one or more series of School Facilities Construction Refunding Bonds and Notes, 2014 Series (the "2014 Refunding Obligations") and School Facilities Construction Bonds, 2014 Series (the "2014 New Money Obligations", together with the 2014 Refunding Obligations, the "2014 Obligations") as well as various related actions described below. The 2014 Obligations will be authorized to be issued in an amount not to exceed $3.06 billion and will be used to (i) refund all or a portion of the 2014 Series J School Facilities Construction Refunding Notes (the "2014 Interim Notes") issued on February 20, 2014; (ii) refund or pay the principal of and interest on a portion of currently outstanding School Facilities Construction Bonds and Notes ("Prior Obligations"); (iii) fund new money school facilities projects; and (iv) pay the costs of issuance of the 2014 Obligations.

BACKGROUND

Since April 2001, the Authority has issued prior series of tax-exempt and taxable School Facilities Construction Bonds and Notes in the aggregate principal amount of $9,023,954,000 for new money projects under the Educational Facilities Construction and Financing Act, L. 2000, c. 72, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39 (the "Act"). Additionally, the Authority has issued prior series of refunding bonds and notes in the aggregate principal amount of $9,046,605,000 that restructured and refunded a portion of several Series of tax-exempt and taxable bonds and a series of tax-exempt notes, previously issued under the Act.

INTERIM PLAN OF FINANCE

In conjunction with the State's overall management of the School Facilities Construction Bond Program, the Authority issued the 2014 Interim Notes to refund or pay certain March 1, 2014 principal and/or interest payments on one or more Series of Prior Obligations. The 2014 Interim Notes transaction closed on February 20, 2014.

COMPREHENSIVE PLAN OF FINANCE

As noted in the February 11, 2014 Board Memorandum, the 2014 Interim Notes preserved potential budgetary savings in anticipation of the planned issuance of the 2014 Refunding Obligations – one of the goals of the Comprehensive Plan of Finance ("Comprehensive Plan").

The Comprehensive Plan achieves the following:

- Restructuring of Prior Obligation debt service payments which results in $1.5 billion of total intra-fiscal year cashflow relief in each of fiscal years 2015-2018
- Approximately $20 million net present value savings
- FY 2014 and 2015 budgetary savings of $320 million
- No gross debt service dis-savings or extension of final maturity, in aggregate, on the Prior Obligations
- Issuance of $60 million in par amount of bonds to fund new money projects

For more detailed information regarding the Comprehensive Plan, see the attached Appendix B.

APPROVAL REQUEST

The Members are requested to approve the adoption of the Thirty-Second Supplemental School Facilities Construction Bond Resolution (the "Thirty-Second Supplemental Resolution") authorizing the issuance of one or more series of the 2014 Refunding Obligations in the aggregate amount not to exceed $3.0 billion, and one or more series of the 2014 New Money Obligations in the aggregate amount not to exceed $60 million.

The 2014 Refunding Obligations are likely to include:

1. $1.4 billion[1] of tax-exempt and taxable obligations issued as either one or more series of publicly offered bonds (the " Publicly Offered Bonds") and/or one or more series of direct purchase bonds to be purchased by Bank of America, N.A. and its subsidiary, Banc of America Preferred Funding Corporation (the "Direct Purchase Bonds") pursuant to bank loan agreements to be entered into between the Authority and Bank of America, N.A. and Banc of America Preferred Funding Corporation; and
2. $450 million[1] of taxable direct purchase notes to be purchased by Bank of America, N.A. on specific dates and in specific amounts in the future (the "Direct Purchase Notes").

In part, this transaction involves entry into Loan Agreements with Bank of America, N.A. and Banc of America Preferred Funding Corporation as the bank loan providers and purchasers of the Direct Purchase Bonds (without delivery of a preliminary or final official statement). The State will not be providing its typical public disclosure (commonly referred to as "Appendix I") regarding financial and other information relating to the State in connection with the Direct Purchase Bonds and the Direct Purchase Notes.

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1 Preliminary, subject to change based on market conditions

The 2014 Refunding Obligations will be issued as fixed rate obligations and will be subject to the following parameters all as determined by an Authorized Officer of the Authority in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel:

1. The final maturity of any tax-exempt 2014 Refunding Obligations will not exceed the final maturity of the Prior Obligations being refunded;
2. The final maturity of any taxable 2014 Refunding Obligations will not exceed 25 years from the date of issuance;
3. The true interest cost for the Publicly Offered Bonds shall not exceed 6.50%;
4. The stated interest rate for the Direct Purchase Bonds shall not exceed 6.50%;
5. The maximum rate payable on the Direct Purchase Bonds shall not exceed 12%;
6. The true interest cost for the Direct Purchase Notes shall not exceed 8%; and
7. The maximum rate payable on the Direct Purchase Notes shall not exceed 12%

The $60 million in par amount of 2014 New Money Obligations will be subject to the following parameters all as determined by an Authorized Officer of the Authority in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel:

1. The final maturity of the 2014 New Money Obligations will not exceed 30 years; and
2. The true interest cost of the 2014 New Money Obligations shall not exceed 6.50%.

The 2014 Obligations will be issued for the purposes set forth in the proposed Comprehensive Plan of Finance, as determined by an Authorized Officer of the Authority in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel. The 2014 Obligations will be secured by the State Contract with the State Treasurer (as amended by Amendment No.1 to the State Contract dated April 22, 2010, to implement the funding provisions of the 2008 Amendment to the Act).

The Board is being asked to approve certain actions of, and delegation of actions to, an Authorized Officer with information provided by the State Treasurer, Bond Counsel, and the State Attorney General and in consultation with, the Office of Public Finance, Bond Counsel and the Attorney General's Office, as applicable, and as approved by the State Treasurer, which actions are more fully set forth in the Thirty-Second Supplemental Resolution, which is incorporated herein by reference, and will be memorialized in one or more Series Certificates, and may include, without limitation:

1. To determine the date of issuance, sale and delivery, the maturity date, the principal amount and the redemption provisions of each series of 2014 Obligations in accordance with the parameters set forth above;
2. To determine which series of the 2014 Obligations shall be sold or issued, as applicable, as Publicly Offered Bonds pursuant to negotiated underwritings, Direct Purchase Bonds, or Direct Purchase Notes;

3. To determine whether each series of the 2014 Obligations shall be issued as tax-exempt or taxable obligations;
4. To negotiate, execute, deliver and perform the Loan Agreements relating to the Direct Purchase Bonds;
5. To negotiate, execute, deliver and perform the Note Purchase Agreement relating to the Direct Purchase Notes;
6. To select and appoint any additional co-managers and/or underwriters for the Publicly Offered Bonds upon recommendation of the State Treasurer, utilizing Treasury's RFQ/RFP process in accordance with Executive Order No. 26 and Executive Order No. 37;
7. To select and appoint a firm to serve as bidding agent, upon recommendation of the Treasurer based on Treasury's competitive RFP/RFQ process, to solicit bids and to enter into or purchase Defeasance Securities (as defined in Sections 101 and 1201(2) of the Resolution) with proceeds of any Series 2014 Refunding Obligations issued to refund the Bonds or Notes to be Refunded or Paid, in the event that such Authorized Officer of the Authority determines that it is advantageous to the Authority to invest any such proceeds in Defeasance Securities; and
8. To purchase a municipal bond insurance policy or policies with respect to any or all of the maturities of any series of the 2014 Obligations if an Authorized Officer of the Authority, in consultation with the Treasurer, determines that such policy or policies of municipal bond insurance is necessary or desirable in connection with the offering and sale of such of the 2014 Obligations.

In addition, the Authority's Audit Committee met with representatives from the State Treasurer's Office and Bank of America /Merrill Lynch and approved the Comprehensive Plan of Finance on March 20, 2014. Discussed was the decision-making process in determining the amounts and type of 2014 Refunding Obligations that are to be issued as well as the final maturity. The 2014 Refunding Obligations, as well as the selection of the Prior Bonds to be refunded are structured to achieve the best economic benefits (described above) in the current market environment. Additionally, the transaction complies with the State Treasurer's three-pronged refunding test: (i) the transaction must produce nominal savings; (ii) the transaction must produce net present value savings; and (iii) the final maturity of the refunding bonds cannot exceed the final maturity of the bonds to be refunded.

Compliance with the three-pronged test prevents the State and the Authority from issuing refunding bonds that have longer maturities than those being refunded in aggregate. Maintaining this policy is viewed by the rating agencies as being a credit positive.

Also, as requested by the Audit Committee, attached as Appendix C is a brief description of the terms and conditions of the loan agreements and the direct purchase note contract, as well as the drafts of the forms of loan agreements and direct purchase note contract.

In exercising the Authority's discretion to approve specific transactions authorized under the Thirty-Second Supplemental Resolution, it is anticipated that the Authorized Officers of the Authority will make decisions on behalf of the Authority in consultation with the Treasurer. The Board will be updated upon completion of the transaction. The current schedule contemplates the closing of this transaction to occur in early May 2014.

Professionals for the 2014 Obligations were selected in compliance with Executive Order No. 26. Wolff & Samson PC was selected as Bond Counsel through a competitive RFP/RFQ process performed by the Attorney General's Office on behalf of Treasury for State appropriation backed transactions. Through Treasury's competitive RFP/RFQ process the following professionals were chosen: Bank of America, N.A. and Banc of America Preferred Funding Corporation as bank loan providers in connection with the Direct Purchase Bonds, Bank of America, N.A. as purchaser of the Direct Purchase Notes, Merrill, Lynch, Pierce, Fenner & Smith Incorporated as senior manager for the Publicly Offered Bonds and U.S. Bank National Association as Trustee, Paying Agent, Registrar, Escrow Agent, and Closing Document Escrow Agent. The Thirty-Second Supplemental Resolution will also authorize Authority staff to take all necessary actions incidental to the issuance of the 2014 Obligations subject to the State Treasurer's approval, including without limitation, the selection of additional professionals, if any, pursuant to a competitive process utilizing Treasury's RFP/RFQ process in accordance with Executive Order No. 26 and Executive Order No. 37.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Members are requested to: (i) approve the adoption of the Thirty-Second Supplemental Resolution authorizing the issuance of the 2014 Obligations in the aggregate principal amount not to exceed $3.06 billion as well as other matters in connection with the issuance and sale thereof and otherwise described above, including, but not limited to, the entry into Loan Agreements and a Note Purchase Agreement; (ii) approve several actions and delegation of actions to an Authorized Officer as may be necessary or advisable in order to issue the 2014 Obligations and to undertake the other transactions described in (i) above on terms which are in the best interest of the State; (iii) authorize the use of the aforementioned professionals and (iv) authorize Authority staff to take all necessary actions incidental to the issuance of the 2014 Obligations; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

Prepared by: Teresa Wells

Appendix A – List of Prior Obligations

School Facilities Construction Bonds & Notes	Original Par Amount	Dated Date
2004 Series I	$250,000,000	8/31/2004
2004 Series J4	116,750,000	8/31/2004
2004 Series J5	116,750,000	8/31/2004
2005 Series K	700,000,000	1/27/2005
2005 Series L	150,000,000	4/6/2005
2005 Series N	677,465,000	5/23/2005
2005 Series O	750,000,000	10/4/2005
2005 Series P	175,000,000	12/15/2005
2005 Series Q1	59,375,000	12/21/2005
2005 Series Q2	59,360,000	12/21/2005
2006 Series S	100,000,000	11/2/2006
2007 Series U	300,000,000	10/4/2007
2008 Series W	455,940,000	4/30/2008
2008 Series Y	200,000,000	6/3/2008
2009 Series Z	175,000,000	1/29/2009
2009 Series AA	183,670,000	6/4/2009
2009 Series BB	200,000,000	8/20/2009
2010 Series CC-1	104,115,000	5/17/2010
2010 Series CC-2	48,910,000	5/17/2010
2010 Series DD-1	667,420,000	5/17/2010
2010 Series DD-2	35,740,000	5/17/2010
2011 Series C – SIFMA Notes	65,620,000	1/20/2011
2011 Series D – LIBOR Notes	150,000,000	1/20/2011
2011 Series EE	777,260,000	1/20/2011
2011 Series FF	123,220,000	1/20/2011
2011 Series E – SIFMA Notes	267,495,000	2/22/2011
2011 Series F – LIBOR Notes	45,000,000	2/22/2011
2011 Series GG	498,035,000	2/22/2011
2011 Series HH	63,530,000	2/22/2011
2012 Series II	407,135,000	5/2/2012
2012 Series JJ	34,950,000	5/2/2012
2012 Series G – SIFMA Notes	119,060,000	10/3/2012
2012 Series H – SIFMA Notes	119,060,000	10/3/2012
2012 Series KK	136,880,000	10/3/2012
2012 Series MM	24,365,000	10/3/2012

School Facilities Construction Bonds & Notes	Original Par Amount	Dated Date
2013 Series I – SIFMA Notes	380,515,000	1/31/2013
2013 Series NN	1,629,710,000	1/31/2013
2013 Series OO	243,270,000	1/31/2013
2014 Series J Notes	60,000,000	2/20/2014

Appendix B – Summary of Comprehensive Plan

Overview

The New Jersey Economic Development Authority (the "NJEDA") currently has over $8.6 billion of bonds (the "Bonds") outstanding in connection with its School Facilities Construction Program. Historically, this debt has been structured with multiple payment dates within the State's fiscal year – with debt service coming due on September 1, December 15, March 1 and June 15. The debt service payments that occur early in the State's fiscal year have come to present a challenge to the State and a key concern among rating agencies with regards to cashflow planning and liquidity within the fiscal year. As the State typically manages its intra-fiscal year liquidity in part through the issuance of Tax & Revenue Anticipation Notes ("TRANs"), any State debt service occurring early in the fiscal year – prior to the receipt of significant tax revenues – places additional burden on the State to generate liquidity, and increases reliance on its TRANs borrowing program at an incremental cost to taxpayers.

Through the proposed Comprehensive Plan, the Authority will shift approximately $1.5 billion aggregate amount of debt service relating to currently outstanding School Facilities Construction Bonds and Notes (the "Prior Obligations") within Fiscal Years 2015 through 2018 to June 15 maturity dates, closer to the end of the State's fiscal year. This restructuring of Prior Obligation debt service payment dates will reduce the amount of State TRANs required earlier in the year, and ease cashflow planning for the State by better aligning the timing of Prior Obligation debt service payments with the State's General Fund and Property Tax Relief Fund receipts, thereby addressing a key rating agency concern. Additionally, by executing a portion of this transaction in the relatively strong bank loan market, the Authority can achieve this intra-fiscal year relief and budgetary savings in fiscal years 2014 and 2015 for the benefit of the State, with no extension of final maturities on the Prior Obligations. Execution of a bank loan also produces several strategic benefits for the State. It would create a new method of capital funding available at times when capital markets financings may not be viable or desirable, and also provide additional flexibility and competition across lenders and debt products available to the State.

Plan of Finance

The proposed plan of finance is comprised of three primary components: i) tax-exempt and taxable fixed rate obligations (either Direct Purchase Bonds and/or Publicly Offered Bonds) that are funded on the closing date to accomplish the refunding of outstanding bonds for present value and budgetary savings; ii) taxable fixed rate Direct Purchase Notes that are committed today with known interest rates, draw dates, draw amounts and maturity dates for the purpose of restructuring Prior Obligation debt service due earlier in the State's fiscal year to June 15; and iii) the issuance of $60 million in par amount of tax-exempt fixed rate bonds to fund new money projects. The Direct Purchase Note structure is a more efficient way for the State to restructure Prior Obligation debt service because it eliminates the need to fund an escrow today for the future payments and thereby avoids the resulting negative arbitrage that would exist in today's interest rate environment. In addition, both principal and interest on the Direct Purchase Notes can be paid on June 15, eliminating the December 15 interest payment that would result from traditional refunding bonds.

Under current market conditions, the proposed plan of finance contemplates both tax-exempt and taxable fixed rate Direct Purchase Bonds and tax-exempt and taxable Publicly Offered Bonds that are funded on the closing date:

- $425 million tax-exempt, fixed rate, Direct Purchase Bonds amortizing in State Fiscal Years 2020 through 2028 with an average life of 10.3 years; and
- $75 million taxable, fixed rate Direct Purchase Bonds amortizing in State Fiscal Years 2015 and 2016, with an average life of 1.9 years.
- $208 million tax-exempt, fixed rate, Publicly Offered Bonds amortizing in State Fiscal Years 2018 and 2019 with an average life of 4.8 years; and
- $709 million taxable, fixed rate, Publicly Offered Bonds amortizing in State Fiscal Years 2016 through 2018, with an average life of 3.0 years.
- $60 million tax-exempt, fixed rate, Publicly Offered Bonds amortizing in State Fiscal Years 2029 through 2033, with an average life of 17.2 years.

The proposed plan of finance also contemplates $150 million maximum annual principal amount of taxable Direct Purchase Notes by Bank of America, N.A. in State Fiscal Years 2015 through 2018. During the term of the Note Purchase Agreement relating to the Direct Purchase Notes, the Authority is expected to issue $450 million of Direct Purchase Notes in aggregate.

If market conditions shift, the composition of the transaction may change. An ongoing comparison of the direct purchase and public bond markets will continue up until the time of sale. Under current market conditions, the plan of finance is structured to produce the following economic benefits:

- $1.5 billion of total intra-fiscal relief in fiscal years 2015-2018
- Approximately $20 million of net present value savings
- FY 2014 and 2015 budgetary savings of $320 million
- No gross dis-savings or extension of final maturities, in the aggregate
- $60 million to fund new money projects

Appendix C

Outline of Terms and Conditions of the Loan Agreements

Security	The loans are secured as Parity Obligations under the School Facilities Construction Bond Resolution.
Funding	The loans are fully funded upon closing.
Terms and Conditions	
Event of Non-Appropriation	An event of non-appropriation is not an event of default under the loan agreements.
Mandatory Prepayment	Generally, if the Authority fails to pay when due the principal of and interest on the loan, the loan will, upon notice from the Bank, become subject to Mandatory Prepayment and the then outstanding principal amount of the loan will be re-amortized so that it is due in equal annual payments over the earlier of three years, the maturity date of the loan or the date the loan is actually repaid in full, at an interest rate of 12%. The loan can be returned to its original amortization upon notice by the Bank at any time during the six months prior to the first Mandatory Prepayment.
Step-up in Interest Rate due to Rating Downgrades on Parity Debt	The fixed rate of interest on the loan will increase if the ratings on outstanding School Facilities Construction Bonds on parity ("Parity Bonds") with the bonds issued to secure the Authority's obligations to pay amounts due under the loan agreements are downgraded. The Parity Bonds are currently rated A1/A+/A+. The increase in interest rates takes effect upon the downgrade of ratings on the Parity Debt at the following levels and in the corresponding increase in the interest rate is in the following amounts: A3/A-/A- 0.10% Baa1/BBB+/BBB+ 0.25% Baa2/BBB/BBB 0.25% Baa3/BBB-/BBB- 0.25%
Increases in Cost	If a Change in Law (as defined in the loan agreements) occurs which imposes additional costs upon the Bank (increased capital reserve requirements, tax law changes, etc.), upon request of the Bank, the Authority is obligated to pay such additional costs capped at a maximum amount of 0.05% of the outstanding principal amount of the loan. Such amounts may only be collected on retroactively imposed charges for a period of up to 9 months.
Events of Default	See Section 7.01 of the attached loan agreement. The events of default are similar to those set forth in the Bond Resolution. Under a default, the Bank has the right to charge the Default Rate of interest (12%) and upon the occurrence of certain Events of Default, to require Mandatory Prepayment of the loan (as described above).
Public Disclosure	No official statement is prepared in connection with the loan

	agreements. The loans will be disclosed in the State's and the Authority's financial reports.
Prepayment	Both loans are optionally pre-payable at any time in accordance with the "make whole" call feature. Additionally, the tax-exempt loan has a ten (10) year par call.

Outline of Terms and Conditions for the Note Purchase Contract

Notes	The Notes are anticipated to be issued in three series per year in August, December and February and each such series of Notes will be due June 15th of the same fiscal year in which it is issued.
Security	The Notes will be secured on parity with the Authority's School Facilities Construction Bonds and Notes.
Funding	The Notes will be funded on the dates set forth in the Note Purchase Contract. These dates are established so that funds will be delivered by Bank of America, N.A. (the "Purchaser") no later than one day in advance of the outstanding bond payment dates so the Note proceeds can be used to pay the designated outstanding bond debt service on such date.
Terms and Conditions	
Conditions under which the Purchaser may cancel its obligations to Purchase the Notes.	The Purchaser may cancel its obligation under the Note Purchase Contract if certain limited events occur which are similar to typical "outs" in a Bond Purchase Contract for publicly offered bonds. See Section 5(b) of the attached Note Purchase Contract.
Resale of the Notes	Purchaser has the right to re sell some or all of the Notes, in its discretion, provided the Notes may only be resold to Accredited Investors or Qualified Buyers and no series may be resold to more than 35 investors.
Events of Default	The Notes are issued under the Authority's School Facilities Construction Bond Resolution and have the same provisions for default as publicly offered bonds issued under said Resolution.
Public Disclosure	There is no official statement prepared for these Notes. The Notes will be disclosed in the State's and Authority's financial statements.

TERM LOAN AGREEMENT

dated as of ____________, 2014,

between

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

and

BANC OF AMERICA PREFERRED FUNDING CORPORATION

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TERM LOAN AGREEMENT

This TERM LOAN AGREEMENT dated ____________ __, 2014 (as amended, modified or restated from time to time, this *"Agreement"*), between NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and an instrumentality of the State of New Jersey (the *"Authority"*), and BANC OF AMERICA PREFERRED FUNDING CORPORATION (the *"Bank"*).

RECITALS

WHEREAS, the Authority was created and operates pursuant to the New Jersey Economic Development Authority Act, L. 1974, c. 80, as amended and supplemented (the *"Act"*); and

WHEREAS, pursuant to the Act, the Educational Facilities Construction and Financing Act, L. 2000, c. 72 §§ 1-30, 57-71 (the *"Educational Facilities Act"*) and the School Facilities Construction Bond Resolution adopted by the Authority on February 13, 2001, as amended and supplemented (the *"General Resolution"*) including as amended and supplemented by the Thirty-Second Supplemental School Facilities Construction Resolution adopted by the Authority on April 8, 2014 (the *"Supplemental Resolution")* and a series certificate of the Authority, dated the date hereof *(the "Series Certificate"* and together with the General Resolution, as amended and supplemented, including as amended and supplemented by the Supplemental Resolution, the *"Resolution"*) the Authority is authorized to enter into bank loan agreements evidenced by debt obligations, the payment of which are secured by the State Contract (as hereinafter defined); and

WHEREAS, the Authority has requested that the Bank provide a term loan to the Authority for the purpose of providing funding for the refunding or paying the principal of and interest on the Bonds and Notes to be Refunded or Paid (as defined in the Supplemental Resolution) and including the payment of costs associated with the transactions contemplated hereby (the "Refunding Project"), and the Bank is willing to do so on the terms and conditions set forth herein; and

WHEREAS, pursuant to the Supplemental Resolution, the Authority authorized the execution and delivery of this Agreement, pursuant to which the Authority will obtain a loan in the amount of **[$________]** to provide funding for the Refunding Project, as described above; and

WHEREAS, the Bank has agreed to make the loan, and as a condition to such loan, the Bank has required the Authority to enter into this Agreement and, to evidence such loan, to issue a bond to the Bank in the principal amount of **[$__________]**.

NOW, THEREFORE, to induce the Bank to make the loan, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Authority and the Bank hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Act" has the meaning set forth in the recitals hereof.

"Affiliate" means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"Agreement" has the meaning set forth in the introductory paragraph hereof.

"Applicable Spread means 0 basis points, which Applicable Spread is subject to the maintenance of the current long-term unenhanced ratings assigned by the Rating Agencies to Parity Debt. The Applicable Spread will be increased upon any downgrade of any Parity Debt to the rating of "A3" (or its equivalent) by Moody's, "A-" (or its equivalent) by S&P or "A-" (or its equivalent) by Fitch, and shall then be equal to the number of basis points associated with the applicable rating category set forth below:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD
Level 1	A3	A-	A-	.10%
Level 2	Baa1	BBB+	BBB+	.25%
Level 3	Baa2	BBB	BBB	.25%
Level 4	Baa3	BBB-	BBB-	.25%

The term *"Rating"* as used above shall mean the lowest long-term rating assigned by any of Fitch, Moody's or S&P to any Parity Debt. In the event of a split among Ratings (*i.e.*, one of the Rating Agencies' Rating is at a different level than the Rating of another Rating Agency), the Applicable Spread shall be based upon the Level in which the lowest Rating appears. Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective upon a change by any Rating Agency and as of and on the date of the last announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies, and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Ratings in connection with the adoption of a "global" rating scale, each of the

Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect.

"Approving Opinion" means, with respect to any action relating to the Term Loan, an opinion delivered by Bond Counsel to the effect that such action (i) is permitted by this Agreement and the other Loan Documents and (ii) will not adversely affect the exclusion of interest on the Term Loan from gross income of the Bank for purposes of federal income taxation.

"Authority" has the meaning set forth in the introductory paragraph hereto.

"Authorized Officer" means the Chairman, Vice Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or any other authorized officer of the Authority who shall have the power to execute contracts pursuant to the Authority's by-laws.

"Bank" has the meaning set forth in the introductory paragraph hereto.

"Bond" means the Authority's $_______ School Facilities Construction Refunding Bonds, 2014 Series _ evidencing the Term Loan made by the Bank, substantially in the form of Exhibit A, as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

"Bond Counsel" means Wolff & Samson, PC, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the Authority.

"Bond Payment Obligations" has the meaning set forth in the Resolution.

"Business Day" means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in New Jersey, New York or the states where the principal corporate office of the Authority or the principal corporate trust office of the Trustee is located are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal office of the Bank is closed.

"CAFR" means the Comprehensive Annual Financial Report prepared for the State for each fiscal year of the State.

"Change in Law" means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any

successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a *"Change in Law"*.

"Code" means the Internal Revenue Code of 1986, as amended.

"Debt Moratorium" means an authorized postponement or deferral of the maturity of, or the deadline for paying a debt or performing an obligation which exceeds six (6) months.

"Default" means any event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means, for any day, a rate of interest per annum equal to twelve percent (12%).

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Determination of Taxability" means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has occurred;

(ii) on the date when the Authority shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Authority, or upon any review or audit of the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iii) on the date when the Authority shall receive notice from the Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank the interest on the Term Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (ii) or (iii) hereunder unless the Authority has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bank, the Authority shall reimburse the Bank within ten (10) business days for any payments, including any taxes, interest, penalties or other charges the Bank shall be obligated to make as a result of the Determination of Taxability, subject to the provisions of Section 2.05.

"Dollar" and *"$"* mean lawful money of the United States.

"*Educational Facilities Act*" has the meaning set forth in the recitals hereof.

"*Effective Date*" means [__________ __, 2014], subject to the satisfaction or waiver by the Bank of the conditions precedent set forth in Article IV hereof.

"*Event of Default*" with respect to this Agreement has the meaning set forth in Section 7.01 of this Agreement and, with respect to any Loan Document, has the meaning assigned therein.

"*Event of Taxability*" means a change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Authority, or the failure to take any action by the Authority, or the making by the Authority of any misrepresentation herein or in any certificate required to be given in connection with this Agreement) which has the effect of causing interest paid or payable on the Term Loan to become includable, in whole or in part, in the gross income of the Bank for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Term Loan to become includable, in whole or in part, in the gross income of the Bank for federal income tax purposes.

"*Excess Interest Amount*" has the meaning set forth in Section 2.08 hereof.

"*Financing Facility*" has the meaning set forth in the General Resolution.

"*Financing Facility Payment Obligations*" has the meaning set forth in the General Resolution.

"*Fiscal Year*" means the twelve month period from July 1 through the following June 30.

"*Fitch*" means Fitch, Inc., and any successor rating agency.

"*Fixed Index*" means [____ percent (___%)].

"*General Resolution*" has the meaning set forth in the recitals hereof.

"*GASB*" means standards outlined in the Government Accounting Standards Board, Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments as in effect from time to time.

"*Governmental Authority*" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Index Rate" means the sum of (i) the Applicable Spread plus (ii) the Fixed Index.

"Information" has the meaning set forth in Section 8.07.

"Interest Payment Date" means (i) each June 15 and December 15, commencing December 15, 2014 (ii) any date on which the Term Loan is prepaid (including each Mandatory Prepayment Amortization Payment Date) and (iii) the Maturity Date.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lending Office" means the Bank's address and, as appropriate, account as set forth on Schedule I, or such other address or account as the Bank may from time to time notify the Authority, in writing.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan Documents" means this Agreement, the Bond, the Resolution, the State Contract, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder.

"Make Whole Amount" means an amount calculated in accordance with Exhibit C hereto.

"*Mandatory Prepayment Amortization Commencement Date*" has the meaning set forth in Section 2.02(b).

"*Mandatory Prepayment Amortization End Date*" means" means the earliest to occur of (i) the third anniversary of the Mandatory Prepayment Amortization Commencement Date, (ii) the Maturity Date and (iii) the date on which the Term Loan is otherwise repaid or prepaid in full.

"*Mandatory Prepayment Amortization Payment Date*" means (i) the first Business Day of the sixth (6^{th}) calendar month following the Mandatory Prepayment Amortization Commencement Date and the first Business Day of every sixth (6^{th}) calendar month thereafter prior to the Mandatory Prepayment Amortization End Date and (ii) the Mandatory Prepayment Amortization End Date.

"*Mandatory Prepayment Amortization Period*" has the meaning set forth in Section 2.02(b).

"*Mandatory Prepayment Rate*" means, for any day, a rate of interest per annum equal to twelve percent (12.00%).

"*Material Adverse Effect*" means (a) a materially adverse change in, or material adverse effect upon, the operations, business, property or condition (financial or otherwise) of the Authority or the State that may have a material adverse effect on the Authority's ability or obligation to pay principal or interest on the Term Loan or the Authority's obligations hereunder, (b) a material impairment of the ability of the Authority to perform its obligations hereunder or of the ability of the Authority or the State to perform its obligations under any Loan Document to which either is a party or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Authority of this Agreement or against the Authority or the State with respect to any other Loan Document or the rights and remedies of the Bank hereunder or thereunder.

"*Maturity Date*" means [__________ __, 201_].

"*Maximum Rate*" means twelve percent (12%) per annum.

"*Moody's*" means Moody's Investors Service, Inc. and any successor rating agency.

"*Obligations*" means all advances to, and debts, liabilities, covenants and duties of, the Authority arising hereunder or under any other Loan Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising.

"*OFAC*" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"*Participant*" has the meaning set forth in Section 8.06(b).

"*Parity Debt*" means any debt issued or incurred by the Authority pursuant to the General Resolution and secured by a Lien on Pledged Property on a parity with Bond Payment Obligations and Parity Financing Facility Payment Obligations.

"*Parity Financing Facility Payment Obligations*" has the meaning set forth in the General Resolution.

"*Patriot Act*" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"*Person*" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"*Pledged Property*" has the meaning set forth in the Resolution.

"*Property*" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"*Rating Agency*" means any of Fitch, Moody's or S&P, as applicable.

"*Rating Documentation*" has the meaning set forth in Section 4.01(d)(ii) hereof.

"*Related Parties*" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"*Resolution*" has the meaning set forth in the recitals hereof.

"*S&P*" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and any successor rating agency.

"*Sanction(s)*" means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"*State*" means the State of New Jersey.

"*State Contract*" means the Contract Implementing Funding Provisions of the Educational Facilities Construction and Financing Act dated as of March 21, 2001, between the Authority and the Treasurer, as amended by Amendment No. 1 to Contract Implementing Funding Provisions of the Educational Facilities Construction and Financing Act between the Authority and the Treasurer, dated April 22, 2010.

"*State Contract Event*" means and includes:

(a) The State shall fail to perform and comply, in all material respects, with each and every covenant and agreement required to be performed or observed by it in the State Contract, and such failure to perform and comply shall have resulted in a Material Adverse Effect;

(b) The State shall fail to comply with and observe the obligations and requirements set forth in the Constitution of the State of New Jersey and in all statutes and regulations binding upon it relating to the State Contract, and such failure to perform and comply shall have resulted in a Material Adverse Effect;

(c) The State shall take any action under the State Contract which would materially adversely affect the rights, remedies or security of the Trustee under the Resolution or the Bank under this Agreement; or

(d) The State shall amend or modify, or permit to be amended or modified the State Contract without the prior written consent of the Bank if any such amendment or modification would result in a Material Adverse Effect; provided, however, that nothing set forth in the immediately preceding sentence shall prohibit the Authority from making an amendment to the State Contract in accordance with Section 703 thereof.

"*State Legislature*" means the New Jersey State Legislature.

"Subordinated Financing Facility Payment Obligations" has the meaning set forth in the General Resolution.

"*Supplemental Resolution*" has the meaning set forth in the recitals hereof.

"Swap" or "Swap Agreement" means any agreement between the Authority and a Swap Provider (as such term is defined in the Resolution) confirming a transaction which is a rate swap transaction, basis swap, forward rate transaction, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, corridor transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of these transactions, approved by the Authority and the Treasurer in connection with bonds issued under the Resolution.

"Taxable Date" means the date on which interest on the Term Loan is first includable in gross income of the Bank or any Participant as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

"Taxable Period" has the meaning set forth in Section 2.09 hereof.

"Taxable Rate" shall mean, if the Index Rate is then in effect, the product of the Index Rate multiplied by 1.54, or, if either the Default Rate or the Mandatory Prepayment Rate is in effect, the Default Rate or Mandatory Prepayment Rate, as applicable, provided that the Taxable Rate shall not exceed the Maximum Rate.

"Term Commitment" means the Bank's obligation to make a Term Loan to the Authority in an aggregate principal amount of **[$__________]** at any time, and subject to the other terms and provisions hereof.

"Term Loan" means the one-time advance made by the Bank on the Effective Date in the amount of the Term Commitment pursuant to this Agreement.

"Treasurer" shall mean the Treasurer of the State.

"Trustee" means U.S. Bank National Association, and its successors and assigns and any other Trustee appointed pursuant to the Resolution.

"United States" and *"U.S."* mean the United States of America.

Section 1.02. Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "*include*," "*includes*" and "*including*" shall be deemed to be followed by the phrase "without limitation." The word "*will*" shall be construed to have the same meaning and effect as the word "*shall*." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "*hereto*," "*herein*," "*hereof*" and "*hereunder*," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "*asset*" and "*property*" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "*from*" means "*from and including*;" the words "*to*" and "*until*" each mean "*to but excluding*;" and the word "*through*" means "*to and including*."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

Section 1.03. Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GASB applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, *except* as otherwise specifically prescribed herein.

Section 1.04. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Article II

The Term Loan

Section 2.01. *The Term Loan.* Subject to the terms and conditions set forth herein, the Bank agrees to make a single loan to the Authority on the Effective Date in an amount not to exceed the Term Commitment. Amounts borrowed under this Section 2.01 and repaid or prepaid may not be reborrowed.

Section 2.02. *Prepayments.* (a) *Optional Prepayment.* The Authority may, on or after **[________ __, 20__]** and upon notice to the Bank, voluntarily prepay the Term Loan, in whole or in part, on any Business Day, without premium or penalty, or, subject to the provisions of Section 2.12 hereof, on any other Business Day; *provided* that (i) such notice must be received by the Bank not later than 10:00 a.m. three Business Days prior to any date of prepayment and (ii) any prepayment shall be in a principal amount of $250,000 or a whole multiple of $50,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment.

(b) *Mandatory Prepayment.* If any of the events described in Sections 7.01(a), (e), (f)(i), (g), (h), (i) or (j) shall occur, the Bank may deliver a notice to the Authority of the occurrence of such event which shall include a direction that the Mandatory Prepayment Amortization Period will commence on the date specified by the Bank (the "Mandatory Prepayment Amortization Commencement Date") and the Authority shall cause the outstanding principal amount of the Term Loan to be repaid in principal installments on each Mandatory Prepayment Amortization Payment Date (each such payment, an *"Mandatory Prepayment Amortization Payment"*), with the final installment in an amount equal to the entire then outstanding principal amount of the Term Loan on the Mandatory Prepayment Amortization End Date (the period commencing on the Mandatory Prepayment Amortization Commencement Date and ending on the Mandatory Prepayment Amortization End Date is herein referred to as the *"Mandatory Prepayment Amortization Period"*). Each Mandatory Prepayment Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Mandatory Prepayment Amortization Payments over the Mandatory Prepayment Amortization Period. During the Mandatory Prepayment Amortization Period, interest on the Term Loan shall accrue at the Mandatory Prepayment Rate, be paid on each Interest Payment Date and shall be rounded upwards to the fourth decimal. Notwithstanding anything here in to the contrary, at any time prior to the first Mandatory Prepayment Amortization Payment, the Bank shall have the right to withdraw its direction with respect to the Mandatory Prepayment Amortization Commencement Date, and upon such a withdrawal, the principal amount of the Term Loan shall continue to amortize in installments in the principal amounts and on the dates set forth in Exhibit B hereto, and in any event the aggregate outstanding principal amount of the Term Loan shall be due and payable on the Maturity Date.

Section 2.03. *Repayment of Term Loan.* The Authority shall repay to the Bank the principal amount of the Term Loan in installments in the principal amounts and on the dates set forth in Exhibit B hereto, and in any event shall repay to the Bank the aggregate outstanding principal amount of the Term Loan on the Maturity Date.

Section 2.04. Interest. (a) Except as otherwise provided in Sections 2.02(b) or in this Section, the Term Loan shall bear interest at the Index Rate from the Effective Date through but not including the Maturity Date, be paid on each Interest Payment Date and be rounded upwards to the fourth decimal place.

(b) (i) From and after the occurrence of an Event of Default, the Term Loan and any other amounts owed to the Bank hereunder, shall bear interest at the Default Rate.

(ii) From and after the Taxable Date, the Term Loan shall bear interest at the Taxable Rate.

(iii) Accrued and unpaid interest on principal and interest past due on the Term Loan (including interest on past due interest) and other Obligations hereunder shall be due and payable upon demand, subject to Section 2.05.

Section 2.05. Insufficient State Appropriation. To the extent that there is not a sufficient State appropriation of amounts necessary to pay any amounts when due and payable under Sections 2.04(b)(iii), 2.09(c), 2.10, 3.01, 3.02(c), and 8.04 of this Agreement, such amounts shall not be deemed due and payable hereunder until ten (10) Business Days after appropriation from the State of such amounts, provided that the Authority shall take reasonable action to request such appropriation from the State in an amount sufficient to pay all such amounts due under this Agreement.

Section 2.06. Amendment Fee. The Authority shall pay to the Bank a fee for each Amendment to this Agreement or any other Loan Agreement or any consent or waiver by the Bank with respect to any Loan Document, in each case, in a minimum amount of $2,500 plus the reasonable fees and expenses of counsel to the Bank.

Section 2.07. Computation of Interest and Fees; Payments. (a) All computations of fees and interest shall be made on the basis of a 360-day year comprised of twelve thirty day months. Interest shall accrue on the Term Loan for the day on which the Term Loan is made, and shall not accrue on the Term Loan, or any portion thereof, for the day on which the Term Loan or such portion is paid. Each determination by the Bank of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) All payments by the Authority hereunder shall be made to the Bank, at the Lending Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. All payments received by the Bank after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Authority shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

Section 2.08. Evidence of Debt. The Term Loan shall be evidenced by the Bond. The Bond and the accounts or records maintained by the Bank shall be conclusive absent plain error of the amount of the Term Loan made by the Bank to the Authority and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Authority hereunder to pay any amount owing with respect to the Term Loan or other Obligations. The Authority shall execute and deliver to the Bank the Bond, which shall evidence the Term Loan in addition to such accounts or records.

Section 2.09. Determination of Taxability. (a) In the event a Determination of Taxability occurs, the Authority hereby agrees to pay to the Bank (and if applicable, each Participant) on demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to the Bank (and if applicable, each Participant) on the Term Loan during the period for which interest on the Term Loan is included in the gross income of the Bank (and if applicable, each Participant) if the Term Loan had borne interest at the Taxable Rate, beginning on the Taxable Date (the *"Taxable Period"*), and (B) the amount of interest actually paid to the Bank (and if applicable, each Participant) during the Taxable Period, and (ii) an amount equal to any interest, penalties or charges owed by the Bank (and if applicable, each Participant) as a result of interest on the Term Loan becoming included in the gross income of the Bank (and if applicable, each Participant), together with any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs incurred by the Bank (and if applicable, each Participant) in connection therewith.

(b) Subject to the provisions of clause (c) below, the Bank (and if applicable, each Participant) shall afford the Authority the opportunity, at the Authority's sole cost and expense, to contest (i) the validity of any amendment to the Code which causes the interest on the Term Loan to be included in the gross income of the Bank (and if applicable, each Participant) or (ii) any challenge to the validity of the tax exemption with respect to the interest on the Term Loan, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); and

(c) As a condition precedent to the exercise by the Authority of its right to contest set forth in clause (ii) above, the Authority shall, on demand, subject to Section 2.05, immediately reimburse the Bank for any and all expenses (including reasonable attorneys' fees for services that may be required or desirable, as determined by the Bank in its sole discretion) that may be incurred by the Bank in connection with any such contest, and shall, on demand, immediately reimburse the Bank for any and all penalties or other charges payable by the Bank (and if applicable, each Participant) for failure to include such interest in its gross income.

Section 2.10. Maximum Rate. (a) If the amount of interest payable for any period in accordance with the terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Rate, then interest for such period shall be payable in an amount calculated at the Maximum Rate.

(b) Any interest that would have been due and payable for any period but for the operation of the immediately preceding paragraph (a) shall accrue and be payable as provided in this paragraph (b) and shall, less interest actually paid to the Bank for such period, constitute the *"Excess Interest Amount."* If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the Maximum Rate until payment to the Bank of the entire Excess Interest Amount.

(c) Notwithstanding the foregoing, on the date on which no principal amount with respect to the Term Loan remains unpaid, the Authority shall pay to the Bank a fee equal to any accrued and unpaid Excess Interest Amount, subject to Section 2.05.

Section 2.11. Obligations Absolute. Subject to the limitations set forth in Section 8.05, the payment obligations of the Authority under this Agreement shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including without limitation the following:

(a) any lack of validity or enforceability of this Agreement, the Bond or any of the other Loan Documents;

(b) any amendment or waiver of or any consent to departure from all or any of the Loan Documents;

(c) the existence of any claim, set-off, defense or other right which the Authority may have at any time against the Bank or any other Person, whether in connection with this Agreement, the other Loan Documents, the transactions contemplated herein or therein or any unrelated transaction; or

(d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding this Section, the Bank acknowledges the Authority may have the right to bring a collateral action with respect to one or more of the foregoing circumstances. The Authority's payment obligations shall remain in full force and effect pending the final disposition of any such action. All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid.

Section 2.12. Make Whole. If the Authority shall prepay the Term Loan on any date other than a date set forth in Exhibit B hereto or the Maturity Date, whether before or after default, then upon the demand from the Bank, the Authority shall pay to the Bank a fee in an amount equal to the Make Whole Amount.

ARTICLE III

TAXES AND YIELD PROTECTION

Section 3.01. Taxes.

If any payments to the Bank under this Agreement are made from outside the United States, the Authority will not deduct any foreign taxes from any payments it makes to the Bank. If any such taxes are imposed on any payments made by the Authority (including payments under this paragraph), the Authority will pay the taxes and will also pay to the Bank, at the time interest is paid, any additional amount which the Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such taxes had not been imposed. The Authority will confirm that it has paid the taxes by giving the Bank official tax receipts (or notarized copies) within thirty (30) days after the due date. All amounts payable pursuant to this Section 3.01 shall be payable solely out of amounts paid by the Treasurer to the Trustee under the State Contract in accordance with the terms thereof and of the Resolution and are subject to appropriations being made from time to time for such purposes by the State Legislature. The State Legislature has no legal obligation to make any such appropriations.

Section 3.02. Increased Costs

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Bank;

(ii) subject the Bank to any taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on the Bank any other condition, cost or expense affecting this Agreement;

and the result of any of the foregoing shall be to increase the cost to the Bank with respect to this Agreement, the Bond, or the making, maintenance or funding of the Term Loan, or to reduce the amount of any sum received or receivable by the Bank hereunder (whether of principal, interest or any other amount) then, upon request of the Bank, the Authority will pay to the Bank such additional amount or amounts as will compensate the Bank for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Bank determines that any Change in Law affecting the Bank or the Bank's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Bank's capital or liquidity or on the capital or liquidity of the Bank's holding company, if any, as a consequence of this Agreement or the Bond to a level below that which the Bank or the Bank's holding company could have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Bank's holding company with respect to capital adequacy), then from time to time the Authority will pay to the Bank such additional amount or amounts as will compensate the Bank or such the Bank's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Bank setting forth the amount or amounts necessary to compensate the Bank or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Authority shall be conclusive absent manifest error. Subject to the provisions of Section 2.05, the Authority shall pay the Bank the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof. Notwithstanding the foregoing or anything herein to the contrary, the Authority shall not be obligated to pay an amount greater than five basis points (0.05%) multiplied by the outstanding principal amount of the Term Loan.

(d) *Delay in Requests.* Failure or delay on the part of the Bank to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Bank's right to demand such compensation; *provided* that the Authority shall not be required to compensate the Bank pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that the Bank notifies the Authority of the Change in Law giving rise to such increased costs or reductions and of the Bank's intention to claim compensation therefor.

Section 3.03. Survival. All of the Authority's obligations under this Article III shall survive the termination of this Agreement and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE IV

CONDITIONS PRECEDENT TO CREDIT EXTENSION

The obligation of the Bank to make the Term Loan on the Effective Date is subject to the conditions precedent set forth in this Article IV.

Section 4.01. Conditions of Credit Extension. The obligation of the Bank to make the Term Loan on the Effective Date is subject to the conditions precedent that the Bank shall have received, on or before the Effective Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Bank.

(a) The following Authority documents:

(i) a copy of the General Resolution certified by an Authorized Officer as being true and complete and in full force and effect on the Effective Date;

(ii) the Act, the Educational Facilities Act and any other enabling legislation of the Authority, certified by an Authorized Officer to be in full force and effect as of the Effective Date;

(iii) the most recent publically available CAFR; and

(iv) a certificate dated the Effective Date and executed by a Authorized Officer certifying the names, titles, offices and signatures of the persons authorized to sign, on behalf of the Authority, the Loan Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.

(b) The following financing documents:

(i) an executed original of this Agreement, the Bond and the Series Certificate; and

(ii) certified copies of the Supplemental Resolution and the State Contract.

(c) An opinion, dated the Effective Date and addressed to the Bank or on which the Bank is otherwise expressly authorized to rely, from Bond Counsel to the Authority, to the effect that the interest on the Term Loan is excludable from gross income for federal income tax purposes and such other customary matters as the Bank may reasonable request, including, without limitation, valid security interest and pledge opinions and opinions as to the due authorization, execution, delivery and enforceability of the Loan Documents to which the Authority is a party.

(d) The following documents and other information:

(i) a certificate dated the Effective Date and executed by an Authorized Officer certifying (A) that there has been no event or circumstance since March 12, 2014, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (B) that the representations and warranties contained in Article V hereof and the other Loan Documents are true and correct in all material respects on the Effective Date, (C) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default and (D) since the dated date of the Rating Documentation, the unenhanced long-term debt ratings assigned to any Parity Debt have not been withdrawn, suspended or reduced; and

(ii) recent evidence that the unenhanced long-term debt rating assigned by Moody's, S&P and Fitch to any Parity Debt is at least "A1," "A+" and "A+," respectively (the *"Rating Documentation"*). The Rating Documentation may consist of, inter alia, the most recent ratings confirmation letters received by the Authority with respect to Parity Debt.

Section 4.02. Litigation. The Bank shall have received a certificate of an Authorized Officer of the Authority certifying that there is no controversy or litigation now pending against the Authority concerning the execution and delivery of this Agreement or the Bond, or in any way contesting or affecting the validity of the Act, the Educational Facilities Act, the Bond, the State Contract or the proceedings of the Authority taken with respect to the execution and delivery of this Agreement, the Bond or the pledge of the Pledged Property, or the appropriation of debt service to pay the Bond.

Section 4.03. Other Matters. All other legal matters pertaining to the execution and delivery of this Agreement and the Loan Documents shall be satisfactory to the Bank and its counsel, and the Bank shall have received such other statements, certificates, agreements, documents and information with respect to the Authority and the other parties to the Loan Documents and matters contemplated by this Agreement as the Bank may reasonably request.

Section 4.04. *Payment of Fees and Expenses.* On the Effective Date, the Bank shall have received reimbursement (or direct payment) of the Bank's fees and the fees of Eckert Seamans Cherin & Mellott, LLC in an amount not to exceed $_____ in total.

Section 4.05. *Other Debt.* The obligation of the Bank to make the Term Loan on the Effective Date is subject to the conditions precedent that: (a) the Authority and Bank of America, N.A. execute and deliver a note purchase agreement, dated _________, by and between the Authority and Bank of America, N.A., pursuant to which the Authority will agree to sell to Bank of America, N.A. $________, aggregate principal amount of its School Facilities Construction Refunding Notes; (b) the entire aggregate principal amount of the Authority's $____________, aggregate principal amount, School Facilities Construction Refunding Bonds, 2014 Series __, $____________, aggregate principal amount, School Facilities Construction Refunding Bonds, 2014 Series __, and $____________, aggregate principal amount, School Facilities Construction Bonds, 2014 Series __ (collectively, the "Publicly Offered Bonds") shall be sold and delivered by the Authority and purchased, accepted and paid for by Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the underwriters of the Publicly Offered Bonds; and (c) the term loan in the amount of $__________ shall be made and funded by Bank of America, N.A. to the Authority pursuant to the Taxable Term Loan Agreement, dated as of _______, 2014, between the Authority and Bank of America, N.A.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Authority represents and warrants to the Bank that:

Section 5.01. *Organization; Existence.* The Authority is a public body corporate and politic, duly created and existing as an instrumentality of the State.

Section 5.02. *Power and Authority.* The Authority has and had at the time of adoption, execution, delivery, issuance, sale or performance full power, right and authority to (i) execute, deliver and perform its obligations under each of the Loan Documents, and any and all instruments and documents required to be executed, adopted or delivered pursuant to or in connection herewith or therewith, (ii) incur indebtedness in the amount and in the form of the Term Loan as provided in this Agreement and make payment of principal and interest on the Term Loan as provided in this Agreement and to pay the other Obligations at the times and in the manner set forth herein, and (iii) perform each and all of the matters and things herein and therein provided for and the Authority has complied in all material respects with the laws of the State in all matters relating to such execution, delivery and performance; subject in all respects to the limitations set forth in Section 8.05 hereof.

Section 5.03. Due Authorization, Etc. Each of the Loan Documents to which the Authority is a party have been duly authorized, executed, issued and delivered by the Authority. This Agreement and each of the other Loan Documents to which the Authority is a party constitutes a legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms, except as such enforceability may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principles relating to or affecting creditors' rights generally from time to time in effect. The obligations of the Authority under this Agreement are special, limited obligations of the Authority payable solely from and secured solely by the Pledged Property. Notwithstanding the pledge effected by the Resolution or any provision of the Resolution, all amounts payable by the State to the Trustee pursuant to the State Contract shall be subject to and dependent upon appropriations being made from time to time for such purposes by the State Legislature; *provided, however*, that the State Legislature has no legal obligation to make any such appropriations.

Section 5.04. Necessary Actions Taken. The Authority has taken all actions necessary to be taken by it (i) to incur indebtedness in the amount and in the form of the Term Loan upon the terms set forth in the Loan Documents, (ii) for the execution, adoption and delivery by the Authority of any and all such other instruments and the taking of all such other actions on the part of the Authority as may be necessary or appropriate for the effectuation and consummation of the transactions on the part of the Authority contemplated by the Loan Documents or in connection herewith or therewith and (iii) to authorize or approve, as appropriate, the execution or adoption, issuance and delivery of, and the performance of its obligations under and the transactions contemplated by each of the Loan Documents to which it is a party and the payment of the Term Loan and other Obligations under this Agreement at the times and in the manner set forth.

Section 5.05. No Contravention. Except as disclosed to the Bank in writing prior to the date hereof, this Agreement and the adoption of the Resolution and the execution and delivery of each of the other Loan Documents and compliance with the provisions hereof and thereof, will not, in any material respect, conflict with or result in a violation of the laws or the Constitution of the State, including any debt limitations or other restrictions or conditions on the debt-issuing power of the Authority under the Educational Facilities Act, as amended from time to time, and will not conflict with or result in a violation of, or breach of, or constitute a default under in any material respect, any law, judgment, order, decree or administrative regulation or any of the terms, conditions or provisions of the Act, the Educational Facilities Act or any ordinance, judgment, decree, contract, loan agreement, note, bond, resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the Authority is a party or by which it is bound and will not, except as expressly provided herein, result in the imposition or creation of any lien, charge, or encumbrance upon or invalidate or materially adversely affect in any way the Pledged Property. The Authority has not received any written notice, not subsequently withdrawn, given in accordance with the remedy provisions of the Resolution, that an Event of Default under the Resolution has occurred and such Event of Default has not been cured, remedied or waived.

Section 5.06. *Compliance.* The Authority is in compliance in all material respects with the terms and conditions of the Resolution and each of the other Loan Documents to which it is a party, and no breach of the terms hereof or thereof has occurred and is continuing, and no Default or Event of Default has occurred and is continuing.

Section 5.07. *No Default.* No default by the Authority has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Bond (as defined in the Resolution) under the Resolution which would be reasonably likely to result in a Material Adverse Effect.

Section 5.08. *Right To Be Sued.* Under the Act, the Authority has the power to sue and be sued.

Section 5.09. *Litigation.* There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the Authority or any arbitration in which service of process has been completed against the Authority or, to the knowledge of the Authority, any other action, suit or proceeding pending or threatened in any court, any other governmental authority with jurisdiction over the Authority or any arbitrator, in either case against the Authority, or the Resolution or any of the Loan Documents, which if determined adversely to the Authority would adversely affect the legality, validity or enforceability of the Resolution or any of the Loan Documents or the rights and remedies of the Bank under any of the Loan Documents or which is reasonably likely to have a Material Adverse Effect, except any action, suit or proceeding (i) described to the Bank in writing prior to the date hereof, or (ii) which has been brought prior to the Effective Date as to which the Bank has received an opinion of counsel satisfactory to the Bank in form and substance satisfactory to the Bank and its counsel, to the effect that such action, suit or proceeding is without substantial merit.

Section 5.10. *Disclosure.* To the best knowledge of the Authority, neither the Loan Documents nor any other certificate or statement of the Authority relating to this Agreement or the transaction contemplated hereby contains any untrue statement of any material fact which would be reasonably likely to result in a Material Adverse Effect.

Section 5.11. *Financial Information.* The Authority has delivered to the Bank a copy of the State's most recent publically available CAFR, being the audit report prepared annually by the Office of the State Auditor with respect to the State's general purpose financial statements for each fiscal year. The Authority makes no representation as to these financial statements or to the financial position of the State.

Section 5.12. *Incorporation of Representations and Warranties by Reference.* The Authority hereby makes to the Bank the same representations and warranties made by the Authority in each Loan Document to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference for the benefit of the Bank with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to any Loan Document shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the prior written consent of the Bank.

Section 5.13. Maximum Rate. Under current law, the interest rate payable on the Term Loan and the Obligations hereunder is not subject to any limitation under the laws or constitution of the State of New Jersey. The Maximum Rate under this Agreement is twelve percent (12%) per annum.

Section 5.14. Pledge. (a) The obligation of the Authority to pay the principal of and interest on Term Loan constitutes a *"Bond Payment Obligation"* under the Resolution and the State Contract and the other Obligations of the Authority under or arising out of this Agreement constitute *"Financing Facility Payment Obligations"* under the Resolution and the State Contract and *"Parity Financing Facility Payment Obligations"* under the Resolution, and as such are entitled to the liens and pledge created pursuant to the Resolution, and shall be payable pursuant to the terms and provisions of the State Contract, including, without limitation, Section 203 thereof. No filing, registration, recording or publication of the Resolution or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the lien created thereby on the Revenues and the Pledged Property to secure the Obligations.

Section 5.15. Swap Payments. The Authority represents, agrees and covenants for the benefit of the Bank that only regularly-scheduled payments under any Swap (as defined in the Resolution) are and, so long as any Obligations remain outstanding under this Agreement, will constitute Parity Financing Facility Payment Obligations; and that all other payments under any Swap, including without limitation Swap Termination Payments (as defined in the Resolution), are and, so long as any Obligations remain outstanding under this Agreement, will constitute Subordinated Financing Facility Payment Obligations under the Resolution.

Section 5.16. OFAC. Neither the Authority, nor, to the knowledge of the Authority, any Related Party, (a) is currently the subject of any Sanctions, (b) is located, organized or residing in any Designated Jurisdiction, or (c) to the Authority's knowledge, is engaged in any transaction with any Person who is the subject of Sanctions. The proceeds from the Term Loan or the transaction contemplated by this Agreement will be used as described in the recitals hereto. For purposes of this Section 5.16, the term Related Party means the Authority, the directors and officers of the Authority, the State, the Governor, the Treasurer and the Office of Public Finance of the State.

ARTICLE VI

COVENANTS

So long as the Term Loan or any other Obligation hereunder shall remain unpaid or unsatisfied, the Authority shall:

Section 6.01. Maintenance of Existence. The Authority shall maintain its existence pursuant to the Act, the Educational Facilities Act and the laws of the State of New Jersey.

Section 6.02. Reports, Certificates and Other Information. (a) Commencing with the fiscal year of the State beginning July 1, 2013, the Authority shall provide or cause to be provided to the Bank, the CAFR prepared for the fiscal year of the State ending the immediately preceding June 30 as soon as such CAFR is available for distribution to the public and in any event not later than April 1 of each year (or if the fiscal year of the State shall end on any date other than June 30, not later than the fifteenth day of the ninth month next following the end of such other fiscal year);

(b) The Authority will use its best efforts to furnish or cause to be furnished to the Bank if and as soon as the same are prepared and available for public distribution, a copy of the fiscal annual appropriation act of the State;

(c) (i) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and within ten (10) Business Days thereafter, the Authority shall furnish or cause to be furnished to the Bank copies of a certificate signed by an Authorized Officer specifying in reasonable detail the nature and period of existence thereof and what action the Authority has taken or proposes to take with respect thereto and (ii) promptly following a written request of the Bank, a certificate of an Authorized Officer as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement;

(d) As promptly as practicable, the Authority shall furnish or cause to be furnished to the Bank copies of written notice to the Bank of all litigation served against the Authority and all proceedings before any court or governmental authority contesting or affecting the validity or enforceability of this Agreement or the Loan Documents which would have a Material Adverse Effect; and

(e) The Authority shall furnish or cause to be furnished to the Bank copies of such other publicly available information regarding the affairs and condition of the Authority or the State as the Bank may from time to time reasonably request.

Section 6.03. Maintenance of Books and Records. The Authority will keep proper books in accordance with the provisions of the Resolution.

Section 6.04. Access to Books and Records. To the extent permitted by law, the Authority will permit any Person designated by the Bank (at the expense of the Bank) to visit any of the offices of the Authority upon prior written notice and during reasonable business hours to examine the books and financial records (except books and financial records the examination of which by the Bank is prohibited by law), including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom (at the expense of the Bank), and to discuss the affairs, finances and accounts of the Authority with their principal officials as such relate to the Term Loan and the other Obligations under this Agreement, all at such reasonable times and as often as the Bank may reasonably request, and in such manner as not to disrupt the normal business operations of the Authority.

Section 6.05. Compliance with Documents. The Authority agrees that it will perform and comply, in all material respects with each and every covenant and agreement required to be performed or observed by it in each of the Loan Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable against the Authority. To the extent that any such incorporated provision permits the Authority or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Authority or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Bank in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank which shall only be evidenced by the written approval by the Bank of the same, which shall not be unreasonably withheld or delayed. To the extent permitted by law, no termination or amendment to such covenants and agreements or defined terms or release of the Authority with respect thereto made pursuant to any of the Loan Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Authority with respect thereto in each case as incorporated by reference herein without the prior written consent of the Bank, which shall not be unreasonably withheld or delayed. Notwithstanding any termination or expiration of any such Loan Document, the Authority shall, to the extent permitted by law, unless such Loan Document has terminated in accordance with its terms and has been replaced by a new Loan Document, continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein; *provided* that any obligations that result from the covenants are subject to the limitations under Section 8.05 of this Agreement.

Section 6.06. Compliance with Law. The Authority shall comply with and observe the obligations and requirements set forth in the Constitution of the State and in all statutes and regulations binding upon it relating to the Loan Documents.

Section 6.07. Further Assurances. From time to time hereafter, the Authority will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Bank may reasonably request for the purposes of implementing or effectuating the provisions of the Loan Documents or for the purpose of more fully perfecting or renewing the rights of the Bank with respect to the Loan Documents. Upon the exercise by the Bank of any power, right, privilege or remedy pursuant to the Loan Documents which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the Authority will, to the extent permitted by law, execute and deliver all necessary applications, certifications, instruments and other documents and papers that the Bank may be required to obtain for such governmental consent, approval, registration, qualification or authorization.

Section 6.08. No Impairment. The Authority will neither take any action, nor direct the Trustee to take any action, under the Resolution, the State Contract or any Loan Document which would materially adversely affect the rights, remedies or security of the Trustee or the Bank under this Agreement or any other Loan Document or which would result in a Material Adverse Effect.

Section 6.09. Application of Loan Proceeds. The Authority will neither take or omit to take any action, which action or omission will in any way result in the proceeds of the Term Loan being applied in a manner other than as provided in the Resolution.

Section 6.10. Maintenance of Tax-Exempt Status of Interest. The Authority will not take any action or omit to take any action, which, if taken or omitted, would adversely affect the exclusion of interest on the Term Loan (subject to the inclusion of any exception contained in the opinion delivered upon the original issuance of the Term Loan) from gross income for purposes of federal income taxation.

Section 6.11. Amendments to the Resolution and the State Contract. The Authority will not amend or modify, or permit to be amended or modified the Resolution with respect to the Term Loan without the prior written consent of the Bank if any such amendment or modification would result in a Material Adverse Effect.

The Authority will not amend or modify, or permit to be amended or modified, the State Contract without the prior written consent of the Bank if any such amendment or modification would result in a Material Adverse Effect; *provided, however*, that nothing set forth in the immediately preceding sentence shall prohibit the Authority from making an amendment to the State Contract in accordance with Section 703 thereof.

Section 6.12. Actions by the Authority Pursuant to Section 202 of the State Contract. The Authority hereby covenants to comply with the requirements regarding delivery of the notices to the Treasurer as set forth in Section 202 of the State Contract.

Section 6.13. Underlying Rating. The Authority shall at all times maintain a rating on its long-term unenhanced Parity Debt from at least two Rating Agencies. The Authority covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on its Parity Debt from any Rating Agency if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement.

ARTICLE VII

EVENT OF DEFAULTS AND REMEDIES

Section 7.01. Event of Defaults and Remedies. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an "*Event of Default*" hereunder, unless waived in writing by Bank; *provided* that neither the failure of the State Legislature to make an appropriation nor non-payment of the Term Loan or any Obligation as a result of such failure to appropriate shall constitute an Event of Default (as defined in the Resolution) under the Resolution or an Event of Default (as defined in this Agreement) under this Agreement:

(a) The Authority fails to pay, or cause to be paid, when due, the principal of or interest on the Term Loan;

(b) the Authority shall fail to pay any Obligation (other than the obligation to pay the principal of or interest on the Term Loan) when due and such failure shall continue for three (3) Business Days;

(c) Any representation, warranty or statement made by or on behalf of the Authority herein or by the Authority or the State in any Loan Document or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made;

(d) (i) The Authority fails to perform or observe any term, covenant or agreement contained in Section 5.15, 6.01, 6.05, 6.08, 6.09, 6.10 or 6.11 of this Agreement or (ii) the Authority fails to perform or observe any other term, covenant or agreement contained in this Agreement (other than those referred to in Section 7.01(a), 7.01(b) and 7.01(d)(i) hereof) and any such failure cannot be cured or, if curable, remains uncured for sixty (60) days after written notice thereof to the Authority;

(e) (i) The Authority shall (A) fail to pay any obligation (other than payments on the Term Loan) secured by a charge, lien or encumbrance on the Pledged Property with a priority of payment from Pledged Property that is on a parity with the Term Loan, the Bond Payment Obligations, or other Financing Facility Payment Obligations (*"Secured Debt"*), beyond the period of grace, if any, provided in the instrument or agreement under which such Secured Debt was created, or (B) fail in the observance or performance of any agreement or condition relating to any Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which failure or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Secured Debt to become due prior to its stated maturity; or (ii) the State shall (A) fail to pay pursuant to the terms of the State Contract (x) the principal of or interest on any Bond Payment Obligations issued pursuant to the General Resolution or (y) any Financing Facility Payment Obligations due and owing pursuant to any Financing Facility executed and delivered by the Authority or the State in connection with any Bond Payment Obligations issued pursuant to the General Resolution, in each case, beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created, or (B) fail to observe or perform any agreement or condition relating to any such indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which failure or other event or condition is to cause, or to permit the holder or holders of such indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such indebtedness to become due prior to its stated maturity;

(f) (i) A court or other governmental authority with jurisdiction to rule on the validity of this Agreement, the Resolution, the State Contract or any other Loan Document shall find, announce or rule in a final non-appealable judgment that (x) any material provision of this

Agreement, the Resolution, the State Contract or any other Loan Document or (y) any provision of the Resolution or the State Contract relating to the security for the Term Loan or the other Obligations under this Agreement, the Authority's ability or obligation to pay the Obligations under this Agreement or perform its obligations hereunder or the State's ability or obligation to pay or perform under the Loan Documents to which it is a party or the rights and remedies of the Bank, is not a valid and binding agreement of the Authority or the State, as applicable, or (ii) the Authority shall contest the validity or enforceability of this Agreement, any other Loan Document or any provision of the Resolution or the State Contract relating to the security for the Term Loan or the other Obligations under this Agreement, the Authority's ability to pay the Obligations under this Agreement or perform its obligations hereunder or the State's ability or obligation to pay or perform under the Loan Documents to which it is a party or the rights and remedies of the Bank, or the Authority shall seek an adjudication that this Agreement or the Authority or the State shall seek an adjudication that any other Loan Document or any provision of the Resolution or the State Contract relating to the security for the Term Loan or the Obligations under this Agreement, the Authority's ability to pay the Obligations under this Agreement or perform its obligations hereunder or the State's ability or obligation to pay or perform under the Loan Documents to which it is a party or the rights and remedies of the Bank, is not valid and binding on the Authority or the State, as applicable;

(g) Any provision of the Resolution or the State Contract relating to the security for the Term Loan, the Authority's ability or obligation to pay the Term Loan or perform its obligations hereunder or the State's ability or obligation to pay or perform under the Loan Documents to which it is a party, or the rights and remedies of the Bank, or any Loan Document, or any material provision thereof shall cease to be in full force or effect, or the Authority or the State or any Person duly authorized to act by or on behalf of the Authority or the State shall deny or disaffirm in a written proceeding the Authority's or the State's obligations under the Resolution or the State Contract or any other Loan Document;

(h) A Debt Moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment, or a repudiation by the Authority or the State of the payment, when due and payable of the principal of or interest on any obligation secured by a lien, charge or encumbrance upon the Pledged Property or any general obligation indebtedness of the State or any indebtedness of the State payable from an appropriation by the State Legislature; *provided, however,* that the failure of the State Legislature to make any appropriation with respect to the State's obligation under the State Contract shall not constitute a debt moratorium, a debt restructuring, a debt adjustment or a comparable restriction or a repudiation for purposes of this Section 7.01(j);

(i) Any two of Fitch, Moody's and S&P shall have downgraded its rating of any Parity Debt (without regard to credit enhancement) to below *"BBB-"* (or its equivalent), *"Baa3"* (or its equivalent), and *"BBB-"* (or its equivalent) respectively, or suspended or withdrawn its rating of the same; or

(j) any State Contract Event shall have occurred.

Section 7.02. Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Bank may exercise, or cause to be exercised, any and all remedies as it may have under the Resolution and as otherwise available at law and at equity.

Section 7.03. Solely for the Benefit of Bank. The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the Authority or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder or under any of the other Loan Documents.

Section 7.04. Discontinuance of Proceedings. In case the Bank shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Loan Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Bank shall have the unqualified right so to do and, in such event, the Authority and the Bank shall be restored to their former positions with respect to the Obligations, the Loan Documents and otherwise, and the rights, remedies, recourse and powers of the Bank hereunder shall continue as if the same had never been invoked.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Authority therefrom, shall be effective unless in writing signed by the Bank and the Authority, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

Section 8.02. Notices; Effectiveness; Electronic Communication. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax transmission or e-mail transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, if to the Authority or the Bank, to the address, fax number, e-mail address or telephone number specified for such Person on Schedule I. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission or e-mail transmission shall be deemed to have been given when sent (except that, if not given during normal business hours of the Authority, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (c).

(b) *Electronic Communications.* Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Bank. The Bank or the Authority, in its discretion, agrees to accept notices and other communications to it hereunder by electronic communications pursuant to procedures provided by it, provided that the approval of such procedures may be limited to particular notices or communications.

(c) Unless the Bank otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) *Change of Address, Etc.* Each of the Authority and the Bank may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(e) *Reliance by the Bank.* The Bank shall be entitled to rely and act upon any notices (including telephonic or electronic notices) purportedly given by or on behalf of the Authority even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. All telephonic notices to and other telephonic communications with the Bank may be recorded by the Bank, and each of the parties hereto hereby consents to such recording.

(f) *Reliance by the Authority.* The Authority shall be entitled to rely and act upon any notices (including telephonic or electronic notices) purportedly given by or on behalf of the Bank even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. All telephonic notices to and other telephonic communications with the Authority may be recorded by the Authority, and each of the parties hereto hereby consents to such recording.

Section 8.03. No Waiver; Cumulative Remedies. No failure by the Bank to exercise, and no delay by the Bank in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 8.04. Costs and Expenses; Damage Waiver. (a) The Authority shall pay all out-of-pocket expenses incurred by the Bank (including the fees, charges and disbursements of any counsel for the Bank), and all fees and time charges for attorneys who may be employees of the Bank, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) all such out-of-pocket expenses incurred during any workout, restructuring or negotiations. Notwithstanding anything to the contrary contained herein, the foregoing is subject to the limitations of the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. and the New Jersey Tort Claims Act, N.J.S.A. 52-2-1 et seq., and to the provisions of Section 8.05 of this Agreement.

(b) *Reimbursement by the Authority.* To the fullest extent permitted by applicable law, the Authority shall reimburse the Bank for any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for the Bank) incurred by the Bank or asserted against the Bank by any Person (including the Authority) other than the Bank arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, (ii) the performance by the parties hereto of their respective obligations hereunder or thereunder, (iii) the Term Loan or the use or proposed use of the proceeds therefrom, or (iv) to the extent not otherwise paid by, or payable by, the Authority hereunder, the loss of tax-exemption of the Term Loan, *provided* that such reimbursement shall not, as to the Bank, be available to the extent that such losses, claims, damages, liabilities or related expenses are the result of the gross negligence or willful misconduct of the Bank; *provided, however,* that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.*, and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.; provided further,* that the foregoing is subject to Section 8.05 of this Agreement.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable law, the Authority shall not assert any claim against the Bank on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Term Loan or the use of the proceeds thereof. The Bank shall not be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by the Bank through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of the Bank as determined by a final and nonappealable judgment of a court of competent jurisdiction; *provided, however,* that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.*, and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.; provided further,* that the foregoing is subject to Section 8.05 of this Agreement.

(d) *Payments.* All amounts due under this Section shall be due and payable within ten (10) Business Days after receipt of demand therefor provided that, if there is not a sufficient State appropriation of amounts to satisfy any amounts due under this section, the Authority hereby covenants to take reasonable action to request an appropriation from the State in an amount sufficient to pay all such amounts due under this Section and such amounts will be due and payable within ten (10) Business Days of appropriation by the State Legislature.

(e) *Survival.* The agreements in this Section shall survive the payment in full of the Term Loan, the repayment, satisfaction or discharge of all other Obligations and the termination of this Agreement.

Section 8.05. Limited Obligation. The Authority's obligations under or that arise out of this Agreement shall be payable solely out of amounts paid to the Authority by the Treasurer under the State Contract in accordance with the terms thereof and the Resolution. THE STATE IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE IS PLEDGED TO THE PAYMENT OF THE AUTHORITY'S OBLIGATIONS UNDER THIS AGREEMENT. THIS AGREEMENT AND THE LOAN DOCUMENTS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE PLEDGED PROPERTY UNDER THE RESOLUTION. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER. Notwithstanding the pledge effected by the Resolution or any provision of the Resolution, all amounts payable by the State pursuant to the State Contract shall be subject to and dependent upon appropriations being made from time to time for such purposes by the State Legislature; *provided, however,* that the State Legislature has no legal obligation to make any such appropriation and the failure of the Authority to pay any obligations hereunder as a result of the State Legislature not making any such appropriation shall not constitute an Event of Default under the Resolution or under this Agreement.

Section 8.06. Successors and Assigns.

(a) *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Authority may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank; *provided, however*, that the consent of the Bank shall not be required for a transfer of the Authority's rights or obligations as and to the extent it may be required by law (but, rather, the Authority will provide notice to the Bank of such transfer).

(b) The Bank shall not assign or transfer this Agreement without the prior written consent of the Authority (which consent shall not be unreasonably withheld or delayed); *provided, however*, that such limitation on assignment and transferability of this Agreement shall not prohibit the Bank from transferring the Agreement in whole to (i) upon notice to the Authority, an Affiliate of the Bank; or (ii) a Person that is not an Affiliate of the Bank during a time where a Default or an Event of Default hereunder has occurred and is continuing *provided further*, *however*, that any assignment or transfer of this Agreement pursuant to this Section 8.06(b) shall not be made to a natural Person or the Authority or any of the Authority's Affiliates.

Notwithstanding anything to the contrary contained in this subsection (b), any assignment or transfer by the Bank hereunder shall be subject to the following conditions: (i) the Bank shall be responsible for all costs resulting from the transfer, and (ii) the transferee shall be in compliance with L. 2005, c. 51, L. 2005, c. 271, L. 2012, c.25 and all other applicable law.

(c) *Participations.* The Bank may at any time, without the consent of, or notice to, the Authority, sell participations to any Person (other than a natural Person or the Authority or any of the Authority's Affiliates) (each, a *"Participant"*) in all or a portion of the Bank's rights and/or obligations under this Agreement (including all or a portion of the Term Loan); *provided* that (i) the Bank's obligations under this Agreement shall remain unchanged, (ii) the Bank shall remain solely responsible to the Authority hereto for the performance of such obligations and (iii) the Authority shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which the Bank sells such a participation shall provide that the Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement.

(d) *Certain Pledges.* The Bank may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement (including under its Bond, if any) to secure obligations of the Bank, including any pledge or grant to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or grant shall release the Bank from any of its obligations hereunder or substitute any such pledgee or grantee for the Bank as a party hereto.

Section 8.07. Treatment of Certain Information; Confidentiality The Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Authority and its obligations, this Agreement or payments hereunder, (g) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Bank or any of its Affiliates on a nonconfidential basis from a source other than the Authority. For purposes of this Section, "Information" means all information received from the Authority relating to the Authority, other than any such information that is available to the Bank on a nonconfidential basis prior to disclosure by the Authority or the State, provided that, in the case of information received from the Authority or the State after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 8.08. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Bank and when the Bank shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by fax transmission or e-mail transmission (*e.g.*, "*pdf*" or "*tif*") shall be effective as delivery of a manually executed counterpart of this Agreement. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 8.09. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Bank, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default at the time of making the Term Loan, and shall continue in full force and effect as long as any other Obligation hereunder shall remain unpaid or unsatisfied .

Section 8.10. Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions.

Section 8.11. Governing Law; Jurisdiction; Etc. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW JERSEY.

(b) *Submission to Jurisdiction.* THE AUTHORITY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE BANK OR ANY RELATED PARTY OF THE BANK IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE STATE COURTS OF THE STATE OF NEW JERSEY, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW JERSEY STATE COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

Section 8.12. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.13. Non-Reliance; Assessment and Understanding. Each of the Authority and the Bank are acting for its own account, and has made its own independent decisions to enter into this Agreement and this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Neither the Authority nor the Bank is relying on any communication (written or oral) of the other party as advice or a recommendation to enter into this Agreement; it being understood that information and explanation relating to the terms and conditions of this Agreement shall not be considered a advice or a recommendation to enter into this Agreement. Each party is also capable of assuming, and assumes, the risks of this Agreement. Neither the Authority nor the Bank is acting as a fiduciary for or as an adviser to the other in respect of this Agreement or the Term Loan.

Section 8.14. Electronic Execution of Certain Documents. If and to the extent applicable, the words "execute," "execution," "signed," "signature," and words of like import in any Loan Document (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Bank, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, the New Jersey Uniform

Electronic Transactions Act or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 8.15. USA Patriot Act. The Bank is subject to the Patriot Act and hereby notifies the Authority that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Bank to identify the Authority in accordance with the Patriot Act. The Authority shall, promptly following a request by the Bank, provide all documentation and other information that the Bank requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

Section 8.16. Tort Claims Act; Contractual Liability Act. Notwithstanding anything to the contrary contained herein, this Agreement is subject to the limitations of the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq., the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 et seq. and the provisions of Section 8.05 of this Agreement. While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq is not applicable by its terms to claims arising under contracts with the Authority, the Bank hereby agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims arising against the Authority under this Agreement.

Section 8.17. Entire Agreement. This Agreement and the other Loan Documents represent the final agreement among the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements among the parties.

Section 8.18 No Third-Party Rights Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

BANC OF AMERICA PREFERRED FUNDING CORPORATION

By ______________________________

Name: Mike L. Bowen
Title: Authorized Agent

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By ______________________________

Name: John J. Rosenfeld
Title: Director of Bonds and Incentives

SCHEDULE I

ADDRESSES

The Authority:	New Jersey Economic Development Authority 36 West State Street Trenton, New Jersey 08625 Attention: Director of Bonds and Incentives Facsimile: (609) 276-4686 Telephone: (609) 858-6735 With a copy to: The New Jersey Office of Public Finance 50 West State Street 5th Floor, P.O. Box 005 Trenton, New Jersey 08625 Attention: Director, Office of Public Finance Facsimile: 609-777-1987 Telephone: 609-984-4888
The Bank:	Bank of America, N.A. 100 Federal Street Mail Stop: MA5-100-09-12 Boston, Massachusetts 02110 Attention: George Jaeger Facsimile: (212) 378-6297 Telephone: (617) 434-6948 E-mail: george.d.jaeger@baml.com
With a copy to:	Bank of America, N.A. 100 Westminster Street Providence, RI 02903 Attention: Karen Cambio Telephone: (401) 278-2916 E-mail: karen.cambio@baml.com

With respect to payments: Bank of America, N.A.
ABA#: 026009593
Credit:

EXHIBIT A

FORM OF BOND

TO COME

EXHIBIT B

PRINCIPAL AMORTIZATION

DATE[1]	PRINCIPAL AMOUNT
June 15, 2014	$_________
June 15, 2015	$_________
June 15, 2016	$_________
June 15, 2017	$_________
June 15, 2018	$_________
June 15, 2019	$_________
June 15, 2020	$_________
June 15, 2021	$_________
June 15, 2022	$_________
June 15, 2023	$_________
June 15, 2024	$_________
Total	**$_**

[1] If such day is not a Business Day, then such payment shall be made on the next succeeding Business Day.

Exhibit C

Calculation of
Make Whole Amount

For purposes of determining the Make Whole Amount in connection with a prepayment of the Term Loan (not in accordance with Exhibit B as set forth in Section 2.03 of the Agreement) prior to the Maturity Date, the Make Whole Amount will be the sum calculated separately for each Prepaid Installment, as follows:

(i) The Bank will first determine the amount of interest which would have accrued each month at the Taxable Equivalent Rate for the Prepaid Installment had it remained outstanding until the applicable Original Payment Date, using the interest rate applicable to the Prepaid Installment under Sections 2.03 and 2.04 of the Agreement.

(ii) The Bank will then subtract from each monthly interest amount determined in (i) above, the amount of interest which would accrue for that Prepaid Installment if it were reinvested from the tender date or redemption date through the Original Payment Date, using the Treasury Rate.

(iii) If (i) minus (ii) for the Prepaid Installment is greater than zero, the Bank will discount the monthly differences to the date of the tender date or redemption date by the Treasury Rate. The Bank will then add together all of the discounted monthly differences for the Prepaid Installment.

The following definitions will apply to the calculation of the Make Whole Amount:

"Original Payment Date" means __________.

"Prepaid Installment" means the principal amount of the Term Loan prepaid on a date other than an Original Payment Date.

"Taxable Equivalent Rate" means the interest rate per annum derived from the following formula: interest rate on the Term Loan divided by the difference of (1 minus the Maximum Corporate Income Tax Rate). The "Maximum Corporate Income Tax Rate" is the highest marginal federal income tax rate charged to U.S. corporations in effect at the time of the prepayment calculation. The "Maximum Corporate Income Tax Rate" is currently 35% (or 0.35 in numerical terms).

"Treasury Rate" means the yield on the Treasury Constant Maturity Series with maturity equal to the Original Payment Date of the Prepaid Installment which are principal payments (calculated as of the date of redemption in accordance with accepted financial practice and rounded to the nearest quarter-year), as reported in Federal Reserve Statistical Release H.15, Selected Interest Rates of the Board of Governors of the Federal Reserve System, or any successor publication. If no maturity exactly corresponding to such Original Payment Date

appears in Release H.15, the Treasury Rate will be determined by linear interpolation between the yields reported in Release H.15. If for any reason Release H.15 is no longer published, the Bank shall select a comparable publication to determine the Treasury Rate.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Term Loan Agreement dated as of _________ 1, 20__, between the New Jersey Economic Development Authority and Bank of America, N.A.

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

School Facilities Construction Refunding Notes

NOTE PURCHASE CONTRACT

________ ___, 2014

New Jersey Economic Development Authority
36 West State Street
Trenton, N.J. 08625

Ladies and Gentlemen:

Bank of America, N.A. (the "Purchaser") hereby offers to enter into this Note Purchase Contract (this "Purchase Contract") with you, the New Jersey Economic Development Authority (the "Authority"), which, upon your acceptance of this offer, will be binding upon the Authority and the Purchaser. This offer is made subject to the acceptance by the Authority at or prior to 11:00 p.m., prevailing Eastern time, on the date hereof (the "Sale Date"), and, if not so accepted, will be subject to withdrawal by the Purchaser upon written notice delivered to the Authority at any time prior to acceptance hereof by the Authority.

1. Purchase and Sale of the Notes. (a) On the basis of the representations, warranties, covenants and agreements set forth herein, the Purchaser hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell to the Purchaser, $____________ in aggregate principal amount of its School Facilities Construction Refunding Notes (collectively, the "Notes") which shall be issued in such series (each, a "Series"), on the dates (or such other dates or times that shall be mutually agreed upon by the Authority and the Purchaser), in the principal amounts, bear interest at the rates, mature on the dates, and shall be purchased at the prices set forth below (each, a "Purchase Price"):

Series	Issue Date	Principal Amount	Interest Rate	Maturity Date	Purchase Price	Initial Closing or Escrow Closing Date
2014 A				June 15, 2015		August 28, 2014
2014 B				June 15, 2015		August 28, 2014
2015 A				June 15, 2015		August 28, 2014
2015 B				June 15, 2016		August 28, 2015
2015 C				June 15, 2016		August 28, 2015
2016 A				June 15, 2016		August 28, 2015
2016 B				June 15, 2017		August 30, 2016
2016 C				June 15, 2017		August 30, 2016
2017 A				June 15, 2017		August 30, 2016
2017 B				June 15, 2018		August 30, 2017
2018 A				June 15, 2018		August 30, 2017

(b) Each Series of the Notes shall be dated the date of delivery thereof. Interest on the Notes shall be payable at maturity. In the event that any Notes are not paid by the maturity date thereof, then from and after such maturity date, such unpaid Notes shall bear interest at the rate of 12% per annum.

(c) The delivery of or release from escrow and simultaneous payment for a Series of Notes are herein called the "Closing" with respect to such Series of Notes.

The Closing with respect to the 2014 Series A Notes will occur on August 28, 2014 (or such other date that shall be mutually agreed upon by the Authority and the Purchaser). Simultaneously with the Closing of the 2014 Series A Notes, the 2014 Series B Notes and the other documents set forth in Section 2(b) hereof relating to the 2014 Series B Notes (collectively, the "2014B Escrowed Documents") and the 2015 Series A Notes and the other documents set forth in Section 2(b) hereof relating to the 2015 Series A Notes (collectively, the "2015A Escrowed Documents") will be delivered into escrow pursuant to a Closing Document Escrow Agreement by and among the Authority, the Purchaser and U.S. Bank National Association, as Closing Document Escrow Agent. The Closings with respect to the 2014 Series B Notes and the 2015 Series A Notes are expected to occur on December 11, 2014 and February 26, 2015, respectively (or such other date or dates that shall be mutually agreed upon by the Authority and the Purchaser).

The Closing with respect to the 2015 Series B Notes will occur on August 28, 2015 (or such other date that shall be mutually agreed upon by the Authority and the Purchaser). Simultaneously with the Closing of the 2015 Series B Notes, the 2015 Series C Notes and the other documents set forth in Section 2(b) hereof relating to the 2015 Series C Notes (collectively, the "2015C Escrowed Documents") and the 2016 Series A Notes and the other documents set forth in Section 2(b) hereof relating to the 2016 Series A Notes (collectively, the "2016A Escrowed Documents") will be delivered into escrow pursuant to a Closing Document Escrow Agreement by and among the Authority, the Purchaser and U.S. Bank National Association, as Closing Document Escrow Agent. The Closings with respect to the 2015 Series C Notes and the 2016 Series A Notes are expected to occur on December 11, 2015 and February 26, 2016, respectively (or such other date or dates that shall be mutually agreed upon by the Authority and the Purchaser).

The Closing with respect to the 2016 Series B Notes will occur on August 30, 2016 (or such other date that shall be mutually agreed upon by the Authority and the Purchaser). Simultaneously with the Closing of the 2016 Series B Notes, the 2016 Series C Notes and the other documents set forth in Section 2(b) hereof relating to the 2016 Series C Notes (collectively, the "2016C Escrowed Documents") and the 2017 Series A Notes and the other documents set forth in Section 2(b) hereof relating to the 2017 Series A Notes (collectively, the "2017A Escrowed Documents") will be delivered into escrow pursuant to a Closing Document Escrow Agreement among the Authority, the Purchaser and U.S. Bank National Association, as Closing Document Escrow Agent. The Closings with respect to the 2016 Series C Notes and the 2017 Series A Notes are expected to occur on December 13, 2016 and February 27, 2017, respectively (or such other date or dates that shall be mutually agreed upon by the Authority and the Purchaser).

The Closing with respect to the 2017 Series B Notes will occur on August 30, 2017 (or such other date that shall be mutually agreed upon by the Authority and the Purchaser). Simultaneously with the Closing of the 2017 Series B Notes, the 2018 Series A Notes and the other documents set forth in Section 2(b) hereof relating to the 2018 Series A Notes (collectively, the "2018A Escrowed Documents") will be delivered into escrow pursuant to a Closing Document Escrow Agreement among the Authority, the Purchaser and U.S. Bank National Association, as Closing Document Escrow Agent. The Closing with respect to the 2018 Series A Notes is expected to occur on February 27, 2018 (or such other date that shall be mutually agreed upon by the Authority and the Purchaser).

The 2014B Escrowed Documents, the 2015A Escrowed Documents, the 2015C Escrowed Documents, the 2016A Escrowed Documents, the 2016C Escrowed Documents, the 2017A Escrowed Documents and the 2018A Escrowed Documents are hereinafter collectively referred to as the "Escrowed Documents." The Escrowed Documents shall be held in escrow for release and delivery, or cancellation, pursuant to the terms and conditions of the applicable Closing Document Escrow Agreement. At the Closing for a Series of Notes delivered into escrow, the Closing Document Escrow Agent shall (1) release the Escrowed Documents for that Series from escrow; and (2) deliver the applicable Series of Notes to the Trustee as custodian for DTC at such Closing, such release and delivery being subject *only* to receipt by the Trustee of the Purchase Price of the applicable Series of Notes.

The Closings of the 2014 Series A Notes, the 2015 Series B Notes, the 2016 Series B Notes, the 2017 Series B Notes are each referred to herein as an "Initial Closing". The closings of the 2014 Series B Notes, the 2015 Series A Notes, the 2015 Series C Notes, the 2016 Series A Notes, the 2016 Series C Notes, the 2017 Series A Notes and the 2018 Series A Notes in escrow are each referred to herein as an "Escrow Closing".

(d) Each Series of the Notes is being issued under and pursuant to the Constitution and laws of the State of New Jersey (the "State") including, particularly, the New Jersey Economic Development Authority Act, constituting Chapter 80 of the Laws of 1974 of the State, as amended and supplemented (the "Act"); the Educational Facilities Construction and Financing Act, constituting Chapter 72 of the Laws of 2000 of the State, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39 (the "Educational Facilities Act"); and a resolution of the Authority adopted February 13, 2001 entitled "School Facilities Construction Bond Resolution," as amended and supplemented from time to time (the "Bond Resolution"), including by the Thirty-Second Supplemental School Facilities Construction Bond Resolution adopted by the Authority on April 8, 2014 (the "Thirty-Second Supplemental Resolution") and a Series Certificate, executed by an Authorized Officer of the Authority, dated the date of Closing for such Series (each, a "Series Certificate" and, together with the Bond Resolution and the Thirty-Second Supplemental Resolution, the "Resolution"). U.S. Bank National Association, Morristown, New Jersey, is acting as trustee (the "Trustee") under the Resolution. Certain capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Resolution.

The Notes will be used to (i) refund or pay, as applicable, the principal of and interest on the bonds and notes to be refunded or paid as described in the Resolution (the "Bonds and Notes to be Refunded or Paid"), and (ii) pay all or a portion of the costs of issuance of the Notes.

The Notes are special, limited obligations of the Authority and will be payable primarily from certain payments to be made by the Treasurer of the State (the "Treasurer") pursuant to a Contract Implementing Funding Provisions of the Educational Facilities Construction and Financing Act entered into between the Treasurer and the Authority, dated as of March 21, 2001 (the "Original State Contract"), as amended by Amendment No. 1 to Contract Implementing Funding Provisions of the Educational Facilities Construction and Financing Act between the Authority and the Treasurer, dated April 22, 2010 ("Amendment No. 1 to State Contract" and, together with the Original State Contract (the "State Contract"). As provided in the Resolution, the Notes, as to principal thereof and interest thereon, are payable from and secured by a pledge and assignment of the Revenues and other Pledged Property referred to in the Resolution.

All amounts payable under the State Contract shall be subject to and dependent upon appropriations being made from time to time for such purposes by the New Jersey State Legislature (the "State Legislature"). The State Legislature has no legal obligation to make any such appropriations.

THE STATE IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON THE NOTES. THE NOTES ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR PAYMENT OF THE NOTES. THE NOTES DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

NOTHING IN THE EDUCATIONAL FACILITIES ACT SHALL BE CONSTRUED TO AUTHORIZE THE AUTHORITY TO INCUR ANY INDEBTEDNESS ON BEHALF OF OR IN ANY WAY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION). ALTHOUGH THE PROCEEDS OF THE NOTES WILL BE USED TO REFUND BONDS OR NOTES THE PROCEEDS OF WHICH WERE USED TO FUND OR REFINANCE COSTS OF SCHOOL FACILITIES PROJECTS, NEITHER THE PROCEEDS OF BONDS AND NOTES, INCLUDING PROCEEDS OF THE NOTES, ON DEPOSIT IN THE PROJECTS FUND ESTABLISHED UNDER THE RESOLUTION NOR THE SCHOOL FACILITIES PROJECTS WILL SECURE OR BE AVAILABLE TO PAY DEBT SERVICE ON THE NOTES.

Executive Order No. 9 (Codey 2004) Compliance. Pursuant to Executive Order No. 9 (Codey 2004) ("Executive Order No. 9"), dated and effective as of December 6, 2004, it is the policy of the State that in all cases where bond underwriting services are or may be required by the State or any of its departments, agencies or independent authorities, such department, agency or independent authority shall deal directly with the principals of the underwriting firms or their registered lobbyists. The department, agency or independent authority shall not discuss, negotiate or otherwise interact with any third-party consultant, other than the principals of the underwriting firms and their registered lobbyists, with respect to the possible engagement of the firm to provide bond underwriting services. Compliance with Executive Order No. 9 is a material term and condition of this Purchase Contract and binding upon the parties hereto.

Compliance with L. 2005, c. 271. The Purchaser hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (the "ELEC") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if the Purchaser enters into agreements or contracts, such as this Purchase Contract, with a public entity, such as the Authority, and receives compensation or fees in excess of $50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Purchaser's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

(e) It shall be a condition to the obligations (i) of the Authority to sell and to deliver the Notes to the Purchaser, and (ii) of the Purchaser to purchase, to accept delivery of and to pay for the Notes, that on or about May __, 2014 (the date of closing on the Publicly Offered Bonds (hereinafter defined): (a) the entire aggregate principal amount of the Authority's $____________, aggregate principal amount, School Facilities Construction Refunding Bonds, 2014 Series __, $____________, aggregate principal amount, School Facilities Construction Refunding Bonds, 2014 Series __, and $____________, aggregate principal amount, School Facilities Construction Bonds, 2014 Series __ (collectively, the "Publicly Offered Bonds") shall be sold and delivered by the Authority and purchased, accepted and paid for by Merrill Lynch, Pierce, Fenner & Smith Incorporated as representative of the underwriters of the Publicly Offered Bonds (the "Representative"); and (b) the Term Loan, as defined in the Term Loan Agreement, dated as of __________, 2014, between the Authority and Bank of America, N.A. shall be made and funded in the amount of $_______________ ; and (c) the Term Loan, as defined in the Taxable Term Loan Agreement, dated as of ____________, 2014, between the Authority and Banc of America Preferred Funding Corporation shall be made and funded in the amount of $___________.

2. Delivery of Documents; Release of Escrowed Documents.

(a) On the date of execution and delivery of this Purchase Contract, the Authority and/or the Purchaser, as applicable, shall deliver or shall cause to be delivered the following documents:

(i) Opinion of Note Counsel (as hereinafter defined), dated the Bond Closing Date, and addressed to the Authority and the Purchaser (or with a letter authorizing the Purchaser to rely upon such opinion) covering the points set forth on Exhibit A.

(ii) An executed certificate of the Purchaser, dated the Bond Closing Date, in substantially the form attached hereto as Exhibit B.

(iii) The Purchaser shall have received evidence of either (1) the approval by the Governor of the State of the minutes of the Authority authorizing the adoption of the Thirty-Second Supplemental Resolution by the Authority, or (2) expiration of the period during which the Governor may veto such action by the Authority and the absence of any such veto.

(iv) An opinion of Counsel to the Purchaser, dated the Bond Closing Date, addressed to the Purchaser and the Authority, to the effect that this Purchase Contract has been duly authorized, executed and delivered by the Purchaser and assuming due authorization, execution and delivery by the Authority, constitutes the legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, moratorium or similar laws or equitable principles relating to the enforcement of creditors' rights generally.

(b) On the date of each Initial Closing and each Escrow Closing, the following documents dated the date of Closing for such Series shall be delivered to U.S. Bank National Association with respect to each Series of Notes to be issued on the Issue Date (as set forth in Section 1(a) above):

(i) For each Series of Notes delivered in escrow, an executed Closing Document Escrow Agreement relating to such Series of Notes, dated the date of the Escrow Closing, substantially in the form attached hereto as Exhibit E.

(ii) Each Series of Notes in definitive registered form, duly executed, bearing CUSIP numbers, without coupons and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee, Cede & Co, fully authenticated by the Trustee pursuant to the Resolution.

(iii) A Series Certificate, duly executed by an Authorized Officer of the Authority.

(iv) An unqualified approving opinion of Note Counsel, dated the date of Closing for each Series of the Notes, covering the points set forth on Exhibit C.

(v) A copy of the fiscal annual appropriations act of the State containing appropriations sufficient to pay the principal of and interest on School Facilities Construction Bonds and Notes due or to become due in such fiscal year.

(vi) Supplementary opinions of Note Counsel, dated the date of Closing for each Series of the Notes, addressed to the Purchaser and the Authority, in form satisfactory to the Purchaser, to the effect that (a) the Notes then being issued are not required to be registered under the Securities Act of 1933, as amended, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended, and (b) this Purchase Contract has been duly authorized, executed and delivered by the Authority and assuming due authorization, execution and delivery by the Purchaser, constitutes the legal, valid and binding obligation of the Authority and is enforceable against the Authority in accordance with its terms except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, moratorium or similar laws or equitable principles relating to the enforcement of creditors' rights generally.

(vii) An opinion of the Attorney General of the State, dated the date of Closing for each Series of the Notes, addressed to the Authority, substantially in the form attached hereto as Exhibit D.

(viii) An opinion of Trustee's Counsel, in form and substance satisfactory to the Authority and the Purchaser, addressed to the Authority and the Purchaser, dated the date of

Closing for each Series of the Notes, to the effect that (1) the Trustee is a national banking association duly created and validly existing under the laws of the United States with trust and fiduciary powers in the State and is authorized to conduct business and serve as a trustee and fiduciary under the laws of the State; (2) the Trustee has duly accepted its appointment as Trustee, Paying Agent, Bond Registrar under the Resolution; (3) the Trustee has duly authenticated the Notes; (4) the duties and responsibilities created by the Resolution constitute the valid and binding obligations of the Trustee, Paying Agent and Bond Registrar, as the case may be, enforceable in accordance with their terms; and (5) the acceptance by the Trustee of the duties and obligations of the Trustee, Paying Agent and Bond under the Resolution will not conflict with or constitute a breach of or default under any law, administrative regulation or consent decree to which the Trustee, Paying Agent and Bond Registrar, as the case may be, is or may be subject, and which opinion must be delivered in the context of applicable federal or State law.

(ix) For each Series of Notes delivered in Escrow, an opinion of Closing Document Escrow Agent's Counsel, in form and substance satisfactory to the Authority and the Purchaser, addressed to the Authority and the Purchaser, dated the date of Escrow Closing for such Series of the Notes, to the effect that (1) the Closing Document Escrow Agent is a national banking association duly created and validly existing under the laws of the United States with trust and fiduciary powers in the State and is authorized to conduct business and serve as a trustee and fiduciary under the laws of the State; (2) the Closing Document Escrow Agent has duly accepted its appointment as Closing Document Escrow Agent under the Closing Document Escrow Agreement; (3) the Closing Document Escrow Agreement has been duly authorized, executed and delivered by the Closing Document Escrow Agent and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Closing Document Escrow Agent and is enforceable against the Closing Document Escrow Agent in accordance with its terms except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, moratorium or similar laws or equitable principles relating to the enforcement of creditors' rights; and (4) the acceptance by the Closing Document Escrow Agent of the duties and obligations of the Closing Document Escrow Agent under the Closing Document Escrow Agreement will not conflict with or constitute a breach of or default under any law, administrative regulation or consent decree to which Closing Document Escrow Agent is or may be subject.

(x) General Certificates of Authorized Officers of the Trustee and the Authority, dated the date of Closing for each Series of Notes, including such additional documentation of organization, authority and incumbency as may be reasonably satisfactory to the Purchaser and to Bond Counsel.

(xi) [A certificate of the Trustee [Verification Agent], dated the date of Closing for each Series of the Notes, verifying the amounts deposited to pay the principal of and interest on the Bonds and Notes to be Refunded or Paid will be sufficient to pay such principal and interest when due.]

(xii) A certificate of an authorized officer of the Purchaser, dated the date of Closing for each Series of Notes, to the effect that the Purchaser will not sell such Notes to more than 35 persons, each of whom is a Qualified Note Purchaser (as hereinafter defined) and each of whom is not purchasing for more than one account or with a view to distributing such Series of Notes in compliance with paragraph (d) of SEC Rule 15c2-12.

(xiii) A no-litigation certificate of the Attorney General of the State, delivered to the Purchaser, dated the date of Closing for each Series of Notes, in form and substance satisfactory to the Purchaser and Note Counsel.

(xiv) A certificate, dated the date of Closing for each Series of Notes, signed by an Authorized Officer of the Authority, to the effect that no litigation is pending or, to the knowledge of the signer of such certificate, threatened (1) in any way attempting to restrain or enjoin the issuance, sale, execution or delivery of any of the Notes, the application of the proceeds thereof, the payment, collection or application of payments or the pledge thereof or of the other moneys, rights and interests pledged pursuant to the Resolution or the execution, delivery or performance of the Resolution, the State Contract or this Purchase Contract; (2) in any way contesting or otherwise affecting the authority for or the validity of the Notes, the Resolution, the State Contract or this Purchase Contract, any of the matters referred to in clause (1) above or any other proceedings of the Authority taken with respect to the issuance or sale of the Notes, (3) in any way contesting the powers of the Authority, or (4) in any way contesting the payment, collection or application of payments under the State Contract or the pledge thereof pursuant to the Resolution.

(xv) A certificate, delivered to the Purchaser, dated the date of Closing for each Series of Notes, signed by an Authorized Officer of the Authority, to the effect that: (1) each of the representations of the Authority contained in this Purchase Contract is true and correct as of the date of such Closing as though made at the time of such Closing; (2) unless otherwise waived by the Purchaser, the Authority has duly complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the date of such Closing; and (3) no Event of Default (as defined in the Resolution) or event which with the lapse of time or the giving of notice or both, would constitute an Event of Default (as defined in the Resolution) has occurred and is continuing.

(xvi) For each Series of Notes delivered in escrow, an escrow opinion of Note Counsel, dated the date of each Escrow Closing, and addressed to the Authority and the Purchaser (or with a letter authorizing the Purchaser to rely upon such opinion) covering the points set forth on Exhibit F.

(xvii) An executed Letter of Instructions to the Trustee delivered pursuant to Section 203(2) of the Resolution.

(xviii) An executed certificate of the Purchaser, dated the date of the Closing, in substantially the form attached hereto as Exhibit B.

(c) As of each Closing (as defined herein), each of the foregoing documents shall be substantially in the forms heretofore delivered to the Purchaser, with only such changes therein as shall be mutually agreed upon between the Authority and the Purchaser. Delivery or release from escrow of the documents required to be delivered or released against simultaneous payment of the Purchase Price for each Series shall be made at the offices of Note Counsel to the Authority ("Note Counsel"). Payment of the Purchase Price for each Series of Notes shall be made in Federal Reserve Funds or other immediately available funds at 10:00 a.m. prevailing

Eastern time, at the Closing. In addition, the Authority and the Purchaser agree that there shall be a preliminary closing held at the offices of Note Counsel commencing at least one (1) Business Day prior to each Initial Closing.

3. **Representations and Agreements of the Authority.** By its acceptance hereof the Authority hereby represents to, and agrees with, the Purchaser that:

(a) The Authority is a public body corporate and politic, duly created and existing as an instrumentality of the State, with the power and authority set forth in the Act and the Educational Facilities Act to: (i) adopt the Resolution and execute and deliver the Series Certificate; (ii) execute and deliver the State Contract; (iii) authorize and issue the Notes under the Act and the Educational Facilities Act; (iv) enter into this Purchase Contract and (v) carry out the Authority's obligations required in connection with the consummation of the transactions contemplated by this Purchase Contract, the Notes and the State Contract;

(b) The Authority has complied with and will, at the Closing, be in compliance in all material respects with the Act, the Educational Facilities Act, the Resolution, this Purchase Contract and the State Contract;

(c) The Authority concurrently with or prior to the acceptance hereof, has duly adopted the Resolution; has duly authorized and approved the execution and delivery of the Series Certificate, the Notes, the State Contract and this Purchase Contract and the performance by the Authority of its obligations contained in the Notes, the Resolution, the State Contract and this Purchase Contract, and has duly authorized and approved the sale of the Notes to the Purchaser, and the consummation by it of all other transactions contemplated by this Purchase Contract;

(d) The adoption of the Resolution and the execution and delivery of the State Contract, the Series Certificate, the Notes and this Purchase Contract, and compliance by the Authority with the provisions thereof and hereof, under the circumstances contemplated thereby and hereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default by the Authority under any indenture, deed of trust, mortgage, agreement or other instrument to which the Authority is a party, or conflict with, violate or result in a breach of any existing applicable law, public administrative rule or regulation, judgment, court order or consent decree to which the Authority is subject;

(e) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Authority of its obligations hereunder and under the Resolution, the State Contract and the Notes have been obtained or will have been obtained as of the date of each Closing;

(f) As of the date hereof, except as disclosed in writing to the Purchaser, there is not any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending against the Authority, and the Authority has no knowledge of any such action, suit, proceeding, or investigation, at law or in equity before any court, public board or body in any other jurisdiction, and, to the knowledge of the Authority, no such action is threatened against the Authority, in any way contesting or questioning the due organization and lawful existence of the Authority or the title of any of the officers or members of the Authority to their offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Notes, or pledging of revenues and other funds of the Authority referred to in the Resolution thereto, or in any way contesting or affecting the validity or enforceability of the Notes, the Resolution, State Contract or this Purchase Contract or contesting the powers of the Authority or its authority with respect to the Notes, the Resolution, the State Contract or this Purchase Contract;

(g) When delivered to and paid for by the Purchaser at each Closing in accordance with the provisions of the Resolution and this Purchase Contract, the Notes will have been duly authorized, executed, issued and delivered and will constitute special, limited obligations of the Authority entitled to the benefits and security of the Resolution; and

(h) None of the officers, members, agents or employees of the Authority shall be personally liable for the performance of any obligation under this Purchase Contract.

4. Representations, Warranties and Agreements of the Purchaser. The Purchaser hereby represents and warrants to, and agrees with, the Authority that:

(a) The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, having all requisite corporate power and authority to carry on its business as now constituted.

(b) The Resolution, the Notes, the State Contract and this Purchase Contract have been reviewed by the Purchaser and contain terms acceptable to, and agreed to by, the Purchaser.

(c) The Purchaser has the requisite authority to enter into this Purchase Contract and this Purchase Contract has been duly authorized, executed and delivered by the Purchaser and, assuming the due authorization, execution and delivery thereof by the Authority, is the legal, binding and valid obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except that the enforceability hereof may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws or equitable principles affecting creditors' rights or remedies generally.

(d) The Purchaser is in compliance with the provisions of Rules G-37 and G-38 of the Municipal Securities Rulemaking Board.

(e) All information, certifications and disclosure statements previously provided by the Purchaser in connection with L. 2005, c. 51 and with Executive Order No. 117 (Corzine 2008) ("Executive Order No. 117"), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority shall rely upon the truth of the statements contained therein and herein in engaging the Purchaser in connection with this transaction. The Purchaser will execute and deliver to the Authority on the date of this Purchase Contract and on the date of each Closing a "L. 2005, c. 51 and Executive Order No. 117 Certification of No Change" in substantially the form attached hereto as Exhibit D, and the Purchaser will continue to comply with the provisions of L. 2005, c. 51 and Executive Order No. 117 during the term of this Purchase Contract and for so long as the Purchaser has any obligation under this Purchase Contract.

(f) In accordance with Executive Order No. 9, the Purchaser has not employed or retained, directly or indirectly, any consultant who will be paid on a contingency basis if the Authority engages such firm to provide such underwriting services in connection with the Notes.

(g) In accordance with L. 2005, c. 92, all services provided by the Purchaser under this Purchase Contract will be performed in the United States of America.

(h) The Purchaser represents and warrants that it has complied with the requirements of N.J.S.A. 52:32-58 and filed a certification with the State Treasurer that it is not identified on the list of persons engaging in investment activities in Iran.

(i) The Purchaser meets the definition of an Accredited Investor ("Accredited Investor"), as set forth in Regulation D ("Regulation D") of the Securities Act of 1933, as amended (the "Securities Act"); notwithstanding the foregoing representation, the parties acknowledge that Regulation D is not applicable to the purchase of the Notes by the Purchaser. The Purchaser has such knowledge and experience in business and financial matters as to be capable of evaluating the risks and merits of investing in the Notes.

(j) The Purchaser may at any time and from time to time in its sole discretion and control sell some or all of each Series of Notes to not more than 35 purchasers each of whom meet the definition of an Accredited Investor and/or a "Qualified Institutional Buyer" as set forth in Rule 144A of the Securities Act (a "Qualified Institutional Buyer") or is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to Qualified Institutional Buyers and Accredited Investors (any such trust or custodial arrangement, Accredited Investor and Qualified Institutional Buyer are each referred to herein as a "Qualified Note Purchaser") and each of whom is not purchasing for more than one account or with a view to distributing the Notes of such Series. The Purchaser shall comply with all applicable federal and state securities laws in connection with any subsequent distribution or sale of the Notes. The Purchaser covenants that it will not sell the Notes to any person or entity that is not a Qualified Note Purchaser; and will exercise reasonable diligence in determining that any purchaser of the Notes is a Qualified Note Purchaser. The Purchaser acknowledges that the Notes have not been and will not be registered under the Securities Act. Notwithstanding anything to the contrary contained herein, the Purchaser acknowledges that the Authority shall have no liability if the Purchaser shall subsequently sell the Notes to a person or entity that is not a Qualified Note Purchaser.

(k) The Purchaser acknowledges that the Notes will bear a legend to the following effect and hereby agrees that:

> THE NOTES MAY ONLY BE SOLD TO PURCHASERS THAT MEET THE DEFINITION OF QUALIFIED INSTITUTIONAL BUYERS OR ACCREDITED INVESTORS, EACH SUCH TERMS AS SET FORTH IN THE SECURITIES ACT OF 1933, AS AMENDED, OR TO A TRUST OR OTHER CUSTODIAL ARRANGEMENT, THE OWNERS OF ANY BENEFICIAL INTEREST IN WHICH ARE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS AND IN ACCORDANCE WITH ALL APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THERE IS

NO PUBLIC MARKET FOR THE NOTES, THERE IS NO PUBLIC RATING ON THE NOTES, THERE IS NO OFFICIAL STATEMENT OR OTHER DISCLOSURE RELATING TO THE NOTES, AND PURCHASE OF THE NOTES SHOULD BE CONSIDERED ONLY BY INVESTORS WHO: (A) CAN BEAR THE ECONOMIC RISK OF SUCH INVESTMENT; (B) HAVE SUCH KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS AS TO BE CAPABLE OF EVALUATING THE RISKS AND MERITS OF SUCH INVESTMENT; AND (C) HAVE UNDERTAKEN THE RESPONSIBILITY FOR OBTAINING ALL INFORMATION THAT THEY DEEM NECESSARY AND DESIRABLE TO FORM A DECISION TO PURCHASE THE NOTES. EACH PROSPECTIVE INVESTOR SHOULD CONSIDER ITS FINANCIAL CONDITION AND THE RISKS INVOLVED TO DETERMINE ITS SUITABILITY TO INVEST IN THE NOTES.

IN ACCEPTING THIS NOTE, THE HOLDER ACKNOWLEDGES THAT (A) IT IS A QUALIFIED INSTITUTIONAL BUYER OR ACCREDITED INVESTOR AS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, OR A TRUST OR OTHER CUSTODIAL ARRANGEMENT, THE OWNERS OF ANY BENEFICIAL INTEREST IN WHICH ARE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS, (B) EXCEPT AS EXPRESSLY SET FORTH IN THE NOTE PURCHASE CONTRACT, DATED _________, 2014, BETWEEN THE AUTHORITY AND BANK OF AMERICA, N.A., THE AUTHORITY HAS NOT PROVIDED ANY DISCLOSURE REGARDING THE AUTHORITY IN CONNECTION WITH THIS NOTE AND SHALL HAVE NO LIABILITY IF THIS NOTE IS NOT SOLD TO A QUALIFIED INSTITUTIONAL BUYER OR ACCREDITED INVESTOR OR A TRUST OR OTHER CUSTODIAL ARRANGEMENT, THE OWNERS OF ANY BENEFICIAL INTEREST IN WHICH ARE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS, (C) IT HAS KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS AS TO BE CAPABLE OF EVALUATING THE RISKS AND MERITS OF INVESTING IN THIS NOTE, (D) IT CAN BEAR THE ECONOMIC RISK OF INVESTING IN THIS NOTE AND (E) IT HAS UNDERTAKEN THE OBTAINING OF ANY AND ALL INFORMATION IT DEEMS NECESSARY PRIOR TO PURCHASING THIS NOTE.

(l) The representations and covenants of the Purchaser contained in this Section 4 shall survive the issuance and delivery of the Notes.

5. Conditions to the Purchaser's Obligations. The Purchaser's obligations hereunder shall be subject to the due performance by the Authority of its obligations and agreements to be performed hereunder at or prior to each Closing and to the accuracy of and compliance with the Authority's representations and warranties contained herein, as of the date hereof and as of the date of each Closing, and are also subject to the following conditions:

(a) On the date of each Closing, (i) the Resolution shall have been duly adopted by the Authority and this Purchase Contract and the State Contract shall have been duly authorized, executed and delivered by the Authority, and all related official action of the

Authority necessary to issue the Notes then being issued shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Purchaser, (ii) the Authority shall have duly adopted and there shall be in full force and effect such additional acts or agreements as shall, in the opinion of Note Counsel, be necessary in connection with the transactions contemplated thereby, (iii) the Authority shall perform or have performed all of its obligations required under or specified in the Act, the Educational Facilities Act and the State Contract to be performed at or prior to such Closing, (iv) no Event of Default (as defined in the Resolution) or event which, with the lapse of time or the giving of notice or both would constitute such an Event of Default, shall have occurred and be continuing and (v) the Resolution and the State Contract shall be fully enforceable in accordance with their respective terms.

(b) The Purchaser shall not have elected to cancel its obligation hereunder to purchase the Notes then being issued, which election may be made by written notice by the Purchaser to the Authority only if between the date hereof and the date of the Closing for the Notes then being issued: (i) any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or agency of the State or a final decision by a court of the State shall be rendered, or a final ruling, regulation or release or official statement by or on behalf of, any State agency shall be made, with respect to State taxation upon revenues or other income of the general character of interest on the Notes, or which would have the effect of changing directly or indirectly the State income tax consequences of interest on bonds or notes of the general character of the Notes in the hands of the holders thereof, and which in the Purchaser's reasonable opinion, materially adversely affects the marketability of the Notes; (ii) a stop order, ruling or regulation by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made (which is beyond the control of the Purchaser or the Authority to prevent or avoid) to the effect that the issuance, offering or sale of the Notes, as contemplated by this Purchase Contract, or any document relating to the issuance, offering or sale of the Notes, is in violation or would be in violation of any provision of the Securities Act of 1933, as amended, or the registration provisions of the Securities Exchange Act of 1934, as amended, or of the Trust Indenture Act of 1939, as amended as of the Closing; (iii) legislation shall be enacted by the Congress of the United States of America, or a final decision by a court of the United States of America shall be rendered, that has the effect of requiring the Notes to be registered under the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or requiring the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, and as then in effect; (iv) any event shall have occurred that, in the reasonable judgment of the Purchaser, materially adversely affects (a) the marketability of the Notes or (b) the ability of the Purchaser to enforce confirmations of or contracts for the sale of the Notes; (v) a general banking moratorium shall have been declared by federal or State authorities and be in force; (vi) since the date of this Purchase Contract, there shall have occurred any new outbreak of hostilities or other national or international crisis or calamity, the effect of which on the financial markets of the United States of America, in the reasonable judgment of the Purchaser, is such as to materially and adversely affect the marketability of the Notes; or (vii) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets is such as to materially and adversely affect the marketability of the Notes.

(c) On the date of each Closing, the Purchaser shall receive recent evidence that the unenhanced long-term debt ratings assigned by Moody's Investors Service, Standard &

Poor's Rating Service, and Fitch Ratings to any Bonds or Notes issued under the Resolution which are on parity with the Notes and which are publicly rated ("Parity Debt") is at least __, __ and __, respectively (the "Rating Documentation"). The Rating Documentation may consist of, inter alia, the most recent ratings confirmation letter received by the Authority with respect to Parity Debt.

(d) On the date of each Closing, no default, event of default, event of termination, event of mandatory prepayment or any similar condition exists under any agreements with the Purchaser or any of its affiliates with respect to debt obligations of the Authority that are payable from Revenues or other amounts pledged under the Resolution.

(e) If the Authority fails to timely deliver any document pursuant to Section 2 hereof or any condition set forth in Section 5 hereof has not been not satisfied and such failure is not waived by the Purchaser and, as a result of such failure, a Closing does not occur when scheduled with respect to a Series of Notes, unless a rescheduled Closing date is agreed to by the Purchaser or unless the Purchaser otherwise waives its rights pursuant to this paragraph 5(e), the Authority shall be liable to the Purchaser for any loss, damage, cost or expense directly arising or resulting from the occurrence of such failure including, without limiting the foregoing, all reasonable legal or other expenses incurred by the Purchaser, and the cost of terminating any related hedge transactions with respect to such Series of Notes.

6. Expenses.

If any Series of Notes are sold to the Purchaser hereunder, there shall be paid from the proceeds of such Notes all expenses incidental to the issuance of such Notes, including but not limited to (i) the cost of the preparation and printing of the definitive Notes, if any, and (ii) the fees and disbursements of Note Counsel, the Trustee, the Trustee's counsel (if applicable) and any other experts or consultants retained by the Authority. The Authority shall also reimburse the Purchaser for all actual out-of-pocket-expenses related to the execution of this Purchase Contract and the issuance of the Notes.

7. Notices. Any notice or other communication to be given to the Purchaser under this Purchase Contract shall be given by mailing or delivering the same in writing to the Purchaser at:

Bank of America, N.A.
1818 Market Street, 18^{th} Floor
Philadelphia, Pennsylvania 19103
Attention: Ralph Saggiomo, Managing Director

Bank of America, N.A.
One Bryant Park, 9th Floor
New York, New York 10036
Attention: Edward Curland, Managing Director

Bank of America, N.A.
One Bryant Park, 9th Floor
New York, New York 10036
Attention: James Nacos, Managing Director

Any notice or other communication to be given to the Authority under this Purchase Contract shall be given by mailing or delivering the same in writing to the Authority at:

New Jersey Economic Development Authority
50 West State Street
P.O. Box 990
Trenton, New Jersey 08625-0990
Attention: Chief Executive Officer

Any notice or other communication to be given to the Treasurer under this Purchase Contract shall be given by mailing or delivering the same in writing as follows:

New Jersey Department of the Treasury
Office of Public Finance
P.O. Box 005
50 West State Street
Trenton, New Jersey 08625
Attention: Director of Office of Public Finance

The Treasurer shall be given a copy of every notice given by any party to this Purchase Contract to any other party.

8. Governing Law. This Purchase Contract shall be governed by and enforced in accordance with the laws of the State of New Jersey.

9. Successors. This Purchase Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors and no other person will have any right or obligation hereunder.

10. Assignment. This Purchase Contract shall not be assigned by either party without the consent of the other.

11. Benefit. This Purchase Contract is made solely for the benefit of the Authority and the Purchaser (including successors or assigns of any of said parties) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof.

12. Survival. All representations and agreements of the Authority and the Purchaser in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Purchaser and shall survive the delivery of and payment for any series of Notes.

[Execution Page Follows]

13. Execution of Counterparts. This Purchase Contract may be executed in several counterparts, any of which may be in facsimile form, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Very truly yours,

BANK OF AMERICA, N.A.

By: ______________________________
Name:
Title:

Accepted as of the date first written above:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: ______________________________
Name: John J. Rosenfeld
Title: Director of Bonds and Incentives

EXHIBIT A

Points to be covered by Note Counsel

1. The Authority is duly created and validly existing as a public body corporate and politic and an instrumentality of the State created pursuant to the Act, and the Authority had and has the right, power and authority under the Act and the Educational Facilities Act to adopt the Bond Resolution and the Thirty-Second Supplemental Resolution and to enter into the State Contract.

2. The Bond Resolution and the Thirty-Second Supplemental Resolution have each been duly and lawfully adopted by the Authority, are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms, and no other authorization for the Bond Resolution or the Thirty-Second Supplemental Resolution is required.

3. The Purchase Contract has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery thereof by the Purchaser, constitutes the legal, valid and binding obligation of the Authority and is enforceable against the Authority in accordance with its terms except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, moratorium or similar laws or equitable principles relating to the enforcement of creditors rights generally.

3. The Resolution creates the valid pledge which it purports to create of the Pledged Property, including payments made to the Authority from the State General Fund pursuant to the Educational Facilities Act and as provided in the State Contract, subject to and dependent upon appropriations being made from time to time by the State Legislature for such purpose.

4. The State Contract is in full force and effect and is valid and binding upon the Authority and the Treasurer and enforceable against the Authority and the Treasurer in accordance with its terms.

EXHIBIT B

Form of L. 2005, c. 51 and Executive Order No. 117 Certification of No Change

I, ____________________, ____________________ of Bank of America, N.A., as Purchaser (the "Purchaser"), **HEREBY CERTIFY** that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51 of the State of New Jersey (the "State") and Executive Order No. 117 (Corzine 2008) are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State shall rely upon the truth of the statements contained herein and therein and in the Note Purchase Contract, dated _______, 2014, by and between the Purchaser and the Authority in engaging the Purchaser in connection with the sale and issuance of Authority's School Facilities Construction Refunding Notes, [201_ Series _]

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of ___________, 2014.

BANK OF AMERICA, N.A.

By: ________________________________

Name:

Title:

EXHIBIT C

Points to be Covered in Approving Opinion of Note Counsel

Based upon the foregoing, we are of the opinion that:

1. The Authority is duly created and validly existing as a public body corporate and politic and an instrumentality of the State created pursuant to the Act, and the Authority had and has the right, power and authority under the Act and the Educational Facilities Act to adopt the Bond Resolution and the Thirty-Second Supplemental Resolution, to execute the Series Certificate, to enter into the State Contract and to issue the Series __ Notes.

2. The Bond Resolution and the Thirty-Second Supplemental Resolution have each been duly and lawfully adopted by the Authority, are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms, and no other authorization for the Bond Resolution or the Thirty-Second Supplemental Resolution is required.

3. The Resolution creates the valid pledge which it purports to create of the Pledged Property, including payments made to the Authority from the State General Fund pursuant to the Educational Facilities Act and as provided in the State Contract, subject to and dependent upon appropriations being made from time to time by the State Legislature for such purpose.

4. The Series __ Notes have been duly and validly authorized and issued by the Authority in accordance with the Constitution and the statutes of the State, including the Act, the Educational Facilities Act and the Resolution, constitute valid and binding obligations of the Authority as provided in the Resolution, the Series __ Notes, are entitled to the benefits of the Resolution, the Act and the Educational Facilities Act and are enforceable in accordance with their terms and the terms of the Resolution. The Series __ Notes and the interest thereon are special, limited obligations of the Authority, payable solely from the State Contract and the Pledged Property under the Resolution. The Series __ Notes and the interest thereon do not create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof other than the Authority (to the limited extent set forth above) or constitute a pledge of the faith and credit or taxing power of the State or any such political subdivision. The Authority has no taxing power. The Series __ Notes are not a debt or liability of the State or any agency or instrumentality thereof, other than the Authority (to the limited extent set forth above), either legal, moral or otherwise, and nothing in the Educational Facilities Act shall be construed to authorize the Authority to incur any indebtedness on behalf of or in any way obligate the State or any political subdivision thereof.

5. The State Contract is in full force and effect and is valid and binding upon the Authority and the Treasurer and enforceable against the Authority and the Treasurer in accordance with its terms, and the Series __ Notes are entitled to the benefits of the State Contract.

6. Under existing law, interest on the Series __ Notes and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

The foregoing opinions are qualified to the extent that the enforceability of the Resolution, the State Contract, the Series __ Notes and all related obligations of the various parties thereto may be limited as to remedies by any applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium and similar laws of general application at the time in effect and by judicial decisions and principles of equity affecting creditors' rights generally and judicial discretion. In addition, we wish to advise you that no opinion is being rendered as to the availability of any particular remedy under the Resolution, the State Contract, or the Series __ Notes.

From and after the date hereof, certain requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of other counsel. We express no opinion as to the effect of any such change upon any Series __ Notes if any such change occurs or action is taken upon the advice or approval of such other counsel.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention after the date of this opinion, or any changes in law or interpretations thereof that may occur after the date of this opinion, or for any reason whatsoever.

EXHIBIT D

FORM OF OPINION OF THE ATTORNEY GENERAL OF

THE STATE OF NEW JERSEY

[________ __], 201_

The Honorable Andrew P. Sidamon-Eristoff
Treasurer of the State of New Jersey
State House
Trenton, New Jersey 08625

New Jersey Economic Development Authority
36 West State Street
Trenton, New Jersey 08625

Re: New Jersey Economic Development Authority
$[__________], aggregate principal amount, School Facilities Construction Refunding Notes, Series __ Notes

Dear Treasurer Sidamon-Eristoff and Members of the Authority:

We have acted as counsel to the State of New Jersey (the "State") and the New Jersey Economic Development Authority (the "Authority") in connection with the issuance and sale of the above-referenced obligations (the "Notes"). The Notes are being issued in accordance with the provisions of the Educational Facilities Construction and Financing Act, L. 2000, c. 72, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39.

We have examined executed copies of: (i) the Contract Implementing Funding Provisions of the Educational Facilities Construction and Financing Act, dated as of March 21, 2001 (the "Original State Contract"), between the Authority and the Treasurer of the State (the "Treasurer"), as amended by Amendment No. 1 to Contract Implementing Funding Provisions of the Educational Facilities Construction and Financing Act by and between the Treasurer and the Authority dated April 22, 2010 ("Amendment No. 1 to Original State Contract," and together with the Original State Contract, the "State Contract"); (ii) the School Facilities Construction Bond Resolution, adopted by the Authority on February 13, 2001, as amended (the "Bond Resolution"), including as amended and supplemented by the Thirty-Second Supplemental School Facilities Construction Bond Resolution adopted by the Authority on April 8, 2014 (the "Thirty-Second Supplemental Resolution") and a Series Certificate executed by an Authorized Officer of the Authority, dated [________ __], 2014 (the "Series Certificate") (collectively the Bond Resolution, the Thirty-Second Supplemental Resolution and the Series Certificate are the "Resolution"); (iii) the Note Purchase Contract, dated [________ __], 2014 (the "Note Purchase Contract") between Bank of America, N.A., as Purchaser and the Authority; and (iv) the Closing

Document Escrow Agreement, dated [________ __], 2014 (the "Closing Document Escrow Agreement") among the Authority, the Purchaser and U.S. Bank National Association, as Closing Document Escrow Agent.

In connection with the opinions set forth below, we have examined such other documents, records of the Authority, and other instruments, including original counterparts or certified copies of the Original State Contract, Amendment No. 1 to Original State Contract, the Bond Resolution, the Thirty-Second Supplemental Resolution, the Series Certificate, the Note Purchase Contract the Closing Document Escrow Agreement and the other documents listed in the closing memorandum relating to the Notes and such matters of law and other proofs, as we deemed necessary to enable us to express the opinions set forth below. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

Based upon the foregoing, we are of the opinion that:

1. Except as disclosed in writing to the Purchaser prior to the date hereof, there is no litigation or other proceeding pending in any court or in any Authority agency or other administrative body which would affect the adoption of the Bond Resolution and the Thirty-Second Supplemental Resolution or would restrain or enjoin the execution and delivery by the Authority of the Series Certificate, the State Contract, the Note Purchase Contract, the Closing Document Escrow Agreement or the Notes or would have an adverse effect on the ability of the Authority to carry out its obligations under such documents or in any way questioning the validity of any of the provisions of the Bond Resolution, the Thirty-Second Supplemental Resolution, the Series Certificate, the Note Purchase Contract, the Closing Document Escrow Agreement or the State Contract or the validity of the Notes, nor do we have direct personal knowledge that any such litigation or proceeding is threatened.

2. The adoption of the Bond Resolution and the Thirty-Second Supplemental Resolution, the execution and delivery of the State Contract, the Note Purchase Contract, the Closing Document Escrow Agreement and the Series Certificate and compliance with the provisions thereof under the circumstances contemplated thereby, do not or did not, as applicable, and will not in any material respect conflict with or constitute on the part of the Authority a breach or default under any regulation, court order or consent decree to which the Authority is subject.

3. No additional or further approval, consent or authorization of any governmental or public agency or authority or any other institution not already obtained is required for the adoption and execution by the Authority and performance of its obligations under the Bond Resolution, the Thirty-Second Supplemental Resolution, the Series Certificate, the State Contract, the Note Purchase Contract or the Closing Document Escrow Agreement.

4. Except as disclosed in writing to the Purchaser prior to the date hereof, there is no litigation or other proceeding in any court or in any State agency or other administrative body which would have an adverse effect on the Treasurer's power to make the payments under the State Contract or in any way questioning the validity of any of the provisions of the State

Contract, nor do we have direct personal knowledge that any such litigation or proceeding is threatened.

5. No approval or other action by any governmental body, authority or agency is required in connection with the execution or performance by the Treasurer of the obligations under the State Contract which has not already been obtained or taken; provided, however, that any payments under the State Contract are subject to, and dependent upon appropriation by the State Legislature.

In addition, we wish to advise you that no opinion is being rendered as to the availability of any particular remedy under any of the documents set forth above. This opinion is given as of the date of delivery hereof and no opinion is expressed as to any matter not explicitly set forth herein. This opinion is rendered solely in connection with the issuance of the Notes by the Authority and may not be relied upon by any person other than the addressees hereof.

Sincerely yours,

[JOHN J. HOFFMAN]
[ACTING] ATTORNEY GENERAL OF
NEW JERSEY

By:______________________________

Deputy Attorney General

EXHIBIT E

FORM OF CLOSING DOCUMENT ESCROW AGREEMENT

EXHIBIT F

ESCROW OPINION OF NOTE COUNSEL

1. The Closing Document Escrow Agreement has been duly and validly authorized, executed and delivered by the Authority and assuming that the Closing Document Escrow Agent and the Purchaser each has the requisite power and authority to authorize, execute, and deliver, and each has duly and validly authorized, executed, and delivered, the Closing Document Escrow Agreement, the Closing Document Escrow Agreement constitutes a legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms, except as the enforcement thereof may be limited or modified by bankruptcy, insolvency or other laws or legal or equitable principles affecting the enforcement of creditors' rights and remedies.

2. Based upon our review of such information, certificates of the Authority, statutes and other matters of law as we deem relevant, we are of the opinion that, as of the date hereof, there exist on the part of the Authority no legal impediments to the release and delivery of the Escrowed Documents at the Closing pursuant to the provisions of the Closing Document Escrow Agreement or to the delivery of our opinion in favor of the Authority and the Purchaser at such time, substantially in the form attached hereto as Exhibit "1", as required by Section __ of the Purchase Agreement.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Cooper Lanning Square Renaissance School, Inc. P38339

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 525 Clinton Street Camden City (T/UA) Camden

GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Cooper Lanning Square Renaissance School, Inc. (d/b/a KIPP Cooper Norcross Academy, the "School") is a 501(c)(3) not-for-profit organization and renaissance school project approved by the NJ Department of Education and Camden City Board of Education. The School was formed in partnership between KIPP Team Schools in Newark and The Cooper Foundation, Inc. in Camden, representing a unique partnership which brings expertise, experience and community ties for revitalization of NJ's most needy communities to the task of increasing the number of high quality school options for Camden's students. This partnership will create an academic program serving approximately 2,860 Camden students in pre-kindergarten through 12th grade, in furtherance of the educational initiatives provided by the NJ Urban Hope Act. Ryan Hill is the President of the School.

The School will be comprised of five schools in Camden: two elementary schools, two middle schools and one high school. The project facility is a 112,000 sq. ft. school building that will house the first elementary school and first middle school. The NJ Department of Education has provided its formal approval for the School to operate in Camden. The Camden Board of Education is expected to lease space in the project facility on an interim basis.

The applicant is a 501(c)(3) not-for-profit entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 Internal Revenue Code as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the applicant to finance the renaissance school project in phases utilizing Qualified School Construction Bonds:

Phase I includes the acquisition of the NJSDA proposed Lanning Square School located at 525 Clinton Street for an elementary and middle school. The site incorporates the original Lanning Square School and a number of blighted homes and businesses. The 112,000 sq. ft. building includes a wing devoted to classrooms; a section with an administrative/nurse's office suite and classrooms/storage; and a single story section comprised of a gymnasium, a music room, cafeteria, kitchen, storage rooms and maintenance and mechanical rooms.

Future phases are expected to include the acquisition of additional properties in Camden for future elements of the renaissance school project including the second elementary/middle school building, the high school building, additional athletic facilities and/or additional parking.

FINANCING SUMMARY:

BOND PURCHASER: Cooper Lanning Square Renaissance School Facilities, Inc. (Direct Purchase)

AMOUNT OF BOND: $60,000,000 (max.) Taxable Qualified School Construction Bonds - Direct Payment Subsidy

TERMS OF BOND: The tax credit rate and the term will be determined prior to issuance of the QSCB based on the tax credit rate and term published by U.S. Treasury. As of 3/31/14 the tax credit rate was 4.67% for 20 years.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$33,635,057
Original Issue Discount	$20,000,000
Purchase of equipment & machinery	$2,000,000
Soft Costs	$1,834,943
Engineering & architectural fees	$1,220,000
Finance fees	$810,000
Legal fees	$500,000
TOTAL COSTS	$60,000,000

JOBS: At Application 0 Within 2 years 120 Maintained 0 Construction 311

PUBLIC HEARING: N/A

BOND COUNSEL: Cozen O'Conner

DEVELOPMENT OFFICER: D. Benns

APPROVAL OFFICER: T. Wells

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Uncommon Properties II, LLC P38414

PROJECT USER(S): North Star Academy Charter School of Newark, * - indicates relation to applicant

PROJECT LOCATION: 557-571 15th Avenue Newark City (T/UA) Essex

GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Uncommon Properties II, LLC, an affiliate of Uncommon Schools, Inc. ("USI"), was formed to hold title to real estate projects for the benefit of the schools within the USI network, including North Star Academy Charter School of Newark, Inc. ("NSA"). USI is a not-for-profit entity that starts and manages public charter schools, and through its subsidiaries, owns real estate that is leased to the school for use as public school facilities. USI currently manages 38 public charter schools across NJ, NY and MA. Brett Peiser is the Chief Executive Officer.

NSA is currently a network of nine public charter schools serving over 2,600 students in grades K-12 across six campuses in Newark, Essex County. Founded in 1997, NSA's mission is to prepare each student to enter, succeed in, and graduate from college. NSA is in good standing with the NJ Department of Education.

In 2009, the Authority issued a $16,480,000 Qualified School Construction Bond ("QSCB") for the benefit of NSA Central Avenue, LLC (P29061) to build a new high school at 13-25 Central Avenue, Newark. The project is completed. In addition, Uncommon Properties II, LLC (P37823) closed on a $7,806,000 Qualified Zone Academy Bond ("QZAB") in 2012. Net proceeds of the sale of the QZAB in the amount of $5,970,816 are intended to be utilized in connection with this bond issue to finance renovations at 15th Avenue School.

Additionally in 2013, Uncommon Properties III, LLC closed on a $35,700,000 QSCB (Appls. P38413 & P38415) for the benefit of the schools located at 559 Broad St./2 Washington Pl.(acquisition and renovations to the NSA Downtown Middle School & High School) and 24 Hazelwood Ave. (acquisition and renovations to NSA Vailsburg Elementary & Middle School).

The project will be occupied by North Star Academy Charter School of Newark, Inc., a 501(c)(3) not-for-profit entity. The Bonds are being issued as Qualified School Construction Bonds pursuant to Section 54E of the Internal Revenue Code of 1986. This project, together with the projects located at 559 Broad St./2 Washington Pl., 24 Hazelwood Ave. and S. 9th St., all located in Newark, were selected to receive a total QSCB allocation of $77 million in connection with the Notice of Funding Availability in the amount of $125 million for Charter Schools, jointly issued by the Authority and Department of Education, to NJ Charter Schools.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire the NSA West Side Park Elementary School (1.16 acres of land and an 84,000 sq. ft. building), located at 15th Ave., Newark, currently serving 540 students in K-3 and grades 5 and 6. The project also includes renovations and repairs, including necessary classroom and hallway upgrades, renovations to improve the building's infrastructure, a new roof, HVAC, electrical and other safety upgrades.

In the event that there are any remaining QSCB proceeds after the completion of the 15th Avenue School Project, the Applicant seeks authorization under this bond resolution to include the project located at S. 9th Street, Newark, for costs associated with the land acquisition and renovations and repairs to the existing elementary school. The S. 9th Street Project will be presented to the Board at a future date for authorization of all the remaining QSCB allocation from the $77 million (which, after completion of this project is estimated to be approximately $6.8 million).

The difference in the QSCB proceeds and the project costs will be funded with a conventional loan, QZAB proceeds and the Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: Uncommon Lender, Inc. (or an affiliate) (Direct Purchase)

AMOUNT OF BOND: up to $37,000,000 Taxable Qualified School Construction Bonds - Direct Payment Subsidy

TERMS OF BOND: The tax credit rate and the term will be determined prior to issuance of the QSCB based on the tax credit rate and term published by U.S. Treasury. As of 3/31/14 the tax credit rate was 4.67% for 20 years.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	$25,522,320
Original Issue Discount	$10,858,764
Engineering & architectural fees	$3,722,825
Acquisition of existing building	$3,700,000
Finance fees	$375,999
Legal fees	$370,000
Purchase of equipment & machinery	$280,400
TOTAL COSTS	$44,830,308

JOBS: At Application 43 Within 2 years 38 Maintained 0 Construction 215

PUBLIC HEARING: N/A

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: D. Benns

APPROVAL OFFICER: T. Wells

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Washington Street University Housing Assoc., LLC P39001

PROJECT USER(S): Rutgers, The State University * - indicates relation to applicant

PROJECT LOCATION: 15 Washington Street Newark City (T/UA) Essex

GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Washington Street University Housing Assoc., LLC, is a single purpose entity formed to hold title to the property located at 15 Washington Street, Newark. The sole and managing member of the applicant is New Brunswick Development Corporation ("DEVCO"), a 501(c)(3) not-for-profit organization with over 35 years experience in redevelopment projects in New Brunswick and throughout New Jersey. In turn, Washington Street University Housing Development Associates LLC, a joint venture of DEVCO and Pennrose GP, LLC, will undertake the development of the project under the terms of a development services agreement with the Applicant.

The project facility, a 21-story, 263,000 sq. ft. building on approximately 1 acre, was completed in 1930 as offices for American Insurance Company. The building is currently owned by Rutgers University, having been most recently used as the home to Rutgers School of Law from 1978 to 2000, when the University vacated the building for new facilities. The Project to be undertaken by the Applicant involves the rehabilitation and reuse of the entire existing building into: (i) approximately 211,000 sq. ft. or 346 beds of student housing for Rutgers University graduate and undergraduate students; and (ii) approximately 52,000 sq. ft. of office and other non-student residential space, including common space for student use, as well as academic space for the Rutgers' Chancellor and residence life staff.

The Project was approved at the February 24, 2014 Board meeting for a maximum $23,142,465 Residental Economic Redevelopment and Growth Grant (Appl. P38859).

The bonds for the Project will qualify as tax-exempt bonds under Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended, and will not be subject to the State Volume Cap limitation pursuant to Section 146(g) of the Code and will be exempt from the $20,000,000 Capital Expenditure Limitation.

APPROVAL REQUEST:

Authority assistance will enable the applicant to finance the development and construction of the Project. Proceeds of the bond financing will also fund costs of issuance and interest during construction. The 2014 Bonds will be secured by payments made by Rutgers University pursuant to the terms of a master lease with the Applicant. Other sources of funds include developer's equity and grant proceeds from the Higher Education Facilities Trust Fund.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: $65,000,000 (max.) Tax-exempt obligation

TERMS OF BOND: 17 years; Fixed interest rate not to exceed 6%; indicative rate as of 3/31/14 was 3%.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$69,874,806
Acquisition of existing building	$13,860,000
Finance fees	$3,757,030

Legal fees	$3,412,900
Developer Fee	$2,976,597
Interest during construction	$978,667
TOTAL COSTS	$94,860,000

JOBS: At Application 0 Within 2 years 20 Maintained 0 Construction 200

PUBLIC HEARING: 04/08/14 (Published 03/26/14) **BOND COUNSEL:** Saul, Ewing, LLP

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER:** T. Wells

AMENDED BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: The Montclair Art Museum P39186

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 3 South Mountain Ave Montclair Township (T/UA) Essex

GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

The Montclair Art Museum, a 501(c)(3) not-for-profit entity founded in 1914, is a museum specializing in American and Native American objects. Each year the Museum has between 10 and 12 special exhibitions, sponsors year round art school programs, and produces some 300 lectures and special events. The Museum is currently housed in an owned, 20,000 sq. ft. structure on 3.73 acres accommodating galleries, classrooms, workshops, art storage, a library and a small museum store. All programs are open to the public and annual attendance approaches 100,000 visitors. The president is Frank J. Walter III.

In 2000, authority assistance enabled the applicant to construct and equip a 9,056 sq. ft. addition to the museum as well as renovate the existing structure. The $6,000,000 tax-exempt bond was privately placed by PNC Capital Markets for 20 years at a variable interest rate, re-marketed weekly. The 2000 bonds were secured by a letter of credit provided by PNC Bank, N.A., which expires in May 2015.

The applicant is a not-for-profit, 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 Internal Revenue Code as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

REFUNDING REQUEST:

Authority assistance will enable the applicant to refund the outstanding balance of the 2000 bond plus pay cost of issuance. The proposed refunding bond will extend the maturity date, reducing annual debt service thereby allowing the applicant to improve its financial position. In addition, the proposed bond issue will be at a fixed interest rate which will reduce the museum's exposure to variable rates and eliminate the need for a letter of credit.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: $4,549,200 Tax-Exempt Bond

TERMS OF BOND: 16 Years; Fixed interest rate of either the tax-exempt equivalent of the 7 yr. Federal Home Loan Bank (FHLB) Advance Rate plus 1.58% or the tax-exempt equivalent of 10 yr. FHLB Advance Rate plus 1.43%. The indicative rates as of 3/20/14 are 3.11% for 7 years and 3.50% for 10 years.

The bonds will be subject to a rate reset after the original term selected based on the tax-exempt equivalent of the FHLB Advance Rate plus 1.68%.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	$4,460,000
Legal fees	$55,082
Finance fees	$34,118

TOTAL COSTS	$4,549,200

PUBLIC HEARING: 04/08/14 (Published 03/24/14) **BOND COUNSEL:** McCarter & English, LLP
DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** J. Horezga

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: LEAP Cramer Hill, LLC P39147

PROJECT USER(S): LEAP Academy University Charter School, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 130 North Broad Street Camden City (T/UA) Camden County

GOVERNOR'S INITIATIVES:

(X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

LEAP Cramer Hill, LLC is a limited liability corporation created in 2013, to support the work of the LEAP (Leadership, Education and Partnership) Academy University Charter School, Inc., a 501(c)(3) not-for-profit public charter school creating opportunities and improving conditions for the children and families of the City of Camden.

LEAP Cramer Hill, LLC is proposing a new academic building which will be used to house high school classrooms, other specialized rooms for labs and support and programming services for the LEAP families and children. This will be the fourth LEAP school in Camden City. LEAP's three current academic units began the 2012-2013 school year with 1,200 students in grades K-12 in three locations: LEAP Lower School (grades K-6) located at 649 Cooper St., the Upper School (grades 7-12) at 549 Cooper St. and a specialized STEM High School (grades 9-12), at 532 Cooper St. LEAP Schools are in good standing with the NJ Department of Education. Gloria Bonilla-Santiago is the Chair and Janice Strigh is the Chief Academic Officer of LEAP Academy.

The applicant is treated as a not-for-profit, 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 Internal Revenue Code as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to (i) refinance a conventional loan for the purchase of the 70,560 sq. ft. building and land (known as the Wilson Building); (ii) finance the costs of renovations to the project facility for use as a charter school facility; (iii) fund a debt service reserve fund; (iv) fund interest during construction and (v) pay the costs of issuance. The 2014 Bonds are expected to be rated investment grade by Standard & Poor's.

FINANCING SUMMARY:

BOND PURCHASER: RBC Capital Markets, LLC (Underwriter)

AMOUNT OF BOND:	$9,650,000 (estimated) Tax-exempt Series A Bond	$350,000 (estimated) Taxable Series B Bond
TERMS OF BOND:	25 years; Fixed interest rate not to exceed 8.5%. Indicative rate as of 3/28/14 is 6.25% for 25 yrs.	25 years; Fixed interest rate not to exceed 9.0%. Indicative rate as of 3/28/14 is 5.125% for 5 yrs.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	$7,000,000
Refinancing	$1,500,000
Debt service reserve fund	$750,000
Interest during construction	$350,000
Finance fees	$257,500
Legal fees	$142,500

TOTAL COSTS	$10,000,000

JOBS: At Application 0 Within 2 years 45 Maintained 0 Construction 65

PUBLIC HEARING: 04/08/14 (Published 03/24/14) **BOND COUNSEL:** Wolff & Samson
DEVELOPMENT OFFICER: D. Benns **APPROVAL OFFICER:** T. Wells

PRELIMINARY RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Shining Schools, Inc. P39159

PROJECT USER(S): Pride Academy Charter School * - indicates relation to applicant

PROJECT LOCATION: 117 Elmwood Avenue East Orange City (T/UA) Essex

GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Shining Schools, Inc., established in 2007, is a 501(c)(3) not-for-profit organization formed to provide real estate services and hold title to real estate projects for the benefit of the Pride Academy Charter School located in East Orange, Essex County. Pride Academy Charter School was originally chartered during the 2008-2009 school year by five educators to establish the only charter school in East Orange exclusively for 5th to 8th grade students. Currently the enrollment is 264 students with more than 200 students on the waiting list. Pride Academy is in good standing with the Department of Education. Amanda Quinn is the Chairman of the Board and Fiona Thomas is the principal of the Academy.

In 2011, the Authority approved a $550,000 direct loan (P36119) as a source of funding for the purchase of the School, a three story building of approx. 20,000 sq. ft.

The applicant is a 501(c)(3) not-for-profit organization for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 Internal Revenue Code as amended, and is not subject to the state Volume Cap limitation, pursuant to Section 146(g) of the Codel.

APPROVAL REQUEST:

Authority assistance will enable the applicant to construct a new 18,000 sq. ft. addition to the current building, effectively doubling the education space. The new building will include six new classrooms, two science labs for 7th and 8th graders, a full gymnasium, state of art computer lab and locker space.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$1,750,000
Engineering & architectural fees	$150,000
Renovation of existing building	$50,000
Legal fees	$25,000
Finance fees	$25,000
TOTAL COSTS	$2,000,000

JOBS: At Application <u>40</u> Within 2 years <u>25</u> Maintained <u>0</u> Construction <u>15</u>

PUBLIC HEARING: 04/08/14 (Published 03/24/14) **BOND COUNSEL:** McManimon,Scotland & Baumann,

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** T. Wells

LOANS/GRANTS/GUARANTEES

LOAN TO LENDERS PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - LOAN TO LENDERS PROGRAM

APPLICANT: Intersect Fund Corporation P38978

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 109 Church Street New Brunswick City (T/UA) Middlesex

GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Intersect Fund Corporation ("Intersect" or "Company") is a not-for-profit formed in 2008 to provide credit to small businesses, that are primarily located in economically and socially distressed areas in New Jersey. Intersect is a Certified Development Financial Institution ("CDFI"). The Company's primary mission is to provide resources for community redevelopment. This includes job creation and providing financial services for low income residents of New Jersey. To accomplish this mission, Intersect provides small business loans to companies that would not qualify for traditional bank financing. IFC also provides coaching and micro-loans to low-income, minority and women-owned businesses throughout New Jersey. The proceeds of this loan will be used to replenish existing loan funds and will help to leverage money provided by private sector organizations.

APPROVAL REQUEST:

Approve a $500,000 loan under the Loan to Lenders program with proposed terms.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $500,000

TERMS OF LOAN: 15-Year Term, Fixed interest rate of 2%. Quarterly interest only payments for the initial five years. Fully amortizing quarterly P&I payments for the remainder of the loan. The loan will be disbursed in three equal tranches. The first tranche will be disbursed at closing. The two remaining tranches will be disbursed once 75% of the previous tranche is committed. Finally, all three tranches must be fully disbursed within two years after loan closing.

PROJECT COSTS:

Loan Funding	$500,000
Finance Fees	$9,825
TOTAL COSTS	$509,825

JOBS: At Application 0 Within 2 years 0 Maintained 0 Construction 0

DEVELOPMENT OFFICER: D. Benns **APPROVAL OFFICER:** T. Bossert

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President/Chief Operating Officer

DATE: April 8, 2014

SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

The following residential and commercial grant projects have been approved by the Department of Environmental Protection to perform upgrade, closure and site remediation activities. The scope of work is described on the attached project summaries:

UST Residential Grants:

Farahdia Edouard	$	100,154
Steven Matthews	$	125,875
	$	**226,029**

UST Commercial Grant:

Stevens Institute of Technology	$	340,635
Total UST for April 2014	**$**	**566,664**

Prepared by: Kathy Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Farahdia Edouard P38828

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 44 Sharon Ave. Montclair Township (T/UA) Essex

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Farahdia Edouard is a homeowner seeking to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank will be decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible to perform soil remediation along with site restoration.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $100,154 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $10,015 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $100,154

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade,Closure,Remediation	$100,154
NJDEP oversight cost	$10,015
EDA administrative cost	$250
TOTAL COSTS	$110,419

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Steven Matthews P38513

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION 26 Cross St. Montclair Township (T/UA) Essex

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Between November 2009 and January 2011, Steven Matthews received grants totaling $59,348 under P27624 and P31006 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $125,875 to perform the approved scope of work at the project site for a total funding to date of $185,223.

The NJDEP oversight fee of $12,588 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT $125,875

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade,Closure,Remediation	$125,875
NJDEP oversight cost	$12,588
EDA administrative cost	$250
TOTAL COSTS	$138,713

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Stevens Institute of Technology P38693

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Castle on the Hudson Hoboken City (T/UA) Hudson

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

In September 2005, Stevens Institute of Technology, an independent institution of higher education, received a grant in the amount of $500,000 under P16706 to remove 21 leaking underground storage tanks (USTs) and perform the required remediation. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remediation.

Pursuant to the PUST Act, an independent institution of higher education is eligible for a conditional hardship grant for eligible project costs of a closure or remediation of a petroleum UST in an amount not to exceed $1,500,000.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $340,635 to perform the approved scope of work at the project site for a total funding to date of $840,635.

The NJDEP oversight fee of $34,064 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $340,635

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

Upgrade,Closure,Remediation	$340,635
NJDEP oversight cost	$34,064
EDA administrative cost	$250
TOTAL COSTS	$374,949

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: April 08, 2014

SUBJECT: Petroleum Underground Storage Tank Program - Delegated Authority Approvals (For Informational Purposes Only)

Pursuant to the delegations approved by the Board in May 2006, staff may approve new grants under the Hazardous Discharge Site Remediation Fund (HDSRF) and Petroleum Underground Storage Tank Program (PUST) up to $100,000 and may approve supplemental awards for existing grants(of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental awards do not exceed $100,000.

The Petroleum Underground Storage Tank Program legislation was amended to allow funding for the removal/closure and replacement of non-leaking residential underground storage tanks (UST's) and non-leaking non-residential UST's up to 2,000 gallons for eligible not for profit applicants. The limits allowed under the amended legislation is equivalent to the New Jersey Department of Environmental Protection cost guide.

Below is a summary of the Delegated Authority approvals processed by Finance & Development for the period January 01, 2014 to March 31, 2014

Summary:

	# of Grants	$ Amount
Leaking tank grants awarded	65	$1,239,056
Non-leaking tank grants awarded	1	$3,500

Applicant	Description	Grant Amount	Awarded to Date
Babriecki, Robert and Patricia (P38660)	Initial grant for upgrade, closure and remediation	$13,093	$13,093
Bauer, Albert (P38522)	Supplemental grant for upgrade, closure and remediation	$11,150	$19,818
Bazaral, Estate of Marie (P38744)	Initial grant for upgrade, closure and remediation	$12,222	$12,222
Berry, Peter (P38944)	Initial grant for upgrade, closure and remediation	$78,824	$78,824
Brown Jr., William (P38543)	Initial grant for upgrade, closure and remediation	$10,437	$10,437
Caruso, Cheryl (P38527)	Initial grant for upgrade, closure and remediation	$4,967	$4,967
Chianese, James Estate of (P38732)	Initial grant for upgrade, closure and remediation	$64,753	$64,753
Confrancesco, Paul (P38800)	Initial grant for upgrade, closure and remediation	$21,470	$21,470
Cortez, Marie (P38669)	Initial grant for upgrade, closure and remediation	$8,746	$8,746
D'Amelio, Sally (P38655)	Partial initial grant for	$8,096	$8,096

Applicant	Description	Grant Amount	Awarded to Date
	upgrade, closure and remediation		
Delvecchio, Rose Marie (P38542)	Initial grant for upgrade, closure and remediation	$16,206	$16,206
Dickson, Carlisle (P38758)	Initial grant for upgrade, closure and remediation	$73,467	$73,467
Dilatush, Tom (P38888)	Initial grant for upgrade, closure and remediation	$7,566	$7,566
Dunsavage, Irene (P38583)	Initial grant for upgrade, closure and remediation	$18,243	$18,243
Echaluce, Emerald (P38807)	Initial grant for upgrade, closure and remediation	$16,776	$16,776
Eldridge, Frederick Douglas (P38706)	Initial grant for upgrade, closure and remediation	$5,679	$5,679
Evans, Jeremy (P38658)	Initial grant for upgrade, closure and remediation	$19,575	$19,575
Fantoni, Estate of Margaret (P38595)	Initial grant for upgrade, closure and remediation	$11,860	$11,860
Farner, Karen (P38885)	Initial grant for upgrade, closure and remediation	$12,529	$12,529
Forte, Dorothy (P38949)	Initial grant for upgrade, closure and remediation	$24,357	$24,357
Franks, Maureen (P38676)	Initial grant for upgrade, closure and remediation	$16,015	$16,015
George's Friendly Service (P38650)	Supplemental grant for upgrade, closure and remediation	$52,306	$485,884*
Greco, Kathleen (P38586)	Initial grant for upgrade, closure and remediation	$3,500	$3,500
Hall, Amelia (P38855)	Initial grant for upgrade, closure and remediation	$12,937	$12,937
Harms, Eric (P38695)	Supplemental grant for upgrade, closure and remediation	$32,432	$54,044
Hryszko, Ann M. (P38883)	Initial grant for upgrade, closure and remediation	$18,140	$18,140
Huber, Richard (P38827)	Initial grant for upgrade, closure and remediation	$67,663	$67,663
Hullfish, Robert (P38567)	Supplemental grant for upgrade, closure and remediation	$49,396	$114,194*
Ienaro, Cosmo (P38735)	Initial grant for upgrade, closure and remediation	$3,938	$3,938
Iglesia de Dios Pentecostal MIE, Inc. (P38516)	Initial grant for upgrade, closure and remediation	$7,726	$7,726
Jagt, James (P38613)	Initial grant for upgrade, closure and remediation	$20,800	$20,800
Jegou, Jack and Carene	Initial grant for upgrade,	$5,245	$5,245

Applicant	Description	Grant Amount	Awarded to Date
(P38853)	closure and remediation		
Johnson, Cassandra (P38887)	Initial grant for upgrade, closure and remediation	$28,677	$28,677
Jones, Loretta (P38886)	Initial grant for upgrade, closure and remediation	$4,865	$4,865
Kang, Joanne C. (P38682)	Initial grant for upgrade, closure and remediation	$31,239	$31,239
Kargus, Keith (P38679)	Initial grant for upgrade, closure and remediation	$8,750	$8,750
Klein, Diana (P38889)	Initial grant for upgrade, closure and remediation	$7,662	$7,662
Lance, Mary M. (P38942)	Initial grant for upgrade, closure and remediation	$7,453	$7,453
Lee, Perry (P38698)	Supplemental grant for upgrade, closure and remediation	$16,843	$59,379
Leslie, Lucille (P38674)	Partial initial grant for upgrade, closure and remediation	$4,106	$4,106
Lynch, Phyllis J. (P38882)	Initial grant for upgrade, closure and remediation	$17,014	$17,014
Macey, Rosemarie (P38824)	Supplemental grant for upgrade, closure and remediation	$1,750	$7,775
Mann, Abby and Mary Ann Mann (P38711)	Initial grant for upgrade, closure and remediation	$7,100	$7,100
Matthews, Donald (P38884)	Initial grant for upgrade, closure and remediation	$13,526	$13,526
Meyers, Brian (P38582)	Partial initial grant for upgrade, closure and remediation	$8,375	$8,375
Mohns, Erika (P38648)	Initial grant for upgrade, closure and remediation	$10,597	$10,597
Nusspickel, Edward (P37715)	Supplemental grant for upgrade, closure and remediation	$14,102	$45,163
Panagotidis, Anthanasios (P38678)	Initial grant for upgrade, closure and remediation	$17,975	$17,975
Payne, Robert and Sonia (P38947)	Initial grant for upgrade, closure and remediation	$20,473	$20,473
Peterson, Scott (P38680)	Initial grant for upgrade, closure and remediation	$9,515	$9,515
Petrozelli, Linda (P38652)	Supplemental grant for upgrade, closure and remediation	$2,580	$16,328
Piccininno, Dona (P38651)	Initial grant for upgrade, closure and remediation	$22,847	$22,847
Pietoso, Louis (P38736)	Initial grant for upgrade, closure and remediation	$8,154	$8,154
Robinson, Huey and Brandon	Supplemental grant for upgrade,	$5,000	$21,662

Applicant	Description	Grant Amount	Awarded to Date
Robinson (P38523)	closure and remediation		
Schaub, Ann (P38697)	Supplemental grant for upgrade, closure and remediation	$8,246	$15,140
Schraeger, Karen (P38831)	Initial grant for upgrade, closure and remediation	$22,911	$22,911
Sokol, Boris (P38881)	Partial initial grant for upgrade, closure and remediation	$4,296	$4,296
Sole, Steve (P38821)	Supplemental grant for upgrade, closure and remediation	$39,780	$72,132
Stave, Tonnes (P38645)	Initial grant for upgrade, closure and remediation	$28,667	$28,667
Stinemire, Victoria (P38614)	Initial grant for upgrade, closure and remediation	$10,083	$10,083
Szafran, Ryszarda (P38681)	Initial grant for upgrade, closure and remediation	$10,840	$10,840
Velardi, Giovann (P38830)	Initial grant for upgrade, closure and remediation	$10,427	$10,427
Villa, Raymond and Rose Ann (P38851)	Initial grant for upgrade, closure and remediation	$5,250	$5,250
Virgilio Trust, Lucille (P38644)	Initial grant for upgrade, closure and remediation	$92,197	$92,197
Weiss, Gary and Marilyn (P38649)	Initial grant for upgrade, closure and remediation	$7,642	$7,642
65 Grants	**Total Delegated Authority funding for Leaking applications.**	**$1,239,056**	

*This amount includes grants approved previously by the Board and this award does not exceed the supplemental aggregate limit.

Timothy Lizura

Prepared by: Kathy Junghans, Finance Officer

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: April 8, 2014

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following commercial projects have been approved by the Department of Environmental Protection for a grant to perform Remedial Investigation and Remedial action activities. The scope of work is described on the attached project summaries.

Commercial Grants:

Peter Mocco	$ 736,792
Route 21 Associates of Belleville, LLC	$ 1,000,000
Total HAZ funding for April 2014	**$ 1,736,792**

Prepared by: Kathy Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG GRANT

APPLICANT: Peter Mocco P38784

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 160 Main Street South Amboy City (N) Middlesex

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Peter Mocco is the owner of project site, which is vacant land located in South Amboy, previously used to store rail cars. The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation Innocent Party Grant under N.J.S.A. 58:10B-Subsection 4, Series A. This Innocent Party Grant has been calculated off 50% of the approved remedial investigation and remedial action project costs $1,473,584.

The scope of work involves remedial investigation and remedial action activities including soil sampling and groundwater monitoring, along with receptor and ecological evaluations.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $736,792 to perform the approved scope of work at the project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $736,792 (50% Innocent Party Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$1,473,584
EDA administrative cost	$500
TOTAL COSTS	$1,474,084

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG GRANT

APPLICANT: Route 21 Associates of Belleville, LLC P38688

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 675 Main Street Belleville Township (T/UA) Essex

GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Route 21 Associates of Belleville, LLC is the owner of project site, which was a vacant automobile tire warehouse, located in Belleville. The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation Innocent Party Grant under N.J.S.A. 58:10B-Subsection 4, Series A. This Innocent Party Grant has been calculated off 50% of the approved remedial investigation and remedial action project costs $2,000,000.

The scope of work involves remedial investigation and remedial action activities including soil sampling and groundwater monitoring, along with receptor and ecological evaluations.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $1,000,000 to perform the approved scope of work at the project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $1,000,000 (50% Innocent Party Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$1,000,000
Remedial investigation	$1,000,000
EDA administrative cost	$500
TOTAL COSTS	$2,000,500

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: April 8, 2014

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Approvals (For Informational Purposes Only)

Pursuant to the delegations approved by the Board in May 2006, staff may approve new grants under the Hazardous Discharge Site Remediation Fund up to $100,000 and may approve supplemental awards for existing grants (of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental awards do not exceed $100,000.

Below is a summary of the Delegated Authority approval processed by staff during the first quarter of 2014.

Applicant	Description	Grant	Cumulative award to Date
1941 Holland Brook Properties P38562	25% Matching Grant for Remedial Action	$5,583	$ 5,583
Robert Weingart P38640	25% Matching Grant for Remedial Action	$8,805	$ 8,805
Somerset County P38608	Remedial Investigation	$75,284	$75,284
City of Perth Amboy P38591	Remedial Investigation	$79,752	$676,974
4 Grants	**Total Grants Funding for April 2014**	**$169,424**	$766,646

Timothy Lizura

Prepared by: Kathy Junghans

OFFICE OF RECOVERY

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM

APPLICANT: Big Top Arcade, Inc. P39042

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 1205 Boardwalk Seaside Heights Borough (N) Ocean

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Big Top Arcade d/b/a Shake Shoppe Arcade is an arcade and concession shop located on the Boardwalk at Seaside Heights. The Company is owned by Patricia Hershey and was founded in 1974. After Superstorm Sandy, the building was renovated from an arcade to include an ice cream counter and food counter.

The proceeds of this loan will be used to refinance the existing Ocean First Bank mortgage and provide working capital reimbursement for expenses related to Superstorm Sandy that do not qualify under the Stronger NJ Business Loan program.

APPROVAL REQUEST:

Approve a $894,974 direct term loan.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $894,974

TERMS OF LOAN: Interest only payment for the initial six months followed by 114 months of principal and interest payments based on a 20-Year Amortization, Fixed rate of the 5-Year UST + 450 bps, with a floor of 3%, Rate reset after the fifth year at the same index.

PROJECT COSTS:

Unmet Need	$1,113,643
Refinancing	$701,567
Working capital	$193,407
Finance fees	$17,850
TOTAL COSTS	$2,026,467

JOBS: At Application 3 Within 2 years 1 Maintained 0 Construction 0

DEVELOPMENT OFFICER: M. Piliere **APPROVAL OFFICER:** J. Wentzel

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: Big Top Arcade, Inc. P38623

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 1020 Boardwalk Seaside Heights Borough (N) Ocean

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Big Top Arcade d/b/a Shake Shoppe Arcade is an arcade and concession shop located on the Boardwalk at Seaside Heights. The Company is owned by Patricia Hershey and was founded in 1974. After Superstorm Sandy, the building was renovated from an arcade to include an ice cream counter and food counter.

APPROVAL REQUEST:

Approve a $142,750 Working Capital term loan under the Stronger NJ Business Loan program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $142,750

TERMS OF LOAN: 24 months of 0% interest followed by 336 months of interest payments based on the 5-Year UST. Rate reset at each 10 year anniversary. During the first 18 months of the loan no principal payments are due followed by 342 months of principal payments in an amount adequate to fully amortize the loan.

PROJECT COSTS:

TOTAL COSTS	$0 *

* - Indicates that there are project costs reported on a related application.

JOBS:				
	At Application	Within 2 years	Maintained	Construction
	0	0	0	0
Jobs on Related P039042	3	1	0	0

DEVELOPMENT OFFICER: H. Friedberg **APPROVAL OFFICER:** J. Wentzel

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: Big Top Arcade, Inc. P39077

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 1020 Boardwalk Seaside Heights Borough (N) Ocean

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Big Top Arcade d/b/a Shake Shoppe Arcade is an arcade and concession shop located on the Boardwalk at Seaside Heights. The Company is owned by Patricia Hershey and was founded in 1974. After Superstorm Sandy, the building was renovated from an arcade to include an ice cream counter and food counter.

APPROVAL REQUEST:
Approve a construction term loan up to $988,743 under the Stronger NJ Business Loan program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $988,743

TERMS OF LOAN: 24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. 336 months of principal payments in an amount adequate to fully amortize the loan.

PROJECT COSTS:

TOTAL COSTS	$0 *

* - Indicates that there are project costs reported on a related application.

JOBS:	At Application	Within 2 years	Maintained	Construction
	0	0	0	0
Jobs on Related P039042	3	1	0	0

DEVELOPMENT OFFICER: M. Piliere **APPROVAL OFFICER:** J. Wentzel

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: BLLS 7th & Broadway Corp. P38879

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION 608 Broadway Barnegat Light Borough (N) Ocean

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

BLLS 7th & Broadway Corp. d/b/a Barnegat Light Liquor Store ("BLLS" or "Company") is a liquor and convenience store located in Barnegat Light, Ocean County. The Company was founded in 1986 by the current owner, Ellyn Halvorsen.

During Superstorm Sandy, the store experienced power outages and surges that caused damage to the registers, computers, and coolers in the store, resulting in inventory spoilage and damage. The store was closed until the electrical system could be repaired and the equipment could be replaced.

APPROVAL REQUEST:

$117,937 working capital loan under the Stronger NJ Business Loan Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $117,937

TERMS OF LOAN: 24 months of 0% interest followed by 96 months of interest payments based on the 5 year US Treasury rate. During the first 18 months of the loan no principal payments are due followed by 102 months of principal payments in an amount adequate to fully amortize the loan. The first $50,000 of the loan will be forgiven one year after closing provided certain conditions under the loan program are met.

PROJECT COSTS:

Working capital	$117,937
TOTAL COSTS	$117,937

JOBS: At Application 1 Within 2 years 3 Maintained 4 Construction 0

DEVELOPMENT OFFICER: D. Ubinger **APPROVAL OFFICER:** D. Lawyer

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: By-The-Sea Too, Inc. P39041

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 1859 Route 35 North Dover Township (T) Ocean

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

By the Sea Too, Inc. ("BTST" or the "Company") is a full service restaurant located in Ortley Beach, Ocean County. The Company was founded in 1996 by the parents of the current owner, Margarita Palermo-Vanesko.

During Superstorm Sandy, the restaurant's entire outside enclosed porch and all equipment was destroyed. The loss of the porch resulted in the loss of 50% of seating capacity for the 2013 season. The restaurant was closed from the time of the storm until June 2013 when it opened on a limited basis. Full service was not restored until July 2013, and even then, only the indoor seating could be used.

APPROVAL REQUEST:

$198,300 working capital loan under the Stronger NJ Business Loan Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $198,300

TERMS OF LOAN: 24 months of 0% interest followed by 96 months of interest payments based on the 5-year US Treasury rate. During the first 18 months of the loan no principal payments are due followed by 102 months of principal payment in an amount adequate to fully amortize the loan. The first $50,000 of the loan will be forgiven one year after closing provided certain conditions under the loan program are met.

PROJECT COSTS:

Working capital	$198,300
TOTAL COSTS	$198,300

JOBS: At Application 10 Within 2 years 15 Maintained 10 Construction 0

DEVELOPMENT OFFICER: T. LaGrutta **APPROVAL OFFICER:** D. Lawyer

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: SJV, Inc. t/a Karma Nightclub P38951

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 401 Boulevard Seaside Heights Borough (N) Ocean

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

SJV, Inc. t/a Karma Night Club ("Karma") was founded in 1996 and is currently owned by Linda Saddy. The Company operates a night club and bar in Seaside Heights. The Company rents space in a building owned by the Saddy Family Trust, a related entity.

This loan will reimburse Karma for working capital expenses incurred in FY13.

APPROVAL REQUEST:

Approve a $1,029,910 working capital loan under the Stronger NJ Business Loan program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $1,029,910

TERMS OF LOAN: 24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 18 months of the loan no principal payments are due followed by 242 months of principal payments in an amount adequate to fully amortize the loan. The first $50,000 of the loan will be forgiven one year after closing provided certain conditions under the loan program are met.

PROJECT COSTS:

Working capital	$1,029,910
TOTAL COSTS	$1,029,910

JOBS: At Application 0 Within 2 years 0 Maintained 0 Construction 0

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** J. Wentzel

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: LASV, Inc. t/a Bamboo Bar P38950

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 201 Boulevard Seaside Heights Borough (N) Ocean

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

LASV, Inc. t/a Bamboo Bar was founded in 1997 and is currently owned by Linda Saddy. The Company operates a night club and bar in Seaside Heights. The Company rents space in a building owned by a related entity.

This loan will reimburse the Company for working capital expenses incurred in FY13.

APPROVAL REQUEST:

Approve a $1,349,524 working capital loan under the Stronger NJ Business Loan program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $1,349,524

TERMS OF LOAN: 24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 18 months of the loan no principal payments are due followed by 342 months of principal payments in an amount adequate to fully amortize the loan. The first $50,000 of the loan will be forgiven one year after closing provided certain conditions under the loan program are met.

PROJECT COSTS:

Working capital	$1,349,524
TOTAL COSTS	$1,349,524

JOBS: At Application 0 Within 2 years 0 Maintained 0 Construction 0

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** J. Wentzel

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: Saddy Family Trust, LLC P38970

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 302 Boulevard Seaside Heights Borough (N) Ocean

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Saddy Family Trust LLC is a real estate holding company that owns three properties in Seaside Heights, NJ.
1) 401-419 Boulevard, which is leased to a related entity through common ownership and to an unaffiliated restaurant.
2) 201 Boulevard, which is fully leased to a related entity through common ownership.
3) 302 Boulevard, which is a property that will be leased to related entity to be formed once renovations have been completed.

This loan will reimburse the Company for working capital expenses incurred in FY13.

APPROVAL REQUEST:

Approve a $457,210 working capital loan under the Stronger NJ Business Loan program

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: 457,210

TERMS OF LOAN: 24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 18 months of the loan no principal payments are due followed by 342 months of principal payments in an amount adequate to fully amortize the loan. The first $50,000 of the loan will be forgiven one year after closing provided certain conditions under the loan program are met.

PROJECT COSTS:

Working capital	$457,210
TOTAL COSTS	$457,210

JOBS: At Application 3 Within 2 years 0 Maintained 0 Construction 0

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** J. Wentzel

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: April 8, 2014

RE: Stronger NJ Neighborhood & Community Revitalization Program (NCR) - Streetscape Revitalization Program Delegated Authority and Request for Rejection of Applications - Round Two

Summary
Notification is being provided of the NCR Streetscape Round Two recommendation to move the top seven (7) ranking Municipalities to the next phase of the approval process. Six of the seven applications are eligible to be fully funded and one application is eligible to proceed with a partial funding allocation. In addition, we will also be advancing the three (3) applications that ranked next below the top seven to NJDEP review, in case any issues arise in the review process or additional funds become available, that allow additional projects to proceed. The Board previously granted Delegated Authority to Real Estate Division staff to determine which projects under the Streetscape Revitalization Program may proceed to the next phase of review by the NJ Department of Environmental Protection.

In addition, the Board is requested to reject the seven (7) applications that were deemed non-responsive or that scored below the minimum threshold score of 55.

Background
As approved by the NJEDA Board on October 8 and November 15, 2013, the Real Estate Division announced a new Streetscape Revitalization Program, utilizing $10 Million of Community Development Block Grant – Disaster Recovery (CDBG-DR) grant funds to support "Main Street" revitalization projects. This Program is part of the Stronger NJ Neighborhood and Community Revitalization, and is intended to provide financial assistance to Municipalities for streetscape related improvements. The deadline for this Round Two of applications was January 21, 2014.

Thirteen (13) new Municipalities submitted their applications with a value of over $10 Million for this second round of funding. The six (6) highest ranked and fully funded projects will be undertaken by South Toms River, Hoboken, Long Branch, Atlantic City, Neptune and Margate. The seventh project will be undertaken by Belmar, which at this time can only be partially funded up to $604,476 of their $972,900 request, as $604,476 is the amount remaining of the $10 Million allocation. If additional funds become available, Belmar will be eligible for a portion or all of the remainder of their funding request up to an additional $368,424. All final award recipients and their respective funding allocations will be reported to the Board at a future meeting(s).

Attached is an integrated ranking summary of remaining Round One applicants, plus the new Round Two applicants. This chart includes the thirteen (13) projects from Round One that scored above the 55 point threshold, plus the thirteen (13) new Round Two applications. Municipalities that scored over 55 points, but are not selected to currently advance, may be eligible in upcoming rounds, if additional funds become available.

Staff has conducted a review of the applications and supporting documentation and determined, based on the information provided, that the selected projects meet the requirements outlined in the NCR Guide to Program Funding and also meet the requirements of the federal Housing & Urban Development's Community Development Block Grant Program under their Disaster Relief category (CDBG-DR) including the National Objective and Cost Reasonableness categories. In addition, the applicants have the experience and capacity to successfully complete the projects and the construction timeline provided demonstrates the ability of the projects to be completed and fully disbursed by December 31, 2015 as required under the NCR program.

If the selected applicants meet all of the CDBG-DR requirements, including satisfactory environmental and historical reviews as required by CDBG-DG program rules, they may be deemed approved and will be required to execute a Subrecipient Agreement outlining the continuing obligations of the Municipality.

Notification letters have been sent to applicants as follows:

i) to the six (6) applicants whose projects are eligible to be fully funded and are proceeding to the next phase of review by the NJ Department of Environmental Protection utilizing the remainder of the $10 Million allocation;

ii) to the one (1) applicant whose project is eligible for partially funding and is proceeding to the next phase of review by the NJ Department of Environmental Protection utilizing the remainder of the $10 Million allocation;

iii) to the three (3) applicants whose projects are proceeding to the next phase of review by the NJ Department of Environmental Protection and which will be funded only if additional funding becomes available from the $10 Million allocation; and

iv) to the nine (9) applicants from Round One and Round Two that were not selected to move forward, but scored at or above the 55 point threshold and may be considered if future funding becomes available, subject to their election to keep their applications active.

Currently, adequate funding is not available for all the projects advancing to the next round of NJDEP review. However, due to tight time constraints of the Program, it is prudent to have additional projects ready to proceed if some applications are deemed "not approved", other issues arise during the review process, or additional funds become available.

In accordance with the Program Guidelines, projects that scored below the minimum threshold of 55 points, or that were deemed ineligible, will not be considered in any further rounds of evaluation. As outlined on the attached evaluation matrix, Perth Amboy, Berkeley Township, Middle Township, Spring Lake, Harrison and Hammonton were deemed ineligible for failure to meet the minimum score. Union Beach was deemed non-responsive since their funding request was below the minimum Program threshold dollar value of $125,000. Based on the foregoing, the Board is requested to reject these seven (7) applications as a final agency decision. The seven (7) applicants that were deemed non-responsive or that scored below the minimum threshold will be notified of the Board's action and have the right to appeal.

Recommendation

The Board is requested to reject the seven (7) applications that were deemed non-responsive or that scored below the minimum threshold score of 55.

Timothy J. Lizura
President/Chief Operating Officer

Attachment
Prepared by: Stephen Martorana

NEW JERSEY ECONOMIC DEVEOPMENT AUTHORITY
STREETSCAPE REVITALIZATION PROGRAM - PROGRAM APPLICATION EVALUATION SHEET
Round 2

Evaluative Criteria	Weight in Points	Grant Funds Allocated for Round 1	South Toms Tiver	Hoboken	Long Branch	Atlantic City - Atlantic Ave	Neptune	Margate	Belmar - Main St.	Oceanport - East Main Street	Sea Bright	Jersey City
Requested Amount			$600,048	$919,373	$750,000	$1,085,000	$800,114	$377,069	$972,900	$390,000	$1,384,158	$1,500,000
Overall Project Cost			$600,048	$965,373	$750,000	$4,485,000	$800,114	$377,069	$972,900	$390,000	$1,384,158	$1,584,000
1-A) Super Storm Sandy Impacted Community - The project is located in one of the nine (9) "most impacted" counties.	**10**		10	10	10	10	10	10	10	10	10	10
1-B) Super Storm Sandy Impacted Community - Level of Damage to Municipality.	**15**		15	15	15	15	15	15	15	15	15	15
1-C) Super Storm Sandy Impacted Community - Level of Damage to Proposed Project Vicinity.	**10**		7	7	5	3	0	3	10	5	7	0
2) Readiness to Proceed and Succeed - project with earlier completion dates will be given priority scoring in order to ensure that all awarded funds are disbursed by December 31, 2015.	**10**		7	5	5	6	7	7	7	7	7	5
3) Low or Moderate Income Communities - Projects will be prioritized based on their location in a low or moderate income community.	**10**		10	3	10	10	10	5	0	0	0	10
4) Experience - Applicant's experience in successfully completing projects of a similar size and scope.	**10**		7	7	7	7	7	7	7	10	7	5
5) Adherence with Plan - Documentation that the project improvements are integral to implementing a comprehensive revitalization strategy or plan.	**10**		7	8	5	8	10	10	9	10	6	10
6-A) Extent to which the project will enhance the neighborhood and community at large as documented in the submission package.	**15**		10	10	10	10	10	10	10	10	10	7
6-B) Increase the resiliency of the surrounding community to rebound from future weather-related disasters.	**10**		3	10	8	3	3	4	3	3	7	5
SUB-TOTAL	**100**		**76**	**75**	**75**	**72**	**72**	**71**	**71**	**70**	**69**	**67**
Projected project costs		**$4,863,920**	$5,463,968	$6,383,341	$7,133,341	$8,218,341	$9,018,455	$9,395,524	$10,368,424	$10,758,424	$12,142,582	$13,642,582

Evaluative Criteria	Brigantine	Monmouth Beach - Beach Road Façade	Little Egg Harbor - Town Center	East Orange	Pleasantville - Main St.	Point Pleasant - Channel Drive	Ventnor - North Beach	Cape May - Convention Hall District	Belleville - Washington Ave & Main St	Perth Amboy	Berkeley Township	Middle Twp Cape May Courthouse	Spring lake	Harrison	Hammonton	Union Beach *
Requested Amount	$758,448	$245,000	$715,000	$1,081,320	$474,214	$1,500,000	$800,000	$253,000	$1,500,000	$1,217,000	$171,612	$474,500	$134,400	$589,000	$900,000	$113,708
Overall Project Cost	$758,448	$245,000	$715,000	$1,081,320	$474,214	$1,651,028	$800,000	$253,000	$1,674,000	$1,275,000	$171,612	$474,500	$134,400	$589,000	$900,000	$1,137,078
1-A) Super Storm Sandy Impacted Community - The project is located in one of the nine (9) "most impacted" counties.	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
1-B) Super Storm Sandy Impacted Community - Level of Damage to Municipality.	15	15	15	5	15	15	15	15	0	0	15	10	5	10	0	
1-C) Super Storm Sandy Impacted Community - Level of Damage to Proposed Project Vicinity.	3	7	0	5	3	0	3	3	10	0	0	3	3	0	3	
2) Readiness to Proceed and Succeed - project with earlier completion dates will be given priority scoring in order to ensure that all awarded funds are disbursed by December 31, 2015.	5	7	7	3	3	3	5	3	5	3	5	0	7	3	5	
3) Low or Moderate Income Communities - Projects will be prioritized based on their location in a low or moderate income community.	5	0	5	10	10	10	5	10	8	10	0	0	0	10	5	
4) Experience - Applicant's experience in successfully completing projects of a similar size and scope.	5	7	5	5	5	7	5	5	5	7	5	3	7	3	7	
5) Adherence with Plan - Documentation that the project improvements are integral to implementing a comprehensive revitalization strategy or plan.	9	7	5	7	5	5	5	3	7	7	3	7	5	3	4	
6-A) Extent to which the project will enhance the neighborhood and community at large as documented in the submission package.	10	7	7	10	4	5	6	5	5	10	5	10	5	5	5	
6-B) Increase the resiliency of the surrounding community to rebound from future weather-related disasters.	3	3	5	3	3	3	3	3	5	0	3	3	3	0	0	
SUB-TOTAL	**65**	**63**	**59**	**58**	**58**	**58**	**57**	**57**	**55**	**47**	**46**	**46**	**45**	**44**	**39**	*****
Projected project costs	$14,401,030	$14,646,030	$15,361,030	$16,442,350	$16,916,564	$18,416,564	$19,216,564	$19,469,564	$20,969,564							

* Ineligible - Below minimum $ threshold for Program

INCENTIVES

GROW NEW JERSEY ASSISTANCE PROGAM (GROW NJ)

The following summary is provided for information only. Full eligibility and review criteria can be found in the program's rules.

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

Created by law in 2012, and substantially revised through P.L. 2013, c. 161, the intent of this program is to provide tax credits to eligible businesses which make, acquire or lease a capital investment equal to or greater than certain minimum capital investment amounts at a qualified business facility at which it will employ certain numbers of employees in retained and/or new full-time jobs.

Per N.J.S.A. 34:1B-242 et seq. / N.J.A.C. 19:31-18 and the program's rules, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, i.e.: Industrial/Rehabilitation Projects-$20 sq. ft.; Industrial/New Construction Projects-$60 sq. ft.; Office/Rehabilitation Projects-$40 sq. ft.; and Office/New Construction-$120 sq. ft.
  Minimum capital investment amounts lowered to 2/3 in GSGZs and in eight southernmost counties

- Retain full-time jobs and/or create new full-time jobs in an amount equal to or greater than, the applicable minimum requirements, as follows: Tech start ups and manufacturing businesses - 10 new/25 retained FT jobs; Other targeted industries - 25 new/35 retained FT jobs; All other businesses/industries - 35 new/50 retained FT jobs.
  Minimum employment numbers lowered to 3/4 in GSGZs and in eight southernmost counties

- Demonstrate that: the qualified business facility is constructed to certain minimum environmental / sustainability standards; the proposed capital investment and resultant retention and creation of eligible positions will yield a net positive benefit equaling at least 110% of requested tax credit allocation amount prior to taking into account the value of requested tax credit, and shall be based on benefits generated during the first 20 years following project completion (30 years for mega project or project in GSGZ and, for GSGZ-Camden, 35 years and equal to 100% of requested allocation); and, the award of tax credits will be a material factor in the business's decision to create or retain the minimum number of full-time jobs (if the site was acquired within 24 months prior to project application, the business shall provide evidence relating to viable alternatives to site and ability to dispose of or carry the costs of the site, if the business moves to the alternate site).

Staff Review:

- A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of at least 110%. The economic impact model used by the EDA includes multipliers from the RIMS II data base, published by the US Department of Commerce, along with internal econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation.
- For material factor, staff reviews cost benefit analyses provided by the company regarding other out-of-state sites under consideration and cost of rent, property taxes, and utility costs; and, also investigates any existing labor contracts or real estate ownership that would render a re-location out of New Jersey impractical or cost prohibitive.
- For intra-State job transfers, EDA Board shall make a separate determination to verify and confirm that the jobs are at risk of leaving the state, the date(s) at which the EDA expects that those jobs would actually leave, or with respect to projects in a GSGZ-Camden, that the provision of tax credits under the program is a material factor in the businesses decision to make a capital investment and locate there, as attested to in a CEO certification.
- If the business reduces the total number of its full-time employees in the State by more than 20% from the tax period prior to approval, then the business shall forfeit its credit for that tax period and going forward until such time as its full-time employment in the State has increased to the 80% level.

Amount of award based upon:

- Base, gross and maximum amounts of tax credits for each new or retained full-time job, follows:

Project Type	**Base Amount** *Per Job/Per Year*	**Gross Amount** *Per Job/Per Year*	**Maximum Amount** *To be Applied Annually*
Mega Project	$5,000	$15,000	$30 million
GSGZ Project	$5,000	$15,000	$30 million/*$35 million-Camden*
UTHTC Municipality	$5,000	$12,000	$10 million
Distressed Municipality	$4,000	$11,000	$8 million
Priority Area	$3,000	$10,500	$4 million *(Not more than 90% of withholdings)*
Other Eligible Area	$500	$6,000	$2.5 million *(Not more than 90% of withholdings)*
Disaster Recovery Project	$2,000	$2,000	

- Bonus – The amount of tax credit shall be increased if the qualified business facility meets any of the following priority criteria or other additional or replacement criteria determined by EDA from time to time in response to evolving economic or market conditions:

Bonus Type	**Bonus Amount**
Deep poverty pocket or Choice Neighborhoods Transportation Plan area	$1,500
Qualified incubator facility	$500
Mixed-use development with sufficient moderate income housing on site to accommodate 20% of full-time employees	$500
Transit oriented development	$2,000
Excess capital investment in industrial site for industrial use (e*xcludes mega projects)*	$3,000 maximum
Excess capital investment in industrial site for industrial use (m*ega projects or GSGZ projects)*	$5,000 maximum
Average salary in excess of county's existing average or in excess of average for GSGZ	$1,500 maximum
Large numbers of new and retained full-time jobs 251 to 400 401 to 600 601 to 800 801 to 1,000 1,001+	 $500 $750 $1,000 $1,250 $1,500
Business in a targeted industry	$500
Exceeds LEED "Silver" or completes substantial environmental remediation	$250
Located in municipality in eight southernmost counties with a MRI Index greater than 465	$1,000
Located within a half-mile of any new light rail station	$1,000
Projects generating solar energy for onsite use	$250

- Final Total Tax Credit Amount – Except for in GSGZ-Camden, the final total amount of tax credit, following the determination by EDA of the gross amount of tax credits, shall equal to 100% of the gross amount of tax credits for each new full-time job; and 50% for each retained full-time job.

- For tax credits in excess of $40 million, the amount available to be applied by the business annually shall be the lesser of the permitted statutory maximum amount or an amount determined by EDA necessary to complete the project, determined through staff analysis of all locations under consideration and all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations and potential out-of State location alternatives.

- Limits on Annual Tax Credits – The amount of tax credits available to be applied by the business annually shall not exceed certain amounts: GSGZ/Camden-$35,000,000; Mega Project/Growth Zone-$30,000,000; Urban Transit Hub - $10,000,000; Distressed Municipality - $8,000,000; Priority Areas - $4,000,000 (not more than 90% of withholdings); and Other Eligible Areas - $2,500,000 (not more than 90% of withholdings).

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: April 8, 2014

SUBJECT: Grow New Jersey Program

BACKGROUND

The Grow New Jersey Program (Grow NJ) was amended in September 2013 to further the ability of the State to attract and maintain businesses. One of the components of Grow NJ requires the Authority to perform additional due diligence on any project applying for tax credits in excess of \$4,000,000/year. The additional due diligence requires a full economic analysis of all locations under consideration. Upon completion of the full economic analysis, pursuant to the Act, the Authority shall award the lesser of the amount of tax credits as calculated via the statutory formula and the amount determined by the Authority "as necessary to complete the project."

In order to determine the amount necessary to complete the project, a methodology has been proposed to calculate the amount. There are several factors utilized as part of the calculation including the project's net benefit to the State, the statutory calculation and the gap in costs between the locations, and then taking into consideration the project location, and the project type. In creating these criteria, staff has been guided by both the priorities articulated in the legislation and the factors an applicant would consider in its relocation decision. For instance, the Act recognizes that a project in a Garden State Growth Zone, urban hub or a distressed area is more difficult to complete than in a priority area; the proposed methodology recognizes that there may be intrinsic barriers to building in these areas and allows the Authority to offer a larger grant to overcome these barriers. In another example, if a project is bringing significant net benefits to the State, it is reasonable to assume that a company will seek to leverage those benefits to demand a larger grant. The proposed methodology therefore takes into account the net benefits to the State, with particular emphasis on transformative projects.

In Camden only, projects can be awarded the higher of the statutory calculation or an alternative calculation. The alternative calculation in Camden occurs when the number of jobs exceeds certain set numbers and the capital investment exceeds certain amounts. In such instances, the applicant may receive as tax credits the amount of the capital investment subject to certain annual limits. As set forth in the Authority's regulations, the alternative calculation will not be subject to the proposed methodology.

RECOMMENDATION

The Members are asked to approve the methodology to calculate the amount necessary to complete projects that have applied for tax credits in excess of $4,000,000/year.

Prepared by John Rosenfeld

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: ENER-G Rudox Incorporated P39002

PROJECT LOCATION: 180 E Union Ave East Rutherford Bergen County

GOVERNOR'S INITIATIVES:
( ) NJ Urban Fund (X) Edison Innovation Fund ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
ENER-G Group is a European cogeneration/energy efficiency company based in the UK with a presence in 17 countries. Rudox Engine & Equipment Company was a 3rd generation NJ based company (60+ years in NJ) originally focused on backup power generation. In 2012, the entities merged to form ENER-G Rudox Incorporated, to sell CHP and cleantech / renewable energy solutions in the US. ENER-G group has a 75% holding in Rudox, with existing Rudox owners retaining a 25% stake in the new company. ENER-G Rudox is now a subsidiary of ENER-G Group, serving as its North American business unit.

After the merger, ENERG-Rudox Incorporated evaluated the "Legacy-Rudox" CHP manufacturing facility in Carlstadt as a potential site for the new cogeneration plant. However, the company determined the necessary upgrades to the parent company's manufacturing & sustainability specifications were cost-prohibitive. The parent holding company wanted to disassociate the new company from old manufacturing practices, and reposition the firm as a clean-energy company. Furthermore, it could not reach an agreement with the building's landlord on tenant fit-out concessions and extended lease terms. Therefore, the parent company decided to evaluate several relocation options.

ENER-G Rudox Incorporated is looking to expand into a 28,885 sf advanced-manufacturing facility for cogeneration and energy-efficiency systems, as well as a state-of-the art network operations center for managing all North American systems. The majority of development work will be knowledge-transfer, training and technology development to tailor ENER-G Group's UK products for the US market.

The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The applicant has submitted a cost benefit analysis comparing the renovation projects of a 28,885 sf facility in East Rutherford to a 30,000 sf facility located in Wisconsin. The one-time cost of expanding will be $1.1M greater in New Jersey than Wisconsin. The annual operating costs are projected to be $2.3M and $3.0M in Wisconsin and New Jersey respectively. There is an apparent abundance of skilled labor in Wisconsin with a lower salary requirement. The company notes it has many pre-existing relationships in Wisconsin, as many of its suppliers and competitors are already located there due to the low cost of labor and taxes. Being located closer to suppliers will reduce overall manufacturing costs by lowering transportation costs and better integration with supply chain.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of ENER-G Rudox Incorporated has indicated that the grant of tax credits is a material factor in the company's location decision. In addition, the applicant anticipates applying for CEMF funding which will help defray the additional costs of the New Jersey location. The Authority is in receipt of an executed CEO certification by Chris Hayton, the CEO of ENER-G Rudox Incorporated, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $10.3M over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 30 New Jersey jobs listed in the application are at risk of being located outside the State on or before February 28, 2015. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	**$ 20**
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	$ 40
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	**10 / 25**
Other targeted Industries	25 / 35
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As an Industrial - Rehabilitation Project for a Manufacturing business in Bergen County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$577,700	$5,350,009
New Jobs	10	N/A
Retained Jobs	25	30

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of $3,000 per year	East Rutherford is a

	for projects located in a designated Priority Area	designated Priority Area
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000	The proposed capital investment of $5,350,009 is 826% above the minimum capital investment resulting in an increase of $3,000 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Priority Area		$3,000

INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (non-Mega):	$3,000	
Targeted Industry (Manufacturing):	$ 500	

INCREASE PER EMPLOYEE: $3,500

PER EMPLOYEE LIMIT:

Priority Area $10,500

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $6,500

AWARD:

New Jobs:	0 Jobs X $6,500 X 100% =	$ 0,000
Retained Jobs:	30 Jobs X $6,500 X 50% =	$97,500
	Total:	**$97,500**

ANNUAL LIMITS:

Priority Area (90% Witholding Limit) $ 4,000,000/ ($ 98,582)

TOTAL ANNUAL AWARD **$97,500**

The Grow New Jersey Statute has established a minimum threshold for Capital Investment based on the type of business, whether the project location is a new or existing facility, the square footage of the project location, and the location of the project. Based upon these criteria, the minimum capital investment for this project is $577,700.

The Grow New Jersey Statute has established a minimum threshold for both New Full-Time Job creation and Retained Full-Time Jobs. Each applicant is required to meet EITHER the minimum New Full-Time Job requirement OR the minimum Retained Full-Time Job requirement. The minimum thresholds are based on the type of business and the project location. Based upon these criteria, the minimum New Full-Time Job number is 10 or the minimum Retained Full-Time Job number is 25.

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 5,350,009
NEW FULL-TIME JOBS:	0
RETAINED FULL-TIME JOBS:	30

NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 10,338,712
TOTAL AMOUNT OF AWARD (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS):	$ 975,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 78,000
SIZE OF PROJECT LOCATION:	28,885
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	30

PROJECT IS: (X) Expansion (X) Relocation
CONSTRUCTION: ( ) Yes (X) No
DEVELOPMENT OFFICER: S. Royster **APPROVAL OFFICER:** J. Horezga

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before February 28, 2015; 2) approve the proposed Grow New Jersey grant to encourage ENER-G Rudox Incorporated to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: SodaStream USA, Inc. P39146

PROJECT LOCATION: 1130-1140 Thomas Busch Mmrl. Hwy. Pennsauken Township Camden County

GOVERNOR'S INITIATIVES:
(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Headquartered in Mount Laurel, SodaStream USA, Inc. markets and services home beverage carbonation systems in the United States. It is owned by SodaClub Switzerland GmbH, which is in turn owned by SodaStream International Ltd. SodaStream International Ltd. is an Israeli company whose stock is traded on the NASDAQ exchange. The SodaStream group of companies manufactures and distributes home beverage carbonation systems that enable consumers to easily transform ordinary tap water instantly into carbonated soft drinks and sparkling water. The applicant has demonstrated the financial ability to undertake the project.

This growing company operates two production lines that fill/refill cylinders with CO_2 in Pennsauken, New Jersey. The company is planning to expand these filling lines from two to three along with adding a cylinder testing operation.

MATERIAL FACTOR/NET BENEFIT:
With a staff of 31, SodaStream USA, Inc.'s Pennsauken CO_2 filling operation is occupying 17,300 sf of a 47,800 sf building. The remaining 30,500 sf of this building is available for the expansion. The company's expansion/relocation plans will result in the retention of 31 jobs and the creation of 26 new positions. The alternative state for this project is Utah. The company has applied for an award of tax credits under the new Grow New Jersey program to provide an incentive to remain and expand in New Jersey.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of SodaStream USA, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of executed CEO certifications by Scott Guthrie, the General Manager – Americas of the SodaStream group, and Gerard Meyer, the President of SodaStream USA, Inc., that state that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $8.3 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 31 Pennsauken, New Jersey jobs listed in the application are at risk of being located outside the State on or before December 31, 2015. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	**$ 20**
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	$ 40
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are ***reduced by 1/3*** *in GSGZs and in eight South Jersey counties: Atlantic, Burlington,* ***Camden****, Cape May, Cumberland, Gloucester, Ocean and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and **manufacturing businesses**	**10 / 25**
Other targeted Industries	25 / 35
All other businesses/industries	35 / 50

Minimum employment numbers are ***reduced by 1/4*** *in GSGZs and in eight South Jersey counties: Atlantic, Burlington,* ***Camden****, Cape May, Cumberland, Gloucester, Ocean and Salem*

As an Industrial - Rehabilitation Project, for a manufacturing (cylinder filling/refilling) business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$637,333	$1,269,000
New Jobs	8	26
Retained Jobs	19	31

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Pennsauken is a designated Distressed Municipality.
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000	The proposed capital investment of $1,269,000 is 99% above the minimum capital investment resulting in an increase of $3,000 per year.

Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Pennsauken Township has a 2007 Revitalization Index of 481.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality		$4,000

INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (non-Mega):	$3,000	
Targeted Industry (Manufacturing):	$ 500	
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem:	$1,000	

INCREASE PER EMPLOYEE: $4,500

PER EMPLOYEE LIMIT:

Distressed Municipality	$11,000	

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $8,500

AWARD:

New Jobs:	26 Jobs X $8,500 X 100% =	$221,000
Retained Jobs:	31 Jobs X $8,500 X 50% =	$131,750
	Total:	**$352,750**

ANNUAL LIMITS:

Distressed Municipality	$8,000,000	

TOTAL ANNUAL AWARD **$352,750**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$1,269,000
NEW FULL-TIME JOBS:	26
RETAINED FULL-TIME JOBS:	31

NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$8,343,089
TOTAL AMOUNT OF AWARD:	$3,527,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$32,000
SIZE OF PROJECT LOCATION:	47,800 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	84

PROJECT IS: (X) Expansion (X) Relocation/Retention
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before December 31, 2015; 2) approve the proposed Grow New Jersey grant to encourage SodaStream USA, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER**: D. Sucsuz

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: Sys-tech Solutions, Inc. P39128

PROJECT LOCATION: 1 Research Way Plainsboro Middlesex County

GOVERNOR'S INITIATIVES:
( ) NJ Urban Fund (X) Edison Innovation Fund ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Sys-tech Solutions, Inc. is a provider of brand protection and authentication technologies serving a wide variety of industries ranging from pharmaceutical, biotechnology and medical devices to food and beverage and healthcare. Offering revolutionary anti-counterfeiting technologies, authentication solutions, and supply chain data visibility applications, Sys-tech makes customer's brands more secure and the resulting data more accurate, valuable and actionable. Based in Cranbury, New Jersey, with international headquarters in Brussels, Belgium, Sys-tech's dedicated sales and technical services teams serve customers in more than 26 countries worldwide. In business since 1985, Sys-tech has been the "go-to" provider for many of the world's largest pharmaceutical and life science corporations, as well as market leaders in other industries including medical devices, consumer packaged goods and healthcare. Sys-tech's software and solutions help its customers ensure compliance with domestic and international track-and-trace and authentication requirements to enable verification of original product and identification of altered, tampered or replaced product through the supply chain.

The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The Cranbury New Jersey lease expires December 2014, and the space is no longer suitable for its needs. It is considering moving to Pennsylvania due to a decrease in rental and payroll costs in comparison with operating in New Jersey. Additionally, no labor, contractual, or regulations requirements mandate the company remain in New Jersey. Moreover, due to the national scope and technology based nature of its business, the physical location of their facility can be located outside of New Jersey. Moving the company outside of New Jersey will not have a noticeable impact to its business. According to the cost/benefit analysis, annual ongoing costs are $1.8M less to operate in Pennsylvania in comparison to New Jersey.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Sys-tech Solutions, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Robert DeJean, the CEO of Sys-tech Solutions, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $119.5M over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 129 New Jersey jobs listed in the application are at risk of being located outside the State on or before December 31, 2014. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted Industries	**25 / 35**
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As an Non-Industrial – Rehabilitation Project for a Other Targeted Industry business in Middlesex County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$2,023,240	$4,546,235
New Jobs	25	171
Retained Jobs	35	129

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Priority Area	Base award of $3,000 per year for projects located in a designated Priority Area	Plainsboro is a designated Priority Area
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $138,383 exceeds the County median salary by 139% resulting in an increase of $750 per year.

Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 300 Full-Time Jobs at the project location resulting in an increase of $ 500.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Technology business.
Exceeds LEEDs Silver or Substantial Env. Remed.	An increase of $250 per job for a facility exceeding the Leadership in Energy and Environmental Design's "Silver" rating standards or for a project that completes substantial environmental remediation	The applicant proposes achieving a LEEDs Gold rating.

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Priority Area			$3,000
INCREASES PER EMPLOYEE:			
Jobs with Salary in Excess of County/GSGZ Average:		$750	
Large Number of New/Retained F/T Jobs:		$500	
Targeted Industry (Technology):		$500	
Exceeds LEEDs Silver:		$250	
INCREASE PER EMPLOYEE:			$2,000
PER EMPLOYEE LIMIT:			
Priority Area		$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$5,000
AWARD:			
New Jobs:	171 Jobs X $5,000 X 100% =		$855,000
Retained Jobs:	129 Jobs X $5,000 X 50% =		$322,500
		Total:	**$1,177,500**
ANNUAL LIMITS:			
Priority Area (90% Witholding Limit)	$ 4,000,000/ ($1,350,243)		
TOTAL ANNUAL AWARD			**$1,177,500**

The Grow New Jersey Statute has established a minimum threshold for Capital Investment based on the type of business, whether the project location is a new or existing facility, the square footage of the project location, and the location of the project. Based upon these criteria, the minimum capital investment for this project is $2,023,240.

The Grow New Jersey Statute has established a minimum threshold for both New Full-Time Job creation and Retained Full-Time Jobs. Each applicant is required to meet EITHER the minimum New Full-Time Job requirement OR the minimum Retained Full-Time Job requirement. The minimum thresholds are based on the type of business and the project location. Based upon these criteria, the minimum New Full-Time Job number is 25 or the minimum Retained Full-Time Job number is 35.

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 4,546,235
NEW FULL-TIME JOBS:	171
RETAINED FULL-TIME JOBS:	129

NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$119,517,414
TOTAL AMOUNT OF AWARD (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS):	$ 11,775,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 138,383
SIZE OF PROJECT LOCATION:	50,581 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	129

PROJECT IS: (X) Expansion (X) Relocation
CONSTRUCTION: ( ) Yes (X) No
DEVELOPMENT OFFICER: K. Hashmi **APPROVAL OFFICER**: J. Horezga

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before December 31, 2014; 2) approve the proposed Grow New Jersey grant to encourage Sys-tech Solutions, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: United Water Management and Services Inc. & United Water Inc. P39092

PROJECT LOCATION: 461 From Road Paramus Bergen County

GOVERNOR'S INITIATIVES:
( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
United Water Management and Services Inc. is a shared services company of the United Water Inc. providing human resources, legal, treasury, facilities, tax, accounting and communications for the entire North American operation. United Water Inc. is one of the nation's leading environmental companies providing water and wastewater services to approximately 5.5 million people throughout the country. In addition to owning 18 water utilities, United Water operates 90 municipal and industrial water and wastewater systems, subject to regulation by the public utility commissions of the states in which it operates. The Company's principal utility subsidiaries include United Water New Jersey Inc., United Water New York Inc. and United Waterworks Inc. United Water New Jersey, founded in 1869 as Hackensack Water Company, provides water services to about 800,000 people throughout Bergen and Hudson counties as well as 8,000 people in Sussex, Morris and Passaic counties and 4,000 people in Hunterdon. United Water is a subsidiary of Suez Environment, headquartered in France. The applicant has demonstrated the financial ability to undertake the project.

United Water Inc. has previously received Authority assistance via tax-exempt bond financing since 1986. Currently $230 million remains outstanding. Proceeds were used to make improvements at the existing treatment plant in Haworth and to the existing water supply systems throughout the services area. Neither the bond financing nor the employees are affected by this GROW NJ application.

MATERIAL FACTOR/NET BENEFIT:
United Water Inc. is currently selling the existing headquarters facility in Harrington Park, NJ and relocating all corporate and share services employees to one consolidated location. The company has outgrown the location and is looking to relocate these operations and employees totaling 294 to a new location, either in Paramus, NJ or Pearl River, NY. The intention is to stay within the company's service territory, which includes Northern New Jersey and Rockland County, New York. The company also expects to create an additional 15 new jobs.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of United Water Management and Services Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Bertrand Camus the CEO of United Water Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $29 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 294 New Jersey jobs listed in the application are at risk of being located outside the State on or before December 1, 2014. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted Industries	25 / 35
All other businesses/industries	**35 / 50**

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As a Non-Industrial – Rehabilitation Project for an Other Business in Bergen County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$3,600,000	$6,935,000
New Jobs	35	N/A
Retained Jobs	50	294

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of $3,000 per year for projects located in a designated Priority Area	Paramus is a designated Priority Area
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth	The proposed median salary of $80,000 exceeds the Bergen County median salary by 35.3% resulting in an increase of $250 per year.

	Zone, in which the project is located with a maximum increase of $1,500	
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 294 Full-Time Jobs at the project location resulting in an increase of $500.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Priority Area		$3,000

INCREASES PER EMPLOYEE:

Jobs with Salary in Excess of County/GSGZ Average:	$250	
Large Number of New/Retained F/T Jobs:	$500	

INCREASE PER EMPLOYEE: $750

PER EMPLOYEE LIMIT:

Priority Area	$10,500	

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: **$3,750**

AWARD:

New Jobs:	0 Jobs X $3,750 X 100% =	$0,000
Retained Jobs:	294 Jobs X $3,750 X 50% =	$551,250
	Total:	**$551,250**

ANNUAL LIMITS:

Priority Area (90% Witholding Limit) $4,000,000/($1,275,228)

TOTAL ANNUAL AWARD **$551,250**

The Grow New Jersey Statute has established a minimum threshold for Capital Investment based on the type of business, whether the project location is a new or existing facility, the square footage of the project location, and the location of the project. Based upon these criteria, the minimum capital investment for this project is $3,600,000.

The Grow New Jersey Statute has established a minimum threshold for both New Full-Time Job creation and Retained Full-Time Jobs. Each applicant is required to meet EITHER the minimum New Full-Time Job requirement OR the minimum Retained Full-Time Job requirement. The minimum thresholds are based on the type of business and the project location. Based upon these criteria, the minimum New Full-Time Job number is 35 or the minimum Retained Full-Time Job number is 50.

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 6,935,000
NEW FULL-TIME JOBS:	0
RETAINED FULL-TIME JOBS:	294

NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$29,144,010
TOTAL AMOUNT OF AWARD (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS):	$5,512,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$80,000
SIZE OF PROJECT LOCATION:	90,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	818

PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No
DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER**: T. Wells

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before December 1, 2014; 2) approve the proposed Grow New Jersey grant to encourage United Water Management and Services Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

BOARD MEMORANDUMS

New Jersey Economic Development Authority

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and Chief Operating Officer

DATE: April 8, 2014

SUBJECT: American Home Assurance Company and Affiliates/AIG
BEIP Grants: P12490, P14375, and P15826
Project Locations: Berkeley Heights, Union County and Jersey City, Hudson County

Modification Request:
Consent to name changes in the American Home Assurance Company (collectively "AIG") Business Employment Incentive Program grants as shown below. These changes do not materially impact the company's initially projected job creation numbers. The members are being asked to approve these changes due the companies' previously reported legal matters and the size of the grants (in excess of $10 million):

(i) Birmingham Fire Insurance Company of Pennsylvania to AIG Casualty Company to Chartis Property Casualty Company to AIG Property Casualty Company;
(ii) AIG Domestic Claims, Inc. to Chartis Claims, Inc. to AIG Claims, Inc.; and
(iii) American International Surplus Lines Agency, Inc. to AIG Commercial Insurance Agency, Inc. to Chartis Insurance Agency, Inc. to AIG Property Casualty Insurance Agency, Inc.

Background
AIG and its affiliates are operating subsidiaries of American International Group were formed in 1967, is a nationwide provider of commercial umbrella/excess liability and primary and excess workers' compensation insurance.

Since 2000, AIG has been awarded a total of 4 BEIP grants to expand its operations in New Jersey. The fourth grant, AIG SunAmerica Asset Management, is not included in this request.

Grant I - (P12490)
AIG and affiliates were approved for an 80% grant for 10 years in July 2000 with a new employment commitment of 589 at its facility in Berkeley Heights Twp. 744 jobs were reported for 2013. Approximately $11.9 million has been awarded on the grant.

Grant II - **(P14375)**
A second grant was approved in July 2002 at 70% for 10 years with a new employment commitment of 400 at its facility at 90 Hudson Street, Jersey City. 326 jobs were reported for 2013. Approximately $8 million has been awarded on this grant.

Grant III - **(P15826)**
A third grant was approved in June 2004 at 80% for 10 years with a new employment commitment of 300 at its facility at 101 Hudson, Street, Jersey City. 500 jobs were reported for 2013. Approximately $9.3 million has been awarded on this grant.

In summary, AIG projected to create 1,170 jobs at approval. As of 12/31/13, the grantees reported approximately 1,570 jobs, which is nearly 34% higher than was initially projected.

Litigation Matters:
Staff along with the Office of the Attorney General has reviewed all legal matters pertaining to the company since the date of its last review in June 2011, and has confirmed with the company that AIG Property Casualty has met all of its deliverables to date under the Corrective Action Plan and that United Guaranty remains in compliance with the April 2013 Consent Order. As a result of this review, it is concluded that there are no issues that rise to level of debarment, and therefore staff recommends the grants be continued without disqualification.

Recommendation:
Consent to administrative changes to the grantees summarized above and to continue the grants without disqualification.

Prepared by: Karen Gallagher

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: April 8, 2014

SUBJECT: The Arc of Bergen and Passaic Counties, Inc.
$849,178 Tax Exempt Bond
P14221 (the "Bond")

Modification Request:
Consent to modification of the Bond to (i) reduce the existing fixed rate of 5.5% to 3.95% from May 1, 2014 until August 1, 2018; (ii) extend the maturity date from September 1, 2023 until September 1, 2026 and (iii) modify the amortization schedule to reflect the new terms of the Bond.

Background:
The Arc of Bergen and Passaic Counties, Inc. (ARC) is a private, not-for-profit 501(c) (3) organization founded in 1947. ARC provides a comprehensive array of services and programs that include vocational rehabilitation, housing, employment workshops and recreational activities to children and adults with mental retardation and developmental disabilities.

In August 2003, the Authority approved a $1,241,750 stand alone Bond to refinance two existing conventional mortgages at the agency's Program Service Center and Vocational Training Center. The Bond was directly purchased by Commerce Bank, N.A. (now T.D. Bank) at an initial fixed interest rate of 3.83% with rate reset options at each fifth year anniversary, for a term of 20 years. As a conduit financing, the Authority has no credit exposure.

Due to an oversight in bank's billing, the Bond payments were not adjusted to reflect the new rates that went in effect in August 2008 and 2013 and as a result the Bond was not repaid as quickly as originally anticipated.

Rather than requiring a large balloon principal payment, the Bank and Borrower have negotiated a three (3) year maturity extension on the Bond and are requesting the Members' consent of same. The extension will provide the Borrower with additional time to amortize the remaining principal balance on the Bond.

The Bank and Borrower have also renegotiated the interest rate and have agreed to reset the rate to 3.95% from May 1, 2014 through August 1, 2018. The rate will then again be reset for a period of 5 years commencing August 1, 2018 through August 1, 2023 and will then have a final rate reset period of 3 years through the new maturity date of the Bond.

McManimon, Scotland & Baumann, LLC, Bond Counsel to the Authority, has advised that the interest rate and maturity extension will constitute a reissuance of the Bond for Federal tax law purposes. They have also opined that the tax exempt status of the Bond will not be adversely affected as a result of this modification.

Recommendation:
Consent to the reduction in the Bond interest rate, an extension of the maturity date to September 1, 2026, to provide better repayment terms on the Bond for this not-for-profit social services organization.

Prepared By: Lori Zagarella

New Jersey Economic Development Authority

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: April 8, 2014

SUBJECT: Delegated Authority Approvals for 1st Quarter 2014
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the first quarter of 2014:

Borrower (Operating Company)	EDA Exposure	Action
Loans and Guarantees		
BMS Realty Corporation of NJ, Inc. (Millennium Car Wash)	$ 391,205	Consent to a $1,050,000 settlement of a $1,476,800 SLP loan with TD Bank. EDA received $296,523 of its pro rata share and wrote-off the remaining $94,682 balance without recourse. This settlement represents a 76% recovery of our loan. Absent EDA's consent, the lender would have foreclosed on the property which had no equity to pay EDA's subordinate participation.
3211 Route 38, LLC (Abbruzzi's Italian Market)	$ 170,207	Extend the maturity of the Main Street participation loan for 90 days pending the Bank's receipt and review of information necessary for renewal.
Selected Arrow Enterprises, Inc.	$ 116,666	Accept $80,000 as settlement in full and reclassify the remaining loan balance as written off without recourse.

Conduit Bonds (EDA has no credit exposure.)	
M.V. Holdings, LLC and Intelco of Delaware Valley, Inc.	Consent to an amendment of the forbearance agreement between MV Holdings and Bank of America as bond holder and extension of the maturity date to August 31, 2014 of the $628,250 tax exempt bond.

Prepared by: Daniel Weick

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: April 8, 2014

SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following project was approved under Delegated Authority in March 2014:

Stronger NJ Loan Program:

1) C-Lyn, LLC ("CL") (P38840 & P39061), located in West Wildwood Borough, Cape May County, is a marina that was formed in 2000. The current owners purchased the marina in 2008 and operate the 65 boat slips on a seasonal basis. CL sustained more than $300,000 in damages from Superstorm Sandy, comprised primarily of damage to the docks and pilings. The Company was approved for a $74,354 working capital loan and a $281,427 construction loan under the Stronger NJ Business Loan Program.

2) Mel's Furniture LLC ("MFL") (P38854), located in Atlantic City, is a furniture store that was established in 1954 by the current owner's father. The current owner has operated the Company since 1980. The Company sustained approximately $190,000 in damages from Superstorm Sandy comprised primarily of damaged inventory. MFL received $41,241 grant from the EDA to cover a portion of the damages. The Company was approved for a $173,168 working capital loan under the Stronger NJ Business Loan Program to reimburse working capital expenses incurred after Superstorm Sandy.

Camden ERB:

1) Camden Shipyard & Maritime Museum ("CS&MM") (P38467), located in Camden City, Camden County, was formed in 2007 to restore the buildings at the site of historic Church of Our Savior located in the South section of Camden. Once renovations are completed, this location will be a year round multi-purpose public educational and recreational facility for the youth and families of the City of Camden. The proposed plan includes two large multipurpose rooms, offices and boat building shop to be used to offer a variety of educational, vocational, recreational and cultural programs, classes and performances open to the public. CS&MM will occupy space at 1910-1912 Broadway in Camden. The Company was approved for a $20,000 Business Improvement Incentive Grant. The Company currently has two employees and plans to create thirteen additional jobs over the next two years.

2) Parkside Business & Community in Partnership, Inc. (P38483), located in Camden City, Camden County, was founded in 1993 to rehabilitate and develop low/moderate income housing as well as local community enterprises which will create job opportunities for Camden residents. The organization has achieved a local, regional and national reputation as a successful community developer known for creating leading edge, sustainable solutions to urban development; as well as providing leadership in the fight against drugs in the community. Parkside will be purchasing commercial property that was previously occupied by a Laundromat. Parkside will redevelop the property and return it to its previous use. A Business Improvement Grant in the amount of $20,000 was approved and will cover a portion of the building renovation costs. Parkside has five employees, and will create two new jobs at this project site

Small Business Fund Program:

1) Parkside Business & Community in Partnership, Inc. (P39126), located in Camden City, Camden County, was founded in 1993 to rehabilitate and develop low/moderate income housing as well as local community enterprises which will create job opportunities for Camden residents. The organization has achieved a local, regional and national reputation as a successful community developer known for creating leading edge, sustainable solutions to urban development; as well as providing leadership in the fight against drugs in the community. Parkside will be purchasing commercial property that was previously occupied by a Laundromat. Parkside will redevelop the property and return it to its previous use. A Small Business Fund loan in the amount of $140,000 was approved to fund a portion of the building acquisition costs.

New Jersey Business Growth Fund - Modification:

1) JSN Corlies Real Estate, LLC (P39013), located in Neptune Township, Monmouth County, is a real estate holding company formed to purchase the project property. The operating company, Jersey Shore Neurology Associates, PA, was established in 1975 as a Neurological medical practice. PNC Bank approved a five-year renewal of a $252,095 bank loan with a 25% authority guarantee of principal outstanding, not to exceed $83,024. Original loan proceeds were used to purchase commercial real estate. All other terms and conditions of the original approval remain unchanged.

2) Kashius Anthony Limited Liability Company (P39118), located in Brooklawn Borough, Camden County, is a related real estate holding company formed in 2008 to purchase the project property. The operating company, Colossus Granite & Marble, Inc. sells and installs granite for countertops and tables. PNC Bank approved a five-year renewal of $287,294.60 term loan with a 25% Authority guarantee of principal outstanding, not to exceed $71,823.70. Original loan proceeds were used to purchase a larger facility to expand the business. All other terms and conditions of the original approval remain unchanged.

Stronger NJ Business Loan Program - Modification:

1) Purpuri Shoes, Inc. (P38545 & P38657) was approved on 11/01/13 for a $70,000 working capital loan (P38545) and a $192,000 construction loan (P38657) under the Stronger NJ Business Loan Program. Reflecting a reallocation of project costs, the working capital loan was increased from $70,000 to $146,548. The working capital loan term was also increased from 4 years to 25 years. Also, reflecting a reallocation of project costs, the construction loan decreased from $192,000 to $189,992. The construction loan term was increased from 10 years to 25 years. All other terms and conditions of the original approvals remain in effect.

Prepared by: D. Lawyer
DL/gvr

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: April 8, 2014

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

Since 2001, and most recently in 2013, the Members have approved delegations to the President/Chief Operating Officer for certain post closing modifications that are ministerial in nature and do not materially change the original approvals of these grants or create unanticipated growth in employment.

Attached is a list of the incentive modifications and Salem/UEZ renewal extensions that were approved in the 1st quarter ending March 31, 2014.

Prepared by: C. Craddock

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
QUARTER ENDING MARCH 2014

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Name	Modification	Approved Award
Ansell Healthcare Products, LLC & Ansell Protective Products, Inc.	Location Change	$ 720,480
Freedom Eldercare, Inc.	Name change	$ 78,400
Marsh & McLennan Companies, Inc. and Subsidiaries	Addition of related entities	$3,478,650
Mechoshade Systems, Inc.	Name change of affiliate company	$ 811,650
Medical Diagnostic Laboratories, Inc. and affiliates	Removal of related entity	$ 201,702
Novo Nordisk, Inc.	Location change	$5,405,932
Ogilvy CommonHealth Worldwide	Addition of related entity	$5,323,200
Regeneron Pharmaceuticals, Inc.	Location change	$1,745,820

SALEM/UEZ ENERGY SALES TAX EXEMPTION

Name	Location	# of Employees/% Involved in Manufacturing	Benefit
Nipro Glass Americas Corporation	Millville, NJ	280/80%	$ 353,000
OHM Laboratories, Inc.	New Brunswick, NJ	390/80%	$ 185,000
Tropical Cheese Industries, Inc.	Perth Amboy, NJ	259/53%	$ 49,300

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: April 8, 2014

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for 1st Quarter 2014
For Informational Purposes Only

The following Angel Investor Tax Credit applications were approved under delegated authority at year end 2013 and during the first quarter of 2014:

Investor	**Technology Company**	**Investment amount**	**Tax Credit amount**	**Approval Year**
Anup Bhalla	United Silicon Carbide	$ 450,000	$ 45,000	2013
William Kargman	Edge Therapeutics	$ 581,915	$ 58,192	2013
2K Limited Partnership	Edge Therapeutics	$ 581,915	$ 58,192	2013
Robert Kargman	Edge Therapeutics	$ 873,000	$ 87,300	2013
Robert M Kargman 2012 Life Insurance Trust	Edge Therapeutics	$ 581,912	$ 58,191	2013
Joshua Barer	Edge Therapeutics	$ 100,000	$ 10,000	2013
Sol Barer	Edge Therapeutics	$ 200,000	$ 20,000	2013
Lidow Family Trust	United Silicon Carbide	$ 100,000	$ 10,000	2013
Sextant Simphotek	Simphotek	$ 300,000	$ 30,000	2013
Sextant Simphotek	Simphotek	$ 300,000	$ 30,000	2013
James Pinkin	VectraCor	$ 500,000	$ 50,000	2013
David Leishman	VectraCor	$ 500,000	$ 50,000	2013
Gary Soultanian	Bat Blue	$ 450,000	$ 45,000	2014
Lawrence E. Blakeman	Bat Blue	$ 200,000	$ 20,000	2014
James Pinkin	VectraCor	$ 500,000	$ 50,000	2014
James Pinkin	VectraCor	$ 75,000	$ 7,500	2014
Total		**$ 6,293,742**	**$ 629,374**	

Other notable post-closing actions under operating authority during the first quarter of 2014:

Borrower (Operating Company)	**EDA Exposure**	**Action**
Loans and Guarantees		
Corente, Inc.	$ 0.00	Corente repaid its EDA loan in full on 6/13/12. Oracle recently acquired Corente, and as a result of the transaction the EDA received $174,143.80 in warrant proceeds upon the surrender of EDA's warrant document

Prepared by:
Kathleen Coviello
David Ackerman

REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
Chief Operating Officer/President

DATE: April 8, 2014

RE: Memorandum of Understanding
Technology Centre of New Jersey & Tech Expansion Site

Summary

I am asking the Members to approve the execution of a Memorandum of Understanding ("MOU") between the Authority and PNC Bank, National Association, successor to Mercantile-Safe Deposit and Trust Company, as Trustee of the AFL-CIO Building Investment Trust ("BIT"), regarding the sale of the Technology Centre of New Jersey (the "Tech Centre") and the Tech Expansion Site in North Brunswick, New Jersey.

Background

Pursuant to the Operating Agreement, as amended, the term of the Technology Centre of New Jersey, LLC (the "Company") continues until March 30, 2014 and thereafter until the winding up of the affairs of the Company has been completed. From time to time during the development of the Tech Centre, the Authority has entered into leases with the Company for Tech Centre space and made improvements to the Tech Centre directly. Due to the complex nature of the various leases and subleases held directly by the Authority, portions of the Tech Centre are owned by the Company and portions of the Tech Centre are owned by the Authority. Accordingly, it is prudent for BIT and the Authority enter into an MOU to confirm their mutual understandings for selling the entire Tech Center in a single transaction. The attached MOU identifies the various components of the Tech Centre and establishes a valuation methodology. The MOU also addresses practical issues related to marketing and selling the Tech Centre, the joint participation of BIT and the Authority, allocating the proceeds of sale, and winding up the affairs of the Company. It also confirms the Authority's plan to market and sell the Tech Expansion site which is wholly-owned by the Authority.

The attached MOU is in substantially final form. The final document may be subject to revision, although the basic terms and conditions will remain consistent with the attachment. The final terms of the MOU will be subject to the approval of the Chief Executive Officer, President/Chief Operating Officer and the Attorney General's Office, as well as BIT.

Recommendation

In summary, I ask for the Members' consent to execute a Memorandum of Understanding between the Authority and BIT, generally consistent with the form attached, regarding the sale of the Technology Centre of New Jersey and the Tech Expansion Site, subject to approval of the Chief Executive Officer, Chief Operating Officer/President and the Attorney General's Office.

Timothy J. Lizura
Chief Operating Officer/President

Attachment
Prepared by: Donna T. Sullivan

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") dated as of the _____ day of _____, 2014, will confirm the mutual understanding and intention between the New Jersey Economic Development Authority, a body corporate and politic of the State of New Jersey (the "EDA"), and PNC Bank, National Association, successor to Mercantile-Safe Deposit and Trust Company, as Trustee of the AFL-CIO Building Investment Trust, and not in its corporate capacity ("BIT"), regarding Technology Centre of New Jersey, L.L.C., a New Jersey limited liability company (the "Company"), the winding up of the business of the Company and the dissolution of the Company. Each of the EDA and BIT are referred to herein as a "Party," and, collectively, as the "Parties."

RECITALS

R.1. The EDA and BIT formed the Company to acquire land and develop, own and operate the Tech Centre project in North Brunswick, New Jersey (the "Project").

R.2. To take advantage of a PILOT available to the Company, the EDA retained the fee simple interest in the Project land as the nominal owner for the benefit of the Company. The Company ground leases the Project land from the EDA pursuant to a ground lease dated March 31, 1999 (the "Ground Lease"), the term of which expires on March 31, 2019. The Ground Lease provides that, at the election of the Company at any time during the term of the Ground Lease, the EDA will convey the fee simple interest in the Project land to the Company or to a third party at the Company's direction for no consideration.

R.3. During the course of the ownership and operation of the Project, the EDA, as tenant, has entered into several master lease agreements with the Company, as landlord, for certain premises within the Project known as the Commercialization Center for Innovative Technologies ("CCIT"), the Biotechnology Development Center ("BDC"), the Anthem Building ("Anthem"), and the Tech IV site ("Tech IV"), which premises the EDA has in turn subleased to subtenants who occupy and pay rent for their respective subleased premises.

R.4. When the Project (including the land and other related assets) is sold, the proceeds from the sale (less the proceeds attributable to certain improvements constructed and owned separately by the EDA as addressed below [collectively, the "EDA Improvements"]) shall be payable to the Company for distribution to the EDA and BIT as members of the Company.

R.5. The Company has engaged Value Research Group LLC (the "Appraiser") to perform an appraisal to value the Project Assets (as defined below).

R.6. Pursuant to the Company's Second Amended and Restated Operating Agreement dated as of March 19, 2003 (the "Operating Agreement"), the term of the Company will continue until March 30, 2014 and thereafter until the winding up of the affairs of the Company has been completed; but in any event, it is anticipated that the Operating Agreement will expire prior to the expiration of the term of the Ground Lease.

R.7. The purpose of this MOU is to memorialize the EDA's and BIT's mutual understanding and agreement with respect to selling the Project Assets, distributing the proceeds of sale, and winding up the affairs of the Company.

Intending to be bound, in consideration of the foregoing and of the covenants and conditions herein contained, the EDA and BIT agree:

1. Sale of the Project Assets and Dissolution of the Company.

A. Notwithstanding that the term of the Company has not expired and the Company will continue to operate in accordance with past practice, and that no "Event of Dissolution" (as defined in the Operating Agreement) has occurred, BIT and the EDA agree that from and after March 30, 2014, the EDA will serve as the "Liquidating Member" of the Company in accordance with (a) Article 10 and the other terms and conditions of the Operating Agreement and (b) this MOU.

B. The Liquidating Member, on behalf of the Company, will engage CBRE to market the Project, including the fee simple interest in the land, the EDA Subleases (as defined below) and the EDA Improvements, (collectively, the "Project Assets"), but excluding the EDA's interests in the CCIT Subleases (as defined below). The Project Assets will be marketed for sale in their entirety.

C. A "kickoff" meeting will be scheduled with CBRE shortly after CBRE is engaged by the Company. Both the EDA and BIT will participate in such meeting. It is the Parties' understanding that CBRE anticipates a nine (9) to twelve (12) month marketing period for the Project Assets.

D. Other than as set forth in this MOU, the EDA will continue to operate the Company in accordance with past practice and the Parties shall have the respective rights and obligations in accordance with the terms and conditions of the Operating Agreement.

E. The Appraiser will be directed to value the Project Assets as a whole and also to separately value each component as shown on Exhibit A. The methodology used by the Appraiser and the final appraised values for the Project Assets and each component shall be mutually acceptable to the EDA and BIT.

F. The sale of the Project Assets will include the EDA's interest in subleases by the EDA, as landlord, and third party tenants in BDC, the Anthem and Tech IV (collectively, the "EDA Subleases"). Subject to EDA's right to receive the proportionate share of sale proceeds attributable to Project Asset components owned by EDA pursuant to Paragraph 1(J), EDA Subleases will be included in the sale of Project Assets without the payment of any additional consideration to the EDA. To that end, either (a) the LLC and the EDA will terminate the master lease agreements for BDC, Anthem and Tech IV, or (b) the master lease agreements for BDC, Anthem and Tech IV will be assigned by the Company to the third party buyer.

G. The master lease for CCIT will be assigned by the Company to the third party buyer and the EDA will continue to be the tenant under the CCIT master lease agreement. The sale of the Project Assets will not include the EDA's interest in subleases by the EDA, as landlord, and third party tenants in CCIT (the "CCIT Sublease").

H. The EDA and BIT shall review and approve the proposed sale terms, any prospective buyers and any offers made by such prospective buyers. The purchase and sale agreement to be entered into by the Company (and joined in by the EDA with respect to the fee simple interest in the land, the EDA Improvements and the EDA Subleases) shall be mutually acceptable to the EDA and BIT. Decisions to be made by the Company and the EDA pursuant to the purchase and sale agreement shall be mutually acceptable to the EDA and BIT.

I. The structure for the sale of the Project Assets will be acceptable to each of the EDA, BIT and the third party buyer and the structure may provide for (among other things): (a) (i) a transfer of the fee simple interest in the Project land from the EDA to the Company with a subsequent transfer of the Project, including the land, to the third party buyer; or (ii) a transfer of the EDA's fee simple interest in the Project land directly to the third party buyer and a separate transfer of the Company's leasehold interest in the Project directly to the third party buyer; and (b) (i) an assignment of the EDA Subleases by EDA to the Company; or (ii) an assignment of the EDA Subleases by the EDA directly to the third party buyer.

J. The net proceeds of the sale of the Project Assets shall be allocated between the EDA and the Company in proportion to the value assigned to each of the components shown on Exhibit A as determined in the final appraisal approved by the EDA and BIT. The proceeds of the sale allocated to the Company will be distributed to the Company's members in accordance with Section 10.3 of the Operating Agreement.

K. In addition to the obligations of the EDA as set forth in this MOU, the EDA shall perform all of the other obligations of the managing member and Liquidating Member of the Company in connection with the winding up and dissolution of the Company as required pursuant to the Operating Agreement, including Article 10 thereof.

L. The Parties hereby acknowledge and agree that, separate and apart from, but contemporaneously with, the sale of the Project Assets by and on behalf of the Company, the EDA plan to market and sell the Tech 9 property (25 acres of land located across US Route 1 from the Project), which is owned solely by the EDA. All cost and expenses associated with the marketing and sale of the Tech 9 property shall be paid by the EDA. All proceeds of sale from the Tech 9 property shall be paid to EDA.

2. **Timing and Approvals.**

A. Project Schedule. An estimated schedule for the sale of the Project Assets is attached hereto as Exhibit B. The EDA shall provide to BIT updated schedules from time to time reflecting any modifications to the estimated schedule.

B. Approvals. The EDA will obtain any and all approvals needed to consummate the sale of the Project Assets, including approval of terms of sale by EDA's Board of Members and all, if any, required consents of any tenants to the EDA Subleases or the CCIT Subleases.

3. **Compensation and Payment**.

A. EDA's Fees. In consideration for the EDA's service as the Liquidating Member, the EDA shall be entitled to compensation in the amount of $100,000, which will be earned at the time of title closing with the third party buyer and paid out of sale proceeds allocable to the Company in accordance with Section 1(J) of this MOU.

B. Expenses. The costs of sale, including brokerage commissions and fees of the Appraiser, shall be allocated between the Company and the EDA in the same proportions as the allocation of net proceeds as set forth in Section 1(J) of this MOU. Each of the EDA and BIT will pay its own legal fees in connection with the sale of the Project Assets.

4. **Additional Provisions**.

A. Commencement and Duration. This MOU will commence immediately upon execution by the Parties and shall terminate when all of the obligations of the Parties under this MOU and the Operating Agreement have been fully performed in accordance with the terms of this MOU and the Operating Agreement, respectively.

B. Severability. If any of the provisions of this MOU are found to be invalid or unenforceable, the remainder of this MOU will not be affected thereby (and every provision of this MOU will be valid and enforceable to the fullest extent permitted by law), unless this construction would operate as an undue hardship on one of the Parties or would constitute a substantial deviation from the general intent of the Parties as reflected in this MOU.

C. Amendments. This MOU may be amended in a writing executed by the Parties. No amendment to this MOU shall be valid unless executed by the Party against whom enforcement is being sought.

D. Notices. All notices required to be served or given hereunder shall be in writing and will be deemed given when received by personal delivery, by an overnight delivery service which issues a receipt from delivery, or three business days after having been mailed by certified mail, return receipt requested, and addressed as follows:

If to the EDA: New Jersey Economic Development Authority
36 West State Street
P.O. Box 990
Trenton, New Jersey 08625-0990
Attention: Donna T. Sullivan, Director
Real Estate Division

If to BIT: AFL-CIO Building Investment Trust
℅ PNC Bank, National Association, Trustee
One East Pratt Street, 5th Floor East
Baltimore, MD 21202
Attention: Deborah R. Chambliss

and

PNC Realty Investors, Inc.
1601 K Street NW, Suite 1100
Washington, DC 20006
Attention: Asset Management

and

Ballard Spahr LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202
Attention: Raymond G. Truitt, Esq.

E. Open Public Records Act. The EDA will not on its own volition publish or distribute to any third party the information received under or the content of this MOU; however, the EDA is subject to and will fully comply with the provisions of the New Jersey Open Public Meetings Act and the New Jersey Open Public Records Act and is bound by the requirements of both and relevant case law.

F. No Interpretative Presumptions. The Parties waive any statutory or common law presumption that would serve to have this document construed in favor and against either Party as the drafter.

G. Titles and Headings. Titles and headings are included for convenience only and shall not be used to interpret this MOU.

H. Recitals. The above recitals shall be incorporated in this MOU by this reference.

I. Applicable Law. This MOU shall be governed by and construed in accordance with the laws of New Jersey without regard to principles of conflicts of law.

J. Counterparts. This MOU may be signed in any number of counterpart copies but all such copies shall constitute one and the same instrument.

K. Authority. Each Party hereby represents that (i) it has the full power and authority to execute this MOU and to consummate the transactions contemplated by this MOU, and (ii) the execution, delivery and performance of this MOU and the consummation of the transactions contemplated by this MOU have been duly and validly authorized by all requisite actions of such Party.

The foregoing correctly reflects the Parties' understanding and intent.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be duly executed and delivered as of the date and year first above written and by so executing, represent and warrant they have the authority to do so.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: ________________________
Timothy J. Lizura
President, Chief Operating Officer

____
Attest
Donna T. Sullivan
Director, Real Estate Division

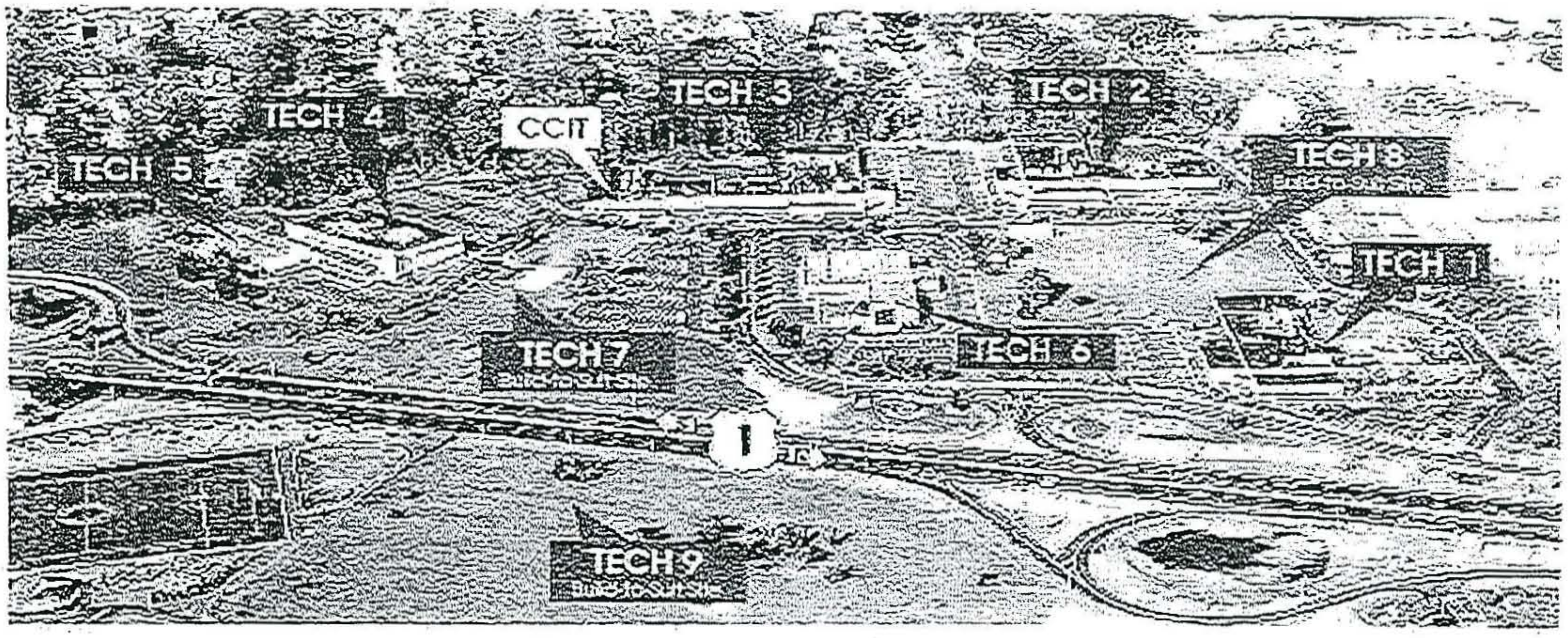
PNC BANK, NATIONAL ASSOCIATION, successor to Mercantile-Safe Deposit and Trust Company, as trustee of the AFL-CIO Building Investment Trust, and not in its corporate capacity

By: ________________________
Name:
Title:

____
Attest

Exhibit A

[Project Components]



Item	Type	Size	Owner
Tech Centre Site	Land	50 Acres	EDA owns fee simple and leases entire site to LLC
Tech 1	Building Shell and TI's	60,116 sf	LLC*
Tech 2	Building Shell and TI's	60,116 sf	LLC*
Tech 3	Building Shell CCIT TI's Rutgers TI's BDC TI's	80,000 sf 38,000 sf (Master Leased by EDA from LLC) 26,000 sf 12,191 sf (Master Leased by EDA from LLC)	LLC* EDA LLC* EDA
Tech 4	Building Shell and TI's	60,000 sf, (ground leased by EDA from LLC)	EDA
Tech 5 (Adv. Care Bldg)	Building Shell (no TI's exist)	26,000 sf	LLC*
Tech 6 (Anthem Bldg)	Building Shell and TI's	32,000 sf (ground leased by EDA from LLC)	EDA
Tech 7	Build-to-Suit Site	180,000 sf (depending on bldg config.)	LLC*
Tech 8	Build-to-Suit Site	90,000 sf (depending on bldg config.)	LLC*
Tech 9 (NOT PART OF Tech Centre Site)			

* LLC is not fee simple owner, but rather it is the ground lessee and has ground leasehold interest in the entire 50 acre site owned fee simple by EDA.

Exhibit B

[Estimated Schedule]

NJ Tech Center, North Brunswick, NJ
Marketing Timeline / Major Milestones

WEEK OF

		March		April				May				June					July				August				September				
	Status	**17**	**24**	**7**	**14**	**21**	**28**	**5**	**12**	**19**	**26**	**2**	**9**	**16**	**23**	**30**	**7**	**14**	**21**	**28**	**4**	**11**	**18**	**25**	**1**	**9**	**15**	**22**	**29**
Advisory Phase																													
Kickoff Meeting - 3/21																													
Architect to prepare as-built floor plans																													
Update ALTA Survey																													
Update Environmental Report																													
Prepare Property Condition Report																													
Update Title Report																													
Identify Personal Property																													
Schedule Aerials and Ground Photography																													
Finalize Due Diligence Material / Upload DD to Website																													
Finalized Confidentiality Agreement (CBRE form with edits)																													
Prepare Offering Memorandum																													
CBRE to provide draft text for OM by 4/4																													
NJEDA to provide comments to CBRE by 4/10																													
CBRE to finalize OM by 4/15 with all graphics and comments																													
Prepare Property for Marketing																													
Agency Phase																													
Send Flash Teaser with Confidentiality Agreement 4/22																													
Post Offering Memorandum to DD website																													
Post all approved DD materials to DD website																													
Follow-up with Prospective Buyers																													
Coordinate Property Tours																													
Provide Written Marketing Report (biweekly)																													
Call for Offers																													
Prepare Summary of Offers																													
Request Best and Final Offers																													
Interview Potential Buyers																													
Select Buyer																													
Due Diligence and Closure Phase																													
Finalize Term Sheet																													
NJEDA Broad Approval																													
BIT Approval																													
Governor Veto Period																													
Negotiate and execute P&S Agreement																													
Due Diligence Process (30 days)																													
Assist with Closing																													

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: April 8, 2014

SUBJECT: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE)/ Licenses for First Quarter 2014
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in January, February and March 2014.

LEASES / CCIT GRANTS

TENANT	LOCATION	TYPE	TERM	S.F.	CCIT GRANT
Institute for Development of Education in the Arts (IDEA)	Black Box Theater of Susquehanna Bank Center	Lease Extension	Six Months	Office Space and a 90± seat Black Box Theater	N/A
Ascendia Pharmaceuticals	CCIT	Lease Amendment	Six Months	Additional 1000 sf-	N/A
Nexomics	CCIT	Lease Extension	One Year	800sf	N/A
Novanex	CCIT	New Lease	One Year	800sf	N/A
Hudson Pharmaceuticals	CCIT	Lease Renewal	One Year	1600 sf	N/A
Shionogi	CCIT	Lease Renewal	One Year	800 sf	N/A
VClinBio LLC	CCIT	New Lease	One Year	125sf	N/A
Crystal Pharmaceuticals	CCIT	New Lease	One Year	1000sf	N/A
SkinAxis	CCIT	Lease Renewal	One Year	800sf	N/A

RIGHT OF ENTRY/LICENSES

ENTITY	LOCATION	TYPE	CONSIDERATION
Youth Sports Festival	Tech Expansion Lot	ROE	No consideration for use of lot from 6/114-6/18/14.
North Brunswick Volunteer Fire Company (circus fundraiser)	Tech Expansion	ROE	N/A
Cooper's Ferry Partnership (Landscaping MOU)	Camden Waterfront	Memorandum of Understanding	$22,000 payment to CFP for landscaping, maintenance and management services for 2014. The 2012 Board approval for this MOU allows a delegation of authority to the CEO to enter into similar MOUs through 2016

Timothy J. Lizura
President/ Chief Operating Officer

Prepared by: Donna T. Sullivan