Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on July 22, 2010 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

The following ***Authority Members*** *were in attendance:*
Vice-Chairman Gus Escher, Public Member; Sherman Crosby, Designee of the Commissioner of Department of Banking and Insurance, Eileen Stokley, Designee of the Commissioner of Human Services, and Ulysses Lee, Public Member (via telephone).

The following ***Authority staff members*** *were in attendance:*
Mark Hopkins, Steve Fillebrown, Lou George, Suzanne Walton, Bill McLaughlin, Carole Conover, Michael Ittleson, Ron Marmelstein, Lori Jefferson, Brooke Liebowitz, Tammy Romsdahl, Marji McAvoy, Wanda Lewis, Taryn Jauss, and Edwin Fuentes;

The following ***representatives from the State and/or the public*** *were in attendance:*
Rubin D. Weiner, Deputy Attorney General; Tom Hower, Governor's Authorities Unit; Jim Petrino, Department of the Treasury; Kay Fern, Evergreen Financial Services; Michael Pietrowicz, Englewood Hospital and Medical Center; Marcello Guarneri, Ryan Kennedy, and Joe Lemaire, Holy Name Medical Center; Scott Kobler, McCarter & English LLP; Carl O'Brien, Robert Wood Johnson Medical Center; Maryann Kicenuik and John Bitar, Windels, Marx, Lane & Mittendorf; Brian Carter and Jack Swire, Wells Fargo Securities; Chris McCann, JP Morgan; and Mike Prigoff, Lebson, Prigoff & Baker.

CALL TO ORDER

Vice-Chairman Gus Escher called the meeting to order at 10:10 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 27, 2010 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was delivered to all newspapers with mailboxes at the Statehouse, including *The Star-Ledger* and the *Courier Post,* enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

1. APPROVAL OF MINUTES
June 24, 2010 Authority Meeting

Minutes from the Authority's June 24, 2010 meeting were presented for approval. Mr. Escher offered a motion to approve the minutes; Ms. Stokley seconded. The minutes were approved unanimously.

2. TEFRA HEARING & CONTINGENT BOND SALES

Mr. Escher stated that the following portion of the meeting is considered a public hearing in connection with a project description amendment on behalf of Holy Name Medical Center and Robert Wood Johnson University Hopsital. This hearing is taking place in accordance with the public notice and approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

1. Holy Name Medical Center

Suzanne Walton introduced Joseph Lemaire, Executive Vice President and Chief Financial Officer, Ryan Kennedy, Director of Budget and Reimbursement, and Marcello Guarneri, Vice President of Finance from Holy Name Medical Center. Ms. Walton indicated that before she would begin her formal presentation for approval of a Contingent Sale of Bonds, she would like to call the Members' attention to a change that has been made to the Board Summary that was included in their mailing package. Subsequent to the mailing, Holy Name and the Executive Director negotiated an adjustment to the Transfer of Cash limitation. The new floor would be set at 90 days cash on hand and has been reflected in the revised Board Summary.

Ms. Walton noted that the Authority routinely imposes a limitation on the amount of cash a hospital can transfer outside on an Obligated Group without consideration on publicly issued, unenhanced acute care hospital issues. The limitation is based on a test that a transfer of cash or marketable securities to an entity outside of the Obligated Group would not lower the borrower's day's cash on hand below a level equal to the lower of a specified number of days (here the level to be established would be 90 days) or the S&P national median level for "BBB" rated hospitals as of the date of transfer. Currently that level is 117.5 days

Ms. Walton reminded the Members that last month the Board approved Holy Name's request to move forward with a Negotiated transaction and were provided with a formal Information Presentation on the project financing. Since that time, Ms. Walton indicated that Holy Name has met with the rating agencies, completed the due diligence review process and held weekly meetings with the working group to finalize their transaction documents. The Authority is now seeking the Board's approval of a contingent sale of bonds on their behalf in an aggregate principal amount not to exceed $60 million.

Ms. Walton stated that the proceeds of the bonds, together with other funds, will be used to provide funds to: (i) currently refund (a) the remaining portion of the Authority's Series 1997 Revenue and Refunding Bonds, and (b) the outstanding Series 2008 Variable Rate Demand Revenue Bonds, (ii) finance and/or reimburse the Medical Center for certain capital expenditures relating to the renovation of the facilities and/or the purchase of equipment; (iii) fund the Debt Service Reserve; and (iv) pay the related costs of issuance.

Ms. Walton indicated that the primary reason the Medical Center is pursuing the refunding is to terminate swaps associated with their outstanding debt. The Medical Center is also taking advantage of this opportunity to replace their existing document structure with a new Master Trust Indenture.

The bonds will be sold as a fixed rate public offering. They will be uninsured and issued on the ratings of the Medical Center which are "Baa2" from Moody's Investors Service and "BBB-" from Standard & Poors Corporation. The bonds will be secured by a promissory note issued under the Master Trust Indenture and a separate mortgage granted to the Master Trustee on certain property of the Medical Center. The principal payments will be structured so that total debt service on these bonds, as well as other bonds and loans, will be as close to level debt as possible. Upon issuance of the Series 2010 Bonds, the existing holders of the Authority's Revenue Bonds, Holy Name Hospital Issue, Series 2006 will continue to be secured on a parity basis with the Series 2010 Note, by the Gross Receipts of the Medical Center and a mortgage on certain property of the Medical Center, pledged pursuant to the Loan and Security Agreement and Mortgage dated as of March 15, 1997, as amended and supplemented, including as amended by the Fourth Amendment and Supplement executed at the time of issuance of the Series 2010 Bonds (the "Fourth Amendment," and together with the other amendments, the "Agreement and Mortgage"). The Fourth Amendment also contains a provision that would allow for the Medical Center, in the future, to substitute a promissory note issued pursuant to the Master Trust Indenture as security for the Series 2006 Bonds in lieu of the existing Agreement and Mortgage with the consent of the Holders of a majority in aggregate principal amount of the Series 2006 Bonds. At the time such consent is obtained, the Fourth Amendment also authorizes the Authority to enter into a replacement loan agreement with the Medical Center to evidence the obligations of the Medical Center with respect to the Series 2006 Bonds.

Ms. Walton informed the Members that management had submitted projections for the period 2010 through 2012 which had been reviewed by staff and included with their Board mailing material.

Ms. Walton asked Maryann Kicenuik of Windels Marx Lane & Mittendorf to provide the Members with an overview of the Series Resolution.

SERIES RESOLUTION

Maryann Kicenuik, Esq., of Windels Marx Lane & Mittendorf, LLP stated that the Series Resolution authorizes the issuance of the tax-exempt Series 2010 Bonds in an aggregate principal amount, exclusive of original discount, not in excess of $60 million, at a true interest cost not to exceed 6.50% and with an Underwriter's Discount not to exceed $15.15 per $1,000 of Series 2010 Bonds. The Series 2010 Bonds will have a final maturity date of no later than July 1, 2025 and the Redemption price on the Bonds will not exceed 105%. The Series 2010 Bonds are payable solely from payments made by Holy Name Medical Center under a Loan Agreement and from certain funds and investment income earned on such funds held by the Trustee under the Series Resolution. The obligation to repay the loan of the Series 2010 bond proceeds will be evidenced by a Note issued under a Master Trust Indenture, which Note will be secured by a pledge of gross receipts and a mortgage on certain property of the Medical Center.

Ms. Kicenuik added that the Series Resolution also approves the form of and authorizes the execution of a Bond Purchase Contract prior to close of business on October 27, 2010. The Series Resolution also approves the form of the Series 2010 Bonds, the Preliminary Official Statement, the Official Statement, the Loan Agreement and the Letter(s) of Instruction. The Series Resolution appoints The Bank of New York Mellon as Trustee, Bond Registrar and Paying Agent for the Holders of the Series 2010 Bonds and empowers the Authorized Officers to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the Loan Agreement, the Bond Purchase Contract, the Letter(s) of Instruction and the issuance and sale of the Series 2010 Bonds.

Vice Chairman Escher asked if there were any questions or comments from the Members or the public. After no comments or questions were proffered, Mr. Escher asked the Members' pleasure with respect to the adoption of the Series Resolution on behalf of Holy Name Medical Center. Ms. Stokley moved that the document be approved. Mr. Escher seconded.

AB RESOLUTION NO. KK-11

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Series Resolution entitled, "A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REVENUE AND REFUNDING BONDS, HOLY NAME MEDICAL CENTER ISSUE, SERIES 2010."

(attached)

Mr. Lou George reminded Members that the Authority "reserves the right to select firms from its qualified list, to serve as co-managing underwriter(s) for its financings. Co-manager(s) are selected based on demonstrated ability to distribute New Jersey securities of comparable credit quality, sufficient capital to participate in the underwriting and borrower preferences."

Mr. George reported that Holy Name Medical Center selected Bank of America Merrill Lynch as their Senior Manager and requested Morgan Stanley and Citi Global Markets as co-managers. Based upon current market conditions and the size and type of transaction, staff recommends adding two (2) co-managers to the transaction; Morgan Stanley and Oppenheimer & Co., Inc. Because of the size of the transaction, Authority staff believes it would have been excessive to have Citi Global Markets serve as a co-manager on this transaction. Mr. George noted that Oppenheimer has indicated that they have the ability to distribute securities to both retail and institutional investors. Within the state, they have 4 offices located in Florham Park, Saddlebrook, Princeton, and Red Bank with 59 registered financial advisors. In addition, Oppenheimer representatives have reported that they have excess net capital of over $137 million which would clearly allow them to serve as a co-manager on this transaction.

Authority staff is requesting the Members consideration of adding Morgan Stanley and Oppenheimer as Co-Managers to the Holy Name transaction.

Vice Chairman Escher asked the Members' pleasure with respect to the adoption of the resolution naming Morgan Stanley and Oppenheimer & Co. as additional co-managers for the Holy Name Medical Center transaction. Mr. Sherman offered a motion to adopt the resolution; Ms. Stokley seconded. The vote was unanimous and the motion was carried.

AB RESOLUTION NO. KK-12

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the naming of Morgan Stanley and Oppenheimer & Co. as co-managers for the Holy Name Medical Center transaction.

2. **<u>Robert Wood Johnson University Hospital</u>**

Bill McLaughlin introduced Carl O'Brien, Executive Vice President Finance for Robert Wood Johnson University Hospital. Following the introduction, Mr. McLaughlin informed the members that today he would be requesting approval of a contingent sale of bonds on behalf of the Hospital.

He stated that the proposed transaction will be comprised of approximately $150,000,000 of tax-exempt bonds. The transaction will be structured as a fixed rate financing and sold on the basis of the Hospital's credit rating. The Hospital is currently rated A2 by Moody's and A minus by S&P. It is expected that these ratings will not change as a result of this issuance.

The Series Resolution provides for obtaining a commitment for bond insurance, which the Hospital was successful in obtaining. But due to current economic considerations, the Hospital will likely forego the use of bond insurance. As a result, the transaction documents will reflect the Authority's standard provisions for the Transfer of Cash and Derivatives. Given that the Hospital is rated in the "A" category, no mortgage is required.

Mr. McLaughlin added that the proceeds of this transaction are expected to be used to refund the Authority's Robert Wood Johnson University Hospital Series 2000 bonds; to fund the Debt Service Reserve; and to pay related costs of issuance.

Mr. McLaughlin asked John Bitar of Windels, Marx, Lane & Mittendorf, LLP, the Bond Counsel to present the Series Resolution pertaining to this transaction.

SERIES RESOLUTION

John Bitar, Esq. of Windels, Marx, Lane & Mittendorf, LLP stated that the Series Resolution authorizes the issuance of the tax-exempt Series 2010 Bonds in an aggregate principal amount that will yield proceeds to the Authority, exclusive of any original issue discount, not in excess of $150,000,000 and at a true interest cost not to exceed 5.75% per annum. The Series 2010 Bonds will have a final maturity date of no later than July 1, 2040 and be subject to redemption prior to maturity as set forth therein, provided, that the redemption price cannot be greater than 105%. The Series 2010 Bonds will be secured by payments made by the Hospital under its Loan Agreement with the Authority as evidenced and secured by a Note issued pursuant to the provisions of a Master Trust Indenture and amounts on deposit in certain funds held by the Trustee pursuant to the General and Series Resolutions. Security will include a gross receipts pledge that secures all obligations under the Master Trust Indenture, including the Series 2010 Bonds.

Additionally, the Series Resolution approves the form of and authorizes the execution of a Bond Purchase Contract prior to close of business on October 27, 2010. The Series Resolution also approves the form of the Series 2010 Bonds, Preliminary Official Statement, Letter of Instructions, Official Statement, and Loan Agreement. Further, the Series Resolution appoints US Bank National Association as Bond Trustee, Bond Registrar and Paying Agent for the Bonds. The Authorized Officers of the Authority are authorized to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the Bond Purchase Contract and the Loan Agreement, the refunding of the bonds, and the issuance of the Series 2010 Bonds.

Vice Chairman Escher asked if there were any questions or comments from the Members or the public. After no comments or questions were proffered, Mr. Escher asked the Members' pleasure with respect to the adoption of the Series Resolution on behalf of Robert Wood Johnson University Hospital. Ms. Stokley moved that the document be approved. Mr. Lee seconded.

AB RESOLUTION NO. KK-13

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Series Resolution entitled, "A RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REVENUE AND REFUNDING BONDS ROBERT WOOD JOHNSON UNIVERSITY HOSPITAL, SERIES 2010."

(attached)

Mr. George reported to Members that Robert Wood Johnson University Hospital selected J.P. Morgan Securities as their Senior Manager and requested five (5) other firms to serve as co-manager. As prioritized by the Medical Center, the firms were: Wells Fargo Securities, Bank of America Merrill Lynch, Barclays Capital, TD Securities and PNC Capital Markets. Staff concurs with the Medical Center request to use Wells Fargo Securities, Barclays Capital and TD Securities as co-managers. Authority staff, however, does not recommend the use of Bank America Merrill Lynch since they are the Senior Manager on the Holy Name transaction which will be in the market around the same time period. Authority staff would like them to focus on that transaction. Additionally, staff suggested adding Janney Montgomery Scott and Loop Capital. Janney has 11 offices with 91 retail brokers having access to over 37,000 accounts within the state. Loop Capital is a minority owned firm with an office in Newark which has performed favorably as a co-manager on past transactions.

Authority staff is asking the Members consideration of adding Wells Fargo Securities, Barclays Capital, TD Securities, Janney Montgomery Scott and Loop Capital as Co-Managers on the Robert Wood Johnson University Hospital transaction.

Ms. Stokley asked if PNC Bank was on the Authority's Qualified Bankers List. Mr. George responded that PNC Capital Markets is on the Qualified Bankers List and has serviced Authority financings in the recent past. As a general practice, Authority staff likes to bring other firms on the list into rotation to service financings.

Vice Chairman Escher asked the Members' pleasure with respect to the adoption of the resolution naming Wells Fargo Securities, Barclays Capital, TD Securities, Janney Montgomery Scott, and Loop Capital Markets as co-managers for the Robert Wood Johnson University Hospital transaction. Mr. Lee offered a motion to adopt the resolution; Ms. Stokley seconded. The vote was unanimous and the motion was carried.

AB RESOLUTION NO. KK-14

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the naming of Wells Fargo Securities, Barclays Capital, TD Securities, Janney Montgomery Scott, and Loop Capital Markets as co-managers for the Holy Name Medical Center transaction.

Vice Chairman Escher closed the public hearing held on behalf of Holy Name Medical Center and Robert Wood Johnson University Hospital in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

3. APPROVAL OF LEASE BETWEEN ENGLEWOOD HOSPITAL AND MEDICAL CENTER & NORTHERN NEW JERSEY DIALYSIS, AN AFFILIATE OF FRESENIUS MEDICAL CARE

Englewood Hospital and Medical Center ("Englewood") wishes to lease approximately 10,000 square feet of property mortgaged to the Authority pursuant to the bond documents securing the Authority's Englewood Hospital and Medical Center Series 2002 Revenue Bonds. The mortgage is insured by the FHA. On April 22, 2010 the Authority Members consented to a form of Lease Agreement pursuant to which Englewood would lease the property to Fresenius Medical Care ("Fresenius"), subject to the approval of HUD.

Staff is now in receipt of a black lined copy of a revised Lease Agreement in substantially final form. The lease was provided by Michael Prigoff, Esq. of Lebson, Prigoff & Baker, LLP, as counsel to Englewood, accompanied by a letter requesting the Authority's consent to the revised Lease Agreement.

Deputy Attorney General Clifford T. Rones has reviewed the revised Lease Agreement and has determined that the Authority Members consent is required because substantive changes were made. A copy of Mr. Prigoff's letter and the revised Lease Agreement were provided to Members for review. Members received the revised lease along with a memo which outlined key changes as follows:

1. The Tenant previously named was Fresenius Medical Care with FMC Holdings, Inc. as Guarantor. The Tenant is now an affiliate of Fresenius known as Northern New Jersey Dialysis, LLC d/b/a Englewood Dialysis Center with its parent company, Fresenius Medical Care Holdings, Inc. as Guarantor.
2. Adding "Real Property Tax Not Apportioned" requiring Tenant to pay any property taxes that may result from its use of leased space.
3. The Tenant's permitted use of the leased space was solely to operate a Dialysis Center. The final version of the Lease Agreement includes language that consent for other uses of the leased space will not be unreasonably withheld but lists reasons when consent will be withheld.
4. Adding Landlord's indemnification of Tenant for Landlord's release of hazardous material or other environmental liability except that Landlord's indemnification will not apply to HUD if it takes possession of the property and no projected revenues will go toward costs of indemnification.
5. Adding Landlord's indemnification of Tenant arising from gross negligence or willful misconduct of Landlord or any one acting on behalf of Landlord except that Landlord's indemnification will not apply to HUD if it takes possession of the property and no projected revenues will go toward costs of indemnification.
6. Adding Landlord's Right of Self Help.

Gary Walsh, Esq. of Windels Marx Lane & Mittendorf, LLP, Bond Counsel, revised the Authority Resolution consenting to the lease of certain mortgaged property and provided a form of the Opinion that consenting to the lease will not adversely affect the tax exempt status on the bonds.

Ms. Stokley questioned why there was a new tenant under the lease stating she was concerned about the new tenant's ability to pay the terms of the lease. Mr. Prigoff replied that it was purely a name change from one subsidiary of Fresenius to another and that the parent company and original Guarantor remained the same.

Ms. Stokley asked assurance that this lease would not affect the tax-exempt status of bonds issued through the Authority. Ms. Kicenuik replied the portion of the leased space was considered *de minimis* and, therefore, would not affect tax-exempt status. Mr. Escher asked what percentage of leased space would be considered *de minimis* to maintain tax-exempt status, to which Ms. Kicenuik responded that the lease represented less than 3% of overall space of Englewood Hospital and Medical Center.

Vice Chairman Escher asked the Members' pleasure with respect to the adoption of the resolution consenting to the lease of certain mortgaged property related to the Authority's Revenue Bonds Englewood Hospital and Medical Center Issue (FHA Insured Mortgage), Series 2002. Mr. Escher offered a motion to adopt the resolution; Mr. Sherman seconded. The vote was unanimous and the motion was carried.

AB RESOLUTION NO. KK-15

> **NOW, THEREFORE, BE IT RESOLVED,** that the Authority hereby approves the attached form of the "RESOLUTION CONSENTING TO THE LEASE OF CERTAIN MORTGAGED PROPERTY RELATED TO THE AUTHORITY'S REVENUE BONDS ENGLEWOOD HOSPITAL AND MEDICAL CENTER ISSUE (FHA INSURED MORTGAGE), SERIES 2002."

(attached)

4. MODIFICATION OF QUALIFIED BANKERS LIST

Lou George reported that the Authority received a request from Loop Capital Markets, LLC, which is currently on the Authority's Qualified Bankers List to serve as co-manager, to also be considered as a remarketing agent.

Mr. George informed Members that Loop Capital is a privately-owned, minority controlled full-service investment banking firm and a broker-dealer with a national presence. The firm is headquartered in Chicago with 20 offices nationwide including one in Newark. They currently employ over 131 professionals including 40 investment bankers in the public finance department. The firm maintains a dedicated short-term desk staffed with three full time, short-term sales and trading specialists who serve as remarketing agents on over $5.5 billion of tax-exempt and taxable VRDNs, (variable rate demand notes), commercial paper and short-term notes.

Mr. George added that although the firm does not currently remarket any New Jersey health-care paper, they have served as remarketing agent on $46.3 million of Evanston Northwestern Healthcare Corporation and $10 million of the University of Chicago Medical Center variable rate program notes.

Mr. George recommended to Members that, based upon the information provided, the firm has demonstrated that it is qualified under the Authority's standards not only to serve as a co-manager but also be approved as a remarketing agent.

Mr. Sherman offered a motion to approve the addition of Loop Capital to the list of approved Authority bankers to serve as a Remarketing Agent. Mr. Lee seconded. The vote was unanimous and the motion was approved.

AB RESOLUTION NO. KK-16

> **NOW, THEREFORE, BE IT RESOLVED,** that the Authority add Loop Capital to the list of approved Authority bankers to serve as a Remarketing Agent.

5. AMENDMENT TO THE 2010 AUTHORITY BUDGET

Mr. Michael Ittleson reported to Members that the Health Information Exchange Grant that the Authority received through the 2009 American Recovery and Reinvestment Act has reimbursement and expenses associated with it directly tied to the Health Information Technology Project Manager hired by the Authority. Those expenses are not being paid out of the actual Grant funds; they are being paid out of the Authority's own funds. The actual Grant funds go to the four exchanges.

From a record keeping standpoint and for ease of identifying the reimbursement for the HIT Project Manager salary and expenses specific to the Grant, Authority staff is requesting two line items be added to the Authority's 2010 budget and requesting funding of these line items.

The first line item is the HIE Grant Salary Reimbursement line item with an appropriation of $40,072.00, which is the total estimated quarterly amounts that would be received from the Department of Health covering the period May 17, 2010 through June 30, 2010 and July 1, 2010 through September 30, 2010.

The second line item is the HIE Grant Expense line item with an appropriation of $72,000 and the transfer to this line item of $15,500 which was budgeted under the line item New Products-Developmental Phase earlier this year for the consultant hired to assist staff in the implementation of the Grant. The appropriation and transfer would result in a total for this line item of $87,500.

Vice Chairman Escher asked the Members' pleasure with respect to the adoption of the resolution consenting to the amendment of the 2010 budget by establishing an HIE Grant Salary Reimbursement line item with an appropriation of $40,072.00 as recommended by Authority staff? Ms. Stokley offered a motion to adopt the resolution; Mr. Sherman seconded. The vote was unanimous and the motion was carried.

AB RESOLUTION NO. KK-17

> **NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves the amendment of the 2010 budget by establishing an HIE Grant Salary Reimbursement line item with an appropriation of $40,072.00 as recommended by Authority staff.

Vice Chairman Escher then asked the Members' pleasure with respect to the adoption of the resolution to amend the 2010 budget by establishing an HIE Grant Expenses line item with an appropriation of $72,000.00 for estimated grant expenses and for the transfer of $15,500.00 from New Products-Developmental Phase line item to the HIE Grant Expenses line item as recommended by Authority staff. Ms. Stokley offered a motion to adopt the resolution; Mr. Sherman seconded. The vote was unanimous and the motion was carried.

AB RESOLUTION NO. KK-18

> **NOW, THEREFORE, BE IT RESOLVED**, that the Authority herby approve the amendment of the 2010 budget by establishing an HIE Grant Expenses line item with an appropriation of $72,000.00 for estimated grant expenses and for the transfer of $15,500.00 from New Products-Developmental Phase line item to the HIE Grant Expenses line item as recommended by Authority staff.

Ms. Stokley asked for clarification on the amount of the grant. Mr. Hopkins responded that it was $11.4 million to be dispersed over four (4) years. Mr. Escher asked, from a cash-flow perspective, how the funds were to be dispersed. Ms. Jefferson, the HIE Project Manager, responded that the $11.4 million was to be dispersed in equal amounts over the term of the grant.

6. AUTHORITY EXPENDITURES

Vice Chairman Escher referenced a summary of Authority expenses and invoices. Ms. Stokley offered a motion to approve the bills and to authorize their payment; Mr. Sherman seconded. The vote was unanimous and the motion was approved.

AB RESOLUTION NO. KK-19

> **WHEREAS,** the Authority has reviewed memoranda dated July 15, 2010, summarizing all expenses incurred by the Authority in connection with FHA Mortgage Servicing, Trustee/Escrow Agent/Paying Agent fees, and general operating expenses in the amounts of $544,468.86, $37,601.07 and $170,704.31 respectively, and has found such expenses to be appropriate;
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> **NOW, THEREFORE, BE IT RESOLVED,** that the Authority hereby approves all expenses as submitted and authorizes the execution of checks representing the payment thereof.

7. STAFF REPORTS

Vice Chairman Escher thanked staff for the Project Development Summary, Cash Flow Statement, Semi-Annual Budget Report, and Legislative Advisory.

Mr. Mark Hopkins welcomed Ron Marmelstein to his first Authority meeting as the newly appointed Director of Operations and Finance. Mr. Hopkins also reported on two staff marriages which occurred since the last Authority meeting, Tammy Romsdahl and Jessica Waite were both recently wed.

This concluded the Executive Director's report.

As there was no further business to be addressed, following a motion by Ms. Stokley and a second by Mr. Sherman, the Members voted unanimously to adjourn the meeting at 10:42 a.m.

I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE COPY OF MINUTES OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY MEETING HELD ON JULY 22, 2010.

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Carole A. Conover
Assistant Secretary