NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Count Basie Theatre, Inc.       P21924
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 99 Monmouth St Red Bank Borough (N) Monmouth
GOVERNOR’S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) RFG

APPLICANT BACKGROUND:
The Count Basie Theatre, Inc. (Theatre), located in the heart of downtown Red Bank, is a not-for-profit corporation established in 1999. The Theatre is the successor to the Monmouth Arts Center, a historic theatre which dates back to 1926. At present, the applicant has live music, dance and theatrical performances. With the restoration of projection equipment, films will once again be shown. The Count Basie Theatre draws over 130,000 people annually, in addition to the thousands who flock to Red Bank’s annual film and music festivals.

In 2004, the applicant started a major renovation of the Theatre to be completed in 4 phases. Phase I restored all the seats and the balcony to its 1926 configuration for a cost of $1 million. In Phase II, the original concrete roof was replaced with a new roof to prevent drainage damage for a cost of $628,000. To date, Phases I & II and the acquisition of a building next to the theatre were funded with contributions and a $2 million matching Cultural Center Capital Grant. The grant was awarded in July 1993 by the NJ Council of the Arts, with a balance of $455,000 available for future projects. Phase IV is being planned for 2011 to replace the HVAC, upgrade theatre lights and sound system and areas used for educational programs.

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.

APPROVAL REQUEST:
Authority assistance will enable the applicant to continue the renovations with commencement of Phase III in the summer of 2008, fund a debt service reserve, capitalized interest, working capital, and refinance debt. Phase III will include restoration of the decorative plaster in the theatre’s interior lobbies and auditorium, behind the wall ductwork, wiring, conduit and piping for future HVAC and A/V upgrades, and connect the lobby to an adjacent street front space for private concessions and reception space.

FINANCING SUMMARY:
BOND PURCHASER: Sovereign Bank (Direct Purchase)
AMOUNT OF BOND: $8,000,000 Tax-Exempt Bond
TERMS OF BOND: 10 years; 25 year amortization; 6 months interest only; variable interest rate equal to 65% of 30 day Libor plus 215 basis points. On the closing date, the Borrower will enter into a 10 year Swap Agreement to a fixed rate (indicative rate as of May 22, 2008 is 4.41%). After completion of 8 years of bond amortization, Sovereign may extend term from 10 years to 13 years.

ENHANCEMENT: N/A

PROJECT COSTS:
Renovation of existing building $5,441,000
Engineering & architectural fees $1,086,000
Debt service reserve fund $520,000
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Working capital</td>
<td>$400,000</td>
</tr>
<tr>
<td>Interest during construction</td>
<td>$314,000</td>
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<tr>
<td>Legal fees</td>
<td>$100,000</td>
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<tr>
<td>Refinancing</td>
<td>$67,000</td>
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<tr>
<td>Finance fees</td>
<td>$57,000</td>
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<tr>
<td>Accounting fees</td>
<td>$15,000</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$8,000,000</strong></td>
</tr>
</tbody>
</table>

**JOBS:**
- At Application: 14
- Within 2 years: 2
- Maintained: 0
- Construction: 163

**PUBLIC HEARING:** 07/08/08 (Published 06/20/08)

**BOND COUNSEL:** McCarter & English

**DEVELOPMENT OFFICER:** R. Gomez

**APPROVAL OFFICER:** M. Krug
APPLICANT: Princeton Charter School  

PROJECT USER(S): Princeton Charter School *  
Princeton Symphony Orchestra  

PROJECT LOCATION: 100 Bunn Drive  
Princeton Township (N)  
Mercer  

GOVERNOR’S INITIATIVES:  
( ) Urban Fund  ( ) Other Urban  ( ) Edison  (X) Core  ( ) RFG  

APPLICANT BACKGROUND:  
Princeton Charter School (PCS), is a not-for-profit charter school, funded by public monies and operated independently by a board of trustees under a charter granted by the NJ Department of Education in January of 1997 and subsequently renewed twice. PCS educates more than 290 students in grades kindergarten through 8. PCS plans to expand the 3rd and 4th grades over the next several years, to meet community demand and to ensure that all younger students are prepared for middle-school curriculum. The School has received approval from the NJ Department of Education to increase its enrollment to 348 students by the 2010-2011 school year, which will allow the expansion of the 3rd and 4th grade classrooms.  

PCS received Authority assistance in 2001 in the amount of $4,250,000 (Appl. P13424 and P13421) in order to (i) acquire an existing building of 4,500 sq ft on 1.6 acres of land contiguous to its existing facility of 15,840 sq ft on 5.1 acres of land for an expansion that increased enrollment by adding a kindergarten and increasing the number of classrooms in grade levels 5 through 8; and (ii) refund a prior tax-exempt bond (Appl. P11019) used to refinance a conventional loan for the acquisition of the school facility in 1997. Bank of America purchased the 2001 Bond for 20 years at a floating rate based on 30-day LIBOR plus 150 basis points swapped to a fixed rate of 5.49%.  

The applicant is a 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.  

REFUNDING REQUEST:  
Authority assistance will enable the Applicant to refund the $3,320,000 outstanding balance of the 2001 bond financing.  

This Application is being presented in conjunction with Appl. P22638 to construct an addition and make renovations to the existing school, for a total tax-exempt bond financing of $8,420,000.  

FINANCING SUMMARY:  

BOND PURCHASER: Capital One, N.A. (Direct Purchase)  

AMOUNT OF BOND: $3,320,000 (est.) (Part of a $8,420,000 tax-exempt bond with P22638)  

TERMS OF BOND: 22 years; Variable interest rate based on the tax exempt equivalent of 1-month LIBOR plus 125 basis points (estimated rate as of 6/19 is 2.42%). On the closing date, the Borrower will enter into a 10 year swap agreement for a fixed rate estimated at 3.97% as of 6/19. Interest only for 2 years; subject to call option on 10th anniversary.
ENHANCEMENT:  N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Principal amount of bond to be refunded</td>
<td>$3,320,000</td>
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<tr>
<td>Legal fees</td>
<td>$50,000</td>
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<tr>
<td>Finance fees</td>
<td>$30,000</td>
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</table>

**TOTAL COSTS**

<table>
<thead>
<tr>
<th>Amount</th>
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<tbody>
<tr>
<td>$3,400,000</td>
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</tbody>
</table>

Within 2 years

PUBLIC HEARING: 07/08/08 (Published 06/23/08)  BOND COUNSEL:  Saul, Ewing, LLP
DEVELOPMENT OFFICER:  P. Ceppi  APPROVAL OFFICER:  T. Wells
APPLICANT: Princeton Charter School
PROJECT USER(S): Princeton Charter School *
Princeton Symphony Orchestra
PROJECT LOCATION: 100 Bunn Drive Princeton Township (N) Mercer

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) RFG

APPLICANT BACKGROUND:
Princeton Charter School (PCS), is a not-for-profit charter school, funded by public monies and operated independently by a board of trustees under a charter granted by the NJ Department of Education in January of 1997 and subsequently renewed twice. PCS educates more than 290 students in grades kindergarten through 8. PCS plans to expand 3rd and 4th grade over the next several years, to meet community demand and to ensure that all students are prepared for middle-school curriculum. The School has received approval from the NJ Department of Education to increase its enrollment to 348 students by the 2010-2011 school year, which will allow the expansion of the 3rd and 4th grade classrooms.

PCS received Authority assistance in 2001 in the amount of $4,250,000 (Appl. P13424 and P13421) in order to (i) acquire an existing building of 4,500 sq ft on 1.6 acres of land contiguous to its existing facility of 15,840 sq ft on 5.1 acres of land for an expansion that increased enrollment by adding a kindergarten and increasing the number of classrooms in grade levels 5 through 8; and (ii) to refund a prior tax-exempt bond (Appl. P11019) used to refinance a conventional loan for the acquisition of the school facility in 1997. Bank of America purchased the 2001 Bond for 20 years at a floating rate based on 30-day LIBOR plus 150 basis points swapped to a fixed rate of 5.49%.

The applicant is a 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 PCS to (i) construct a 17,000 sq. ft. campus center consisting of art, music and theatre classrooms and a gymnasium; (ii) make improvements and renovations to the main classroom building, stairways and the cafeteria, including but not limited to, providing barrier-free access and physically connect the middle school to the campus center and the main classroom building; and (iii) refinance conventional debt for expansion of the school in 2001. The construction, renovations and improvements will provide for the increase in enrollment and to better serve the students and the faculty.

This application is being presented in conjunction with P22684 for the refunding of the 2001 Bonds for a total tax-exempt bond financing of $8,420,000.
FINANCING SUMMARY:

BOND PURCHASER: Capital One, N.A. (Direct Purchase)

AMOUNT OF BOND: $5,100,000 (est.) (Part of a $8,420,000 tax-exempt bond issue with P22684)

TERMS OF BOND: 22 years; Variable interest rate based on the tax exempt equivalent of 1-month LIBOR plus 125 basis points (estimated rate as of 6/19 is 2.42%). On the closing date, the Borrower will enter into a 10 year swap agreement to a fixed rate estimated at 3.97% as of 6/19. Interest only for 2 years; subject to call option on 10th anniversary.

ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Construction of new building or addition</td>
<td>$5,346,000</td>
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<tr>
<td>Renovation of existing building</td>
<td>$440,000</td>
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<tr>
<td>Refinancing</td>
<td>$179,900</td>
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<tr>
<td>Legal fees</td>
<td>$55,000</td>
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<tr>
<td>Finance fees</td>
<td>$30,000</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$6,050,900</strong></td>
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JOBS: At Application 37 Within 2 years 3 Maintained 0 Construction 174

PUBLIC HEARING: 07/08/08 (Published 06/23/08)  BOND COUNSEL: Saul, Ewing, LLP
DEVELOPMENT OFFICER: P. Ceppi  APPROVAL OFFICER: T. Wells
MEMORANDUM

To:        Members of the Board

From:      Caren Franzini
           Chief Executive Officer

Date:      August 1, 2008

Subject:   E. I. Dupont de Nemours and Company – Annual Renewal Application for
           the Energy Sales Tax Exemption Program (Salem County)

The Commerce Reorganization Bill (P.L. 2008, c. 27) transferred the Energy Sales Tax Exemption
Program to the NJEDA. Under this program, Salem County manufacturers with 50 or more
employees, at least 50 percent of whom are directly involved in the manufacturing process, are
eligible for a sales tax exemption on electric and gas purchases.

The Members are asked to approve the annual renewal application of E. I. Dupont de Nemours and
Company, Deepwater, Salem County, for the Energy Sales Tax Exemption. This is the company’s
first renewal. The estimated value of the exemption benefit is $913,990, based on company estimates
of $13,056,999 in gas purchases for the coming year (less 7 percent sales tax). E. I. Dupont de
Nemours employs 825 people, 550 of whom are directly involved in manufacturing.

As part of staff’s due diligence, staff has confirmation from the Department of Labor and Workforce
Development and the New Jersey Division of Taxation that there have been no delinquencies or
outstanding issues associated with E. I. Dupont de Nemours. In addition, the company’s legal
disclosures reveal no cause for disqualification or debarment from participation in this program.
Having met program eligibility requirements, staff recommends approving E. I. Dupont de Nemours’
renewal application.

Recommendation:
The Members are asked to approve the Energy Sales and Use Tax Exemption Program Renewal
Application of E. I. Dupont de Nemours, which continues the exemption through August 3, 2009,
pursuant to P.L. 2005, c. 374.

Caren S. Franzini
ENERGY SALES TAX EXEMPTION PROGRAM (SALEM COUNTY)
APPLICANT SUMMARY – E. I. DUPONT DE NEMOURS

Applicant:

E. I. Dupont de Nemours and Company, Chambers Works RT 130, Deepwater, Salem County, NJ. Founded in 1802, Dupont is a world leader in science and technology in a range of disciplines, including biotechnology, electronics, materials science, security and synthetic fibers. Dupont’s total employment includes more than 59,000 people worldwide.

Program:

Energy Sales and Use Tax Exemption Program (Salem County) - Annual Renewal. Under the Energy Sales Tax Exemption Program, manufacturers in Salem County with 50 or more employees, at least 50 percent of whom are directly involved in the manufacturing process, are eligible for a sales tax exemption on electric and gas purchases.

Qualifications:

The renewal application satisfies the program eligibility criteria as follows:

E. I. Dupont de Nemours is a manufacturing business located in Salem County with 825 employees, 550 of whom are directly involved in manufacturing.

E. I. Dupont de Nemours certifies that it is not in default under any program administered by the State of New Jersey.

The Department of Labor and Workforce Development and the New Jersey Division of Taxation have indicated that there are no delinquencies or outstanding issues associated with E. I. Dupont de Nemours.

The company’s legal disclosures reveal no cause for disqualification or debarment from participation in this program.

Benefit:

Board approval would renew the E. I. Dupont de Nemours Energy Sales Tax Exemption through August 3, 2009. The estimated value of the exemption benefit is $913,990, based on the company’s projected annual gas charge of $13,056,999 (less 7 percent sales tax).