Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on January 22, 2009 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, New Jersey.

The following **Authority Members** were in attendance:
Gus Escher, Public Member (chairing the meeting); Ulysses Lee, Public Member (via telephone); Maryann Kralik, Designee of the Commissioner of Banking and Insurance; William Conroy, Designee of the Commissioner of Health and Senior Services (via telephone); Eileen Stokley, Designee of the Commissioner of Human Services.

The following **Authority staff members** were in attendance:
Mark Hopkins, Dennis Hancock, Steve Fillebrown, Jim Van Wart, Suzanne Walton, Susan Tonry, Lou George, Ron Marmelstein; Carole Conover, Michael Ittleson, Marji McAvoy, Bill McLaughlin, and Stephanie Bilovsky.

The following **representatives from State offices and/or the public** were in attendance:
Kay Fern, Evergreen Financial; Maryann Kicenuk, Windels Marx Lane & Mittendorf; Dan Davis, Catholic Health East; Kevin Stagg, Christopher Cagnassola, Christian Health Care Center; John Cavaliere, McManimon & Scotland; Gene Johnson, Lourdes Medical Center of Burlington County; Alexander J. Hatala, CHE-NJ; John R. Ernst, R. Grant Leidy, Susan Bonfield, Deborah Heart & Lung; Jo Surpin, Strategic Health Alliance, LLP; Howard Eichenbaum, Gluck Walrath; and Kavin Mistry, Office of the Attorney General.

CALL TO ORDER

Gus Escher called the meeting to order at 10:06 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 22, 2008 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.

APPROVAL OF MINUTES

December 18, 2008 Authority Meeting

Minutes from the Authority's December 18, 2008 meeting were presented for approval. Ms. Stokley made a motion to approve the minutes; Mr. Conroy seconded. Mr. Escher abstained, Mr. Lee voted yes, Ms. Kralik voted yes, Mr. Conroy voted yes, and Ms. Stokley voted yes. The motion to approve the meeting minutes passed.

TEFRA HEARING & CONTINGENT BOND SALE
Christian Health Care Center

Mr. Escher stated that the following portion of the meeting is considered a public hearing in connection with the proposed issuance of bonds on behalf of Christian Health Care Center ("CHCC" or the "Center"). 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.

Suzanne Walton then introduced Kevin Stagg, Vice President of Finance and Chief Financial Officer of Christian Health Care Center and Chris Cagnassola, Controller.

Ms. Walton indicated that the Members were being asked to consider a contingent sale of bonds on behalf of CHCC in an aggregate principal amount not to exceed $15,200,000. Christian Health Care Center, located in Wyckoff, New Jersey provides a continuum of elder care and mental health services including skilled nursing care, residential care, assisted living, inpatient and outpatient mental health care and medical and social day care.

The proceeds of the bonds, together with other funds, would be used to: (1) refund the Authority's Series 1997A Fixed Rate Bonds, (2) finance and reimburse the Center for various construction and renovation projects, including the construction of a Great Room and renovations to the laundry area and the long term care unit, fund capitalized interest, and pay the related costs of issuance.

She indicated that in December of 1997, CHCC issued approximately $29 million of Revenue and Refunding Bonds in two series consisting of $19.4 million of Series 1997A Fixed Rate Bonds and $10.5 million of Series 1997B Variable Rate Bonds. She informed the Members that the Center was pursuing a refinancing of their Series A Fixed Rate Bonds, outstanding in the approximate amount of $11.9 million, with variable rate demand revenue bonds enhanced by a direct pay letter of credit from Valley National Bank, in order to achieve cash flow savings and improved liquidity.

Ms. Walton stated that the bonds will initially bear interest at the weekly interest rate but the documents allow for conversion to other interest rate modes including daily rates, commercial paper rates and term rates upon receipt of an Opinion of Bond Counsel. Although the credit rating for the bonds has yet to be assigned, it was expected that the bonds will reflect the credit ratings of the letter of credit provider, which is rated "A-1" by Standard & Poor's Ratings Services.

She noted that CHCC provided projections for 2009 and 2010 which were reviewed by staff and included with the Members' mailing material. She then turned the presentation over to bond counsel to outline the Bond Resolution and offered to answer any questions the Members may have regarding the transaction after bond counsel's presentation.

BOND RESOLUTION

Maryann Kicenuik, Esq., of Windels Marx Lane & Mittendorf, LLP stated that the Bond Resolution authorizes the issuance of the Series 2009 bonds in an aggregate principal amount not to exceed $15,200,000 million and shall bear interest initially at a Weekly Interest Rate not to exceed six percent (6%) per annum and, thereafter, the interest rate on the Series 2009 Bonds shall not exceed twelve percent (12.0%) per annum, unless the Series 2009 Bonds are held by the Bank or a Liquidity Provider, in which case, the interest rate shall not exceed the maximum interest rate permitted by the law. The Bonds will have a final maturity of no later than July 1, 2038 and be subject to redemption prior to maturity on such terms and conditions, as shall be set forth in the Trust Agreement; provided, that the redemption price may be no greater than 105%. The Bonds will be paid from draws on the direct-pay letter of credit to be issued by Valley

National Bank and under the terms of a Reimbursement Agreement. The Hospital will be obligated to reimburse the Bank for draws on the letter of credit.

The Bond Resolution approves the form of and authorizes the execution of a Bond Purchase Contract prior to close of business on April 21, 2009 with the condition that the underwriter's discount may not exceed $9.30 per $1,000 principal amount of the Bonds. The Bond Resolution also approves the form of the Bonds, the Loan Agreement, the Trust Agreement, the Remarketing Agreement, the Letter of Instructions and the Official Statement and authorizes the Authorized Officers of the Authority to execute such documents in the form presented to the Authority with such changes as Counsel may advise and the executing Authorized Officer may approve. The Bond Resolution further appoints The Bank of New York Mellon as Trustee, Tender Agent, and Bond Registrar for the Bonds and appoints B.C. Ziegler and Company or affiliates, as approved by an Authorize Officer of the Authority, as the initial Remarketing Agent for the Bonds. Finally, the Bond Resolution authorizes and directs the Authorized Officers to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the execution and delivery of the documents authorized under the Bond Resolution and the issuance and sale of the Series 2009 Bonds.

Mr. Escher asked the Members' pleasure with respect to the adoption of the Bond Resolution. Mr. Lee moved that the document be approved. Mr. Escher seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. II-51

NOW, THEREFORE, BE IT RESOLVED, That the Authority hereby approves the Bond Resolution entitled, **"A RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REVENUE BONDS, CHRISTIAN HEALTH CARE CENTER ISSUE, SERIES 2009."**

Mr. Escher then closed the public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

CONTINGENT BOND SALE

Catholic Health East

Lou George began by introducing Dan Davis, Catholic Health East's Director of Capital Management. Catholic Health East ("CHE") operates health care facilities in eleven states on the east coast with an aggregate of over 12,000 beds. In New Jersey, Our Lady of Lourdes Medical Center in Camden, Lourdes Medical Center of Burlington County in Willingboro, and St. Francis Medical Center in Trenton are all members of the CHE Health System and the Obligated Group.

Mr. George briefed the Members on the bonds being refinanced and indicated that in April of 2007, the Authority issued $101,395,000 of index bonds on behalf of CHE. This was part of a multi-state deal with Georgia, Massachusetts and Pennsylvania. The New Jersey interest rate was structured as 67% of LIBOR plus 80 basis points, reset and payable on a quarterly basis (each February, May, August and November 15th). Unlike a pure variable rate transaction, there was no liquidity facility in place to allow an investor to put their bonds back to

CHE. An investor seeking to exit the investment could only sell their holdings in the secondary market.

Because of the lack of liquidity and the ongoing economic crisis, investors do not have an appetite for this index rate product. Believing that they can benefit from this situation, CHE is asking for authorization to conduct a negotiated public offering to refinance the Series 2007 bonds and pay the related costs of issuance including a swap termination fee. CHE will offer the investors an exchange rate of approximately 50 cents on the dollar for a fixed rate bond at current interest rates in the range of 7% to 8.50%. The Series 2007 issue did not have a debt service reserve fund and neither will the new issue.

Mr. George also noted that the 2007 bonds were narrowly distributed to some of the larger bond funds. Merrill Lynch, the underwriter for the proposed transaction, is not making a formal tender offer to the bondholders but instead is reaching out to the bonds' funds, many of whom they believe will jump at chance to convert their holdings. The bondholders will have three options:

1. Exchange their bonds for new fixed rate bonds;
2. Sell their bonds to CHE at the discounted rate of roughly 50 cents on the dollar; or
3. Keep their index bonds.
    - CHE is amenable to this exchange so long as there is a benefit-- key benefits would be: a significant reduction in debt, minimal debt service savings, and/or a decline in the amount of CHE's fixed rate swaps which have very negative market values.

The bonds will be sold through an uninsured public offering issued on CHE's ratings of "A1" by Moody's, "A" by Standard & Poors, and "A+" by Fitch.

BOND RESOLUTION

John Cavaliere of McManimon & Scotland, L.L.C. stated that the Bond Resolution authorizes the issuance of the tax-exempt Series 2009 bonds in an aggregate principal amount not in excess of $106,000,000 and at a true interest cost not to exceed 9% per annum. The bonds will have a final maturity date of no later than November 15, 2039 and an optional redemption price not in excess of 105%. The bonds will be secured by payments made by the members of the obligated group under a Loan Agreement, as evidenced and secured by a Note issued pursuant to the provisions of a Master Trust Indenture and Supplemental Indenture. The obligated group consists of CHE and all the system affiliates that collectively generate and own a substantial portion of the revenues and assets of the CHE Health System.

Further, the Bond Resolution approves the form of and authorizes the execution of a Bond Purchase Contract with Merrill Lynch, Pierce Fenner & Smith Incorporated prior to close of business on April 23, 2009 and approves the form, terms, and provisions of the Loan Agreement and Bond Indenture, the form of the Bonds, and the Official Statement. The resolution also authorizes the Authorized Officers to take any action and execute any document or give any consent required under the Bond Resolution, Loan Agreement or the Bond Indenture.

Lastly, the Bond Resolution approves The Bank of New York Mellon Trust Company N.A., of Pittsburgh, Pennsylvania to serve as trustee, authenticating agent, registrar and paying agent.

Mr. Conroy asked about the estimated savings for the transaction, to which Mr. George replied that CHE hopes to save approximately 2% on the net present value.

Mr. Escher added that it is not likely that the $106 million limit being requested would be issued, but rather this issue would be sized based upon whatever the obligation is to pay out the current bonds and to terminate the swap.

Mr. Escher asked the Members' pleasure with respect to the adoption of the Bond Resolution. Mr. Conroy moved that the document be approved. Ms. Stokley seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. II-52

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Bond Resolution entitled, **"A BOND RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY, HEALTH SYSTEM REVENUE BONDS, CATHOLIC HEALTH EAST ISSUE, SERIES 2009."**

Mr. Hopkins reminded the Members that the Authority's policy "reserves the right to select firm(s), from its qualified list, to serve as co-managing underwriter(s) for its financings. Co-manager(s) will be selected by the Authority, based on demonstrated ability to distribute New Jersey securities of comparable credit quality, sufficient capital to participate in underwriting the issue, and borrower preference(s)."

CHE had selected Merrill Lynch & Co. as Senior Managing Underwriter for both series of bonds. CHE has requested that Goldman Sachs & Co. be considered to serve as co-manager for the bonds. Based on the current market conditions and type of transaction and its size, staff agreed it would be beneficial to add one co-manager for the bonds and recommended adding Goldman Sachs & Co. as requested.

Ms. Stokley moved to appoint Goldman Sachs to serve as co-manager for the CHE transaction; Ms. Kralik seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. II-53

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby appoints Goldman Sachs to serve as co-manager for the Catholic Health East 2009 bond issue.

Mr. Escher wished CHE good luck with the transaction.

RELEASE OF PROPERTY

Deborah Heart & Lung Hospital

Marji McAvoy began by introducing the following people:

- Gene Johnson, Lourdes Medical Center of Burlington County, Chief Executive Officer
- Alexander J. Hatala, CHE-NJ, President and Chief Executive Officer
- John R. Ernst, Deborah Heart & Lung, President and Chief Executive Officer
- R. Grant Leidy, Deborah Heart & Lung, Vice President Finance/ Chief Operating Officer
- Susan Bonfield, Deborah Heart & Lung, Vice President Legal and Regulatory Affairs
- Jo Surpin, Strategic Health Alliance, LLP, representative
- Howard Eichenbaum, Gluck Walrath, bond counsel

Ms. McAvoy then reported that Deborah Heart and Lung Center ("Deborah") and Catholic Health East ("CHE") have agreed to partner in the development and operation of an emergency center on Deborah's campus in the Browns Mills section of Pemberton Township. Staffing, construction and licensing for the new emergency department will be provided by Our Lady of Lourdes Health Care Services, Inc. and Lourdes Medical Center of Burlington County, Inc., both of which are members of CHE of New Jersey. Renovations are expected to cost about $4 million with a targeted opening date of January 1, 2010.

The new facility will be established in an office building used by Deborah for administration purposes located next to Deborah's main building. Since this space is part of mortgaged property that was renovated using proceeds of Deborah's 1993 bond issue, the Authority must consent to the lease of this property in order for it to be used for the purpose of this partnership.

Ms. McAvoy stated that this satellite emergency room would be a three-way "win" situation. The surrounding population will benefit by having an emergency services facility closer to home; Lourdes Medical Center will benefit by increasing their patient base; and, Deborah will benefit by an increase of admissions, same-day patient services, and patient needs for their ancillary departments. Increased volume at Deborah may also require the hiring of additional personnel for radiology and scanning services, since these services are not currently in operation 24 hours a day.

Authority Members had received a draft Consent to Lease Agreement prepared by Gluck Walrath, bond counsel for the transaction. Members also received a copy of the proposed lease and a draft Opinion of Bond Counsel opining that the Consent to Lease is authorized by the Trust Indenture, the Loan Agreement and by the Act; and that the execution and delivery of the Consent to Lease will not affect the tax status of the bonds.

The Attorney General's office reviewed the attached documents with no objection to the Authority's consideration of this matter.

Mr. Eichenbaum noted that, in preparing the certificates, there were some transcription errors in the numbers related to covenant ratios. He noted these errors would be fixed and the corrected certificates would be given to Ms. McAvoy.

Ms. Stokley stated that she would have to abstain from any vote on this issue because she has a conflict of interest since the loan agreement considers licensure matters to be reviewed by her department.

Mr. Escher commended the transaction for its joint efforts of consolidation between two health care organizations. Mr. Escher moved to approve the requested release of property on behalf of Deborah Heart & Lung Hospital; Mr. Lee seconded. Mr. Escher voted yes, Mr. Lee voted yes, Ms. Kralik voted yes, Mr. Conroy voted yes, and Ms. Stokley abstained. The motion carried.

AB RESOLUTION NO. II-54

NOW, THEREFORE, BE IT RESOLVED, that, the Authority hereby approves the release of property on behalf of Deborah Heart & Lung Hospital, as recommended by staff, to be used as a new satellite emergency department for Our Lady of Lourdes Health Care Services, Inc. and Lourdes Medical Center of Burlington County, Inc.

AMENDMENT OF 2009 AUTHORITY BUDGET

Mr. Hopkins reminded the Members that the Authority collects financial information from hospitals, cleans it, analyses it and provide reports related thereto. When the Authority began this system over 20 years ago it was a new program that relied on voluntary participation by the hospitals. Staff believed that having a readily identifiable name associated with the system would aid in soliciting participation. Consultants that helped the Authority develop the program advised that trademarking the name was a prudent step to prevent other companies from either using the name or prohibiting the Authority from using the name.

At that time, the Office of the Attorney General recommended that the Authority use the firm Mathews, Shepherd, McKay & Bruneau, P.A. to complete the trademarking process. As a result, the U.S. Patent and Trademark Office issued a Trademark Registration to the Authority for the mark "Apollo" in January 1989.

Because that trademark is due to expire, staff pursued the trademark's renewal to avoid any confusion or additional administrative costs associated with a change in the program's name. In order to avoid a lapse in the trademark, staff authorized Mathews, Shepherd, McKay & Bruneau, P.A. to file a Renewal Application and Declaration of Continuing Use to renew the trademark for another ten years. The cost for this renewal is $1,100, which includes the U.S. Government Filing Fee of $500 and $600 for preparation and filing services. Mr. Hopkins noted that the Attorney General's office reviewed the proposal and felt the firm and fee were appropriate for the services provided.

Mr. Hopkins added that the 2009 budget does not include a line for Special Projects, such as the trademark renewal. Therefore, staff requested an amendment to the budget for $1,100 to cover the costs of filing the necessary forms to renew the trademark for Apollo.

Mr. Escher asked who uses the service, to which Mr. Fillebrown replied that the service is used by hospitals to compare their financial performance to state medians and comparable categories of hospitals within the state. Ms. Stokley asked if the hospitals pay for this service to which it was replied that they do not.

Ms. Kralik noted that the DAG had been consulted and agreed that the firm and price were reasonable but were not sure of the need for it. Mr. Hopkins replied that staff felt that the cost of $1,100 is very reasonable considering the high costs and inconvenience associated with changing the name and informing hospitals of the new name, should another organization claim exclusive use of the Apollo name.

Mr. Conroy moved to amend the Authority's 2009 budget to allow for the renewal of the Apollo trademark; Ms. Stokley seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. II-55

NOW, THEREFORE, BE IT RESOLVED, that, the Authority hereby amends its 2009 budget by adding $1,100 to the Authority's expenses;

BE IT FURTHER RESOLVED, that the Authority uses these additional funds to renew the APOLLO trademark.

AUTHORITY EXPENSES

Mr. Escher referenced a summary of Authority expenses and invoices. Ms. Kralik reminded staff and the Members that the State has asked all agencies and departments to keep an eye on unnecessary expenses. Ms. Stokley offered a motion to approve the bills and to authorize their payment; Mr. Conroy seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. II-56

WHEREAS, the Authority has reviewed memoranda dated January 15, 2009, 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 $195,777.92, $74,723.38 and $4,868.44 respectively, and has found such expenses to be appropriate;

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves all expenses as submitted and authorizes the execution of checks representing the payment thereof.

STAFF REPORTS

Mr. Escher thanked staff for their preparation of staff reports, including the Project Development Summary, Cash Flow Statement, Year-End Budget Report, and Legislative Advisory. Mr. Hopkins then offered the following items in his Executive Director's Report:

1. Assembly Bill A3389 was signed into law by the Governor on January 15, 2009. The bill clarifies the meaning of "the termination of the provision of hospital acute care services" in the Hospital Asset Transformation Program as including "the actual closure of, or other action taken to terminate acute care services at, a nonprofit hospital and the surrender of its license to provide hospital acute care services at that specific location, which occurred after the issuance by the commissioner of, and in accordance with the provisions of, a certificate of need . . . without regard to any pending appeal by a third party of the issuance of the certificate of need." It was clarified that the focus of this Act is to prevent financings from being "filibustered" by third party appeals; the Act is not in reference to appeals made by the hospital itself.
2. In hospital news, **Virtua Health System** continues to promote its proposal for a federal economic stimulus plan that would provide federal guarantees for loans or mortgages underlying bonds issued by state or local authorities for new hospital construction or major equipment purchases. Virtua and other hospitals have been contacting key federal lawmakers, members of the Obama administration and State officials seeking support for the proposal. Virtua is currently working with the Authority on a $600 million financing primarily for the construction and equipping of a new hospital in Voorhees. If enacted, the proposal may also be eligible to support upcoming financings for new hospital construction planned by Capital Health System and Princeton Health System. Mr. Escher asked if the fact that there may be federal guarantees for bonds issued by local organizations would have an effect on the Authority's

business, to which Mr. Hopkins stated that, in New Jersey, the Authority maintains some exclusivity in the ability to issue bonds for hospitals. He noted there are some exceptions, namely improvement authorities.

Due to the need to finalize deal points and documents, the **Solaris** financing will not be able to be marketed until after the blackout period surrounding the Governor's budget address. Because the State budget is in flux during the two weeks prior to the delivery of the Governor's budget address and it takes approximately two weeks after the Governor's budget address to prepare the State's disclosure for the Official Statement for the bonds, it is expected that the Solaris financing will go to market in late March or early April. The Governor is scheduled to deliver his budget address on February 24, 2009 but legislation has been introduced to delay the budget address to no later than March 12, 2009 so that any additional Federal aid could be included in his budget.

Meridian Health System has begun talks with both Bayshore Hospital and Southern Ocean County Hospital about possible mergers or partnerships.

3. In Authority news, Assistant Account Administrator Diane Johnson has been promoted to Senior Assistant Account Administrator. On January 15th, Susan Tonry presented an update on hospital financings at the New Jersey Society of CPA's Health Care Conference.

Also, during 2008, despite a near standstill in the final quarter, the Authority issued over $1.27 billion in bonds on behalf of nine borrowers. The Authority also issued one CAP loan for $12 million and converted nearly $272 million in bonds on behalf of two borrowers from auction rate to either fixed rate or variable rate. Mr. Hancock stated that the Authority currently has two auction rate issues outstanding, one on behalf of Saint Barnabas and one on behalf of Robert Wood Johnson at Hamilton. Because these auction rates are based on an index, however, these issues were less affected by the auction rate securities crisis that began in 2008. Mr. Hopkins noted that there has also been legislation proposed to include federal backing for refundings of certain securities including auction rate securities.

During the fall, staff reported to the Authority Members that the rates the Authority charged borrowers under the Capital Asset Program loans had spiked significantly, running 9.12% in September and 9.90% in October. It should be noted that rates have come down considerably since, running 3.85% in November, 3.15% in December and 2.73% in January. Mr. Hopkins also noted that the Authority's variable rate securities have been receiving rates as low as five-tenths percent.

Regarding Authority fees, for the twelve-month period ending December 2008 the Consumer Price Index for all Urban Consumers in the New York area increased 3.90% and in the Philadelphia area increased 3.41%, for an average of 3.66%. The Authority Members will recall that during the adoption of the 2007 budget it was agreed that the Authority would annually raise the cap upon which it collects its annual fee based on the increase in the average CPI-U of New York and Philadelphia rounded to the nearest million, this cap would also apply to the initial fee of 2.5 basis points approved during the discussions of the 2008 budget. Therefore, the maximum principal amount of bonds upon which the Authority will collect its initial fee and annual fee will increase from $85,000,000 to $88,000,000. Mr. Escher asked for clarification on which indices were being used, to which Mr. Hopkins said New York's region, which includes portions of North Jersey and Philadelphia's region, which includes portions of South Jersey.

This concluded the Executive Director's report.

EXECUTIVE SESSION

Mr. Escher asked the Members to meet in Executive Session, as permitted by the Open Public Meetings Act and the Authority's By-Laws, to receive advice from the Attorney General's office and discuss contractual negotiations regarding St. Mary's Hospital of Passaic. Ms. Stokley offered a motion to meet in Executive Session; Ms. Kralik seconded the motion. The vote was unanimous and the motion carried. Mr. Escher noted that the results of this discussion will be made public when the need for confidentiality no longer exists.

AB RESOLUTION NO. II-57

NOW, THEREFORE, BE IT RESOLVED, that, as permitted by the Open Public Meetings Act and the Authority's By-Laws, the Authority meet in Executive Session to receive advice from the Attorney General's office and discuss contractual negotiations regarding St. Mary's Hospital of Passaic;

BE IT FURTHER RESOLVED, that the results of discussions may be made known at such time as the need for confidentiality no longer exists.

Public session reconvened. Ms. Kralik made a motion, based on discussions held in Executive Session, to: delegate to the Authority's Executive Director the ability to take remedial action available under the St. Mary's of Passaic bond documents, and to request the Attorney General's office to assign bankruptcy counsel with respect to the outstanding St. Mary's bonds and to amend the Authority's 2009 budget to allow for up to $50,000 for the hiring of the bankruptcy counsel. Ms. Stokley seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. II-58

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby delegates to the Executive Director the ability to take remedial action available to the Authority under the bond documents for St. Mary's of Passaic's outstanding bonds; and,

BE IT FURTHER RESOLVED, that the Executive Director be authorized to request the assignment of bankruptcy counsel by the Attorney General's office with respect to the outstanding St. Mary's bonds and to amend the Authority's 2009 budget to allow for up to $50,000 for the hiring of this bankruptcy counsel.

As there was no further business to be addressed, Ms. Stokley moved to adjourn the meeting, Mr. Lee seconded. The vote was unanimous and the motion carried at 11:20 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 JANUARY 22, 2009.

Dennis Hancock
Assistant Secretary