RESOLUTION OF THE BOARD OF TRUSTEES OF NEW JERSEY INSTITUTE OF TECHNOLOGY DECLARING ITS OFFICIAL INTENT WITH RESPECT TO THE REIMBURSEMENT OF EXPENDITURES FOR PROJECT COSTS FROM PROCEEDS OF BONDS TO BE ISSUED BY THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

WHEREAS, the Board of Trustees (the “Board”) of New Jersey Institute of Technology (the "Institute") expects to undertake and implement a project consisting of acquiring the facility described in Schedule A hereto and rehabilitating and renovating the facility in one or more phases (the “Capital Project”); and

WHEREAS, the Institute has determined that the Capital Project will benefit the Institute and assist in serving the ongoing needs of its students and the operation of the Institute; and

WHEREAS, the Board has determined to finance the Capital Project through the issuance by the New Jersey Educational Facilities Authority (the “Authority”) of one or more series of its revenue bonds; and

WHEREAS, the Capital Project may be financed through the issuance by the Authority of (i) bonds which bear interest which is not-included in gross income for federal income tax purposes (“Tax-Exempt Bonds”); (ii) taxable Build America Bonds or taxable Recovery Zone Economic Development Bonds authorized by the American Recovery and Reinvestment Act of 2009 P.L. 111 – 5 (respectively, “Build America Bonds” and “Recovery Zone Economic Development Bonds”); or (iii) a combination of Tax-Exempt Bonds, Build America Bonds and/or Recovery Zone Economic Development Bonds (such Tax-Exempt Bonds, Build America Bonds and Recovery Zone Economic Development Bonds are referred to collectively herein as “Authority Bonds”); and

WHEREAS, the Authority Bonds will be issued in one or more series and in one or more transactions over the next three years, the proceeds of which will be loaned to the Institute;

WHEREAS, the Institute may pay for certain costs of the Capital Project (“Project Costs”) with funds of the Institute prior to the issuance of the Authority Bonds; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of New Jersey Institute of Technology as follows:

Section 1. The Board reasonably expects the Institute to reimburse its expenditure of Project Costs paid prior to the issuance of the Authority Bonds with proceeds of the Authority Bonds.

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

Section 3. The maximum principal amount of Authority Bonds expected to be issued to finance the Capital is $20,000,000 (including financing costs), which Authority Bonds may be issued in one or more series and in one or more transactions over the next three years.

Section 4. The Project Costs to be reimbursed with the proceeds of the Authority Bonds will be costs which satisfy the requirements of Section 150 of the Code for reimbursement.

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

Section 6. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Tax-exempt Obligations is paid, or (ii) the date the Project is “placed in service” (within the meaning of Treasury Regulations Section 1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.
Section 7. This resolution will take effect immediately.

Holly C. Stern.
General Counsel and Secretary to the Board of Trustees New Jersey Institute of Technology

July 15, 2010
Board Resolution 2011-5