

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

January 11, 2005

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Joseph McNamara, Vice Chairman; Joseph Grossi representing the Secretary of the NJ Commerce, Economic Growth and Tourism Commission; Daniel Levine representing the State Treasurer; Joseph Latoof representing the Commissioner of the Department of Labor and Workforce Development; Janine Akey representing the Commissioner of the Department of Banking and Insurance; Bernie Piaia representing the Commissioner of Education; Ciro Scalera, Carlos Medina, Jack Kocsis, Jr., Phil Kirschner, and Timothy Carden, Public Members; Dennis Shah and Steven Denholtz, Alternate Public Members; and Rodney Sadler, non-voting member.

Also present: Caren S. Franzini, Chief Executive Officer of the Authority; bond counsel for the Authority; Bette Renaud, Deputy Attorney General, and guests.

Chairman Koepp called the meeting to order at 10:07.

Pursuant to the Internal Revenue Code of 1986, Ms. Franzini 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. Franzini 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 first item of business was the approval of the December 13, 2004 meeting and Executive Session minutes of the Board. A motion was made to approve the minutes by Mr. Kocsis, seconded by Mr. Latoof and was approved by the 13 Members present. **Ms. Akey recused herself because she was not at the meeting.**

Chairman Koepp advised the members that Tom Wilson and Joan Verplanck's terms have expired and expressed appreciation on behalf of the Board for their service to the EDA. He also noted that Phil Kirschner, President of the New Jersey Business and Industry Association would be joining the Board and expressed confidence that Mr. Kirschner's business experience would be invaluable to the Board.

PROJECT: VPR Commerce Center **APPL.#6442**
LOCATION: Gloucester Twp./Camden Cty. **BUSINESS:**
AMENDED RESOLUTION TO: amendment to the Bond and Note to approve a deferral of the payment of principal due under the 1989 bonds until 2009 to provide cash flow for capital maintenance.
MOTION TO APPROVE: Mr. Latoof **SECOND:** Mr. Piaia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 5

PROJECT: Wanaque Convalescent Center, L.P. (#4) for the **APPL.#16188**
benefit of Wanaque Operating Co., LP
LOCATION: Wanaque Boro./Passaic Cty. **BUSINESS:** Nursing home
AMENDED RESOLUTION TO: to refund the \$7,655,000 outstanding balance of its tax-exempt bonds.
MOTION TO APPROVE: Mr. Kocsis **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 6

PRELIMINARY RESOLUTIONS

PROJECT: Multi-Fab Sales & Services, Inc. for the benefit **APPL.#16321**
of Wire Cloth Manufacturers, Inc.
LOCATION: Rockaway Boro./Morris Cty. **BUSINESS:** Fabricator of wire cloths
PROCEEDS FOR: bldg. acqui. & renov.
This matter was held from consideration.

PROJECT: Opportunity Project, Inc. **APPL.#16371**
LOCATION: Millburn Twp./Essex Cty. **BUSINESS:** Not for profit transitional services provider
PROCEEDS FOR: refinancing
MOTION TO APPROVE: Mr. Denholtz **SECOND:** Mr. Piaia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 7

PROJECT: SEARCH Day Program, Inc. **APPL.#16327**
LOCATION: Ocean Twp./Monmouth Cty. **BUSINESS:** Not for profit school for autism
PROCEEDS FOR: bldg. & road constr.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Medina **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 8

PROJECT: Shore Pride, Inc. for the benefit of P&M, Inc. **APPL.#16326**
LOCATION: Newark City/Essex Cty. **BUSINESS:** Meat processor
PROCEEDS FOR: bldg. acqui. & renov.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT 9

STATEWIDE LOAN POOL PROGRAM

PROJECT: Peter Ciarrocchi, Jr. or entity to be former **APPL.#16362**
LOCATION: Bordentown City/Burlington Cty. **BUSINESS:** Full service restaurant
PROCEEDS FOR: bldg. renov./ equip. purch.
FINANCING: \$2,000,000 bank loan with a \$500,000 (25%) participation
MOTION TO APPROVE: Ms. Akey **SECOND:** Mr. Carden **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 10

PROJECT: L & F Properties **APPL.#16367**
LOCATION: Trenton City/Mercer Cty. **BUSINESS:** Real Estate developer
PROCEEDS FOR: bldg. renov. & acqui.
FINANCING: \$1,040,000 bank loan with a \$260,000 (25%) Authority participation
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 10 **Mr. Latoof recused himself because he serves on the applicant's board.**

FUND FOR COMMUNITY ECONOMIC DEVELOPMENT

PROJECT: Housing and Neighborhood Development **APPL.#16332**
Services, Inc.
LOCATION: Orange City/Essex Cty. **BUSINESS:** Not for profit provider of affordable housing
PROCEEDS FOR: deposit and contract payments
FINANCING: \$50,000 Fund for Community Economic Development loan
MOTION TO APPROVE: Ms. Akey **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 11

Mr. Kirschner entered the meeting at this time.

PROJECT: Rutgers, the State University of New Jersey **APPL.#16203**
LOCATION: Newark City/Essex Cty. **BUSINESS:** State University
PROCEEDS FOR: feasibility study
FINANCING: \$50,000 Fund for Community Economic Development loan
MOTION TO APPROVE: Mr. Grossi **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 11 **Mr. Scalera recused himself because he owns property on neighboring Halsey Street in Newark.**

PROJECT: Zelphy's Christian Learning Center, Inc. **APPL.#16218**
d/b/a Zelphy's Learning
LOCATION: Millville City/Cumberland Cty. **BUSINESS:** Not for profit Daycare center
PROCEEDS FOR: inspections & permits
FINANCING: \$50,000 Fund for Community Economic Development loan
MOTION TO APPROVE: Ms. Akey **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 11

ECONOMIC RECOVERY BOARD FOR CAMDEN

PROJECT: Boys & Girls Club of Camden County **APPL.#16328**
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: bldg. constr./equip. purch.
FINANCING: \$1,000,000 Economic Recovery Board for Camden grant
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

PROJECT: Camden City Garden Club **APPL.#15423**
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: neighborhood beautification project
FINANCING: \$36,600 Economic Recovery Board for Camden grant
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Akey **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

PROJECT: Camden Redevelopment Agency **APPL.#16132**
(Cathedral Soup Kitchen)
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: bldg. acqui./demolition
FINANCING: \$305,800 Economic Recovery Board for Camden grant
MOTION TO APPROVE: Mr. Medina **SECOND:** Mr. Piaia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

PROJECT: Camden Redevelopment Agency **APPL.#16137**
(Central Waterfront Temporary Parking)
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: land acqui./temporary parking areas
FINANCING: \$3,910,500 Economic Recovery Board for Camden grant
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Akey **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

PROJECT: New Jersey Tax Lien Financing Corporation **APPL.#16357**
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: redevl. funding
FINANCING: Economic Recovery Board for Camden 50% cash collateral guarantee not to exceed \$6,000,000 of a \$12,000,000 loan from Fannie Mae American Communities Fund.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Medina **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

PETROLEUM UNDERGROUND STORAGE TANK LOAN PROGRAM

The following project presented was a loan under the NJDEP Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund Program.

MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Latoof **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 13

PROJECT: Brookwood Gulf Center, Inc. **APPL.#16183**
LOCATION: East Orange City/Essex Cty.
PROCEEDS FOR: site remediation
FINANCING: \$37,668 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund loan

The following projects presented were conditional hardship grants under the NJDEP Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund Program.

PROJECT: Fernando Castilla **APPL.#16295**
LOCATION: Paterson City/Passaic Cty.
PROCEEDS FOR: site remediation
FINANCING: \$13,511 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Joan Morris **APPL.#16338**
LOCATION: Evesham Twp./Burlington Cty.
PROCEEDS FOR: site remediation
FINANCING: \$6,034 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Alan Price **APPL.#16143**
LOCATION: Boonton Twp./Morris Cty.
PROCEEDS FOR: site remediation
FINANCING: \$29,570 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Nathaniel Wicks and Barbara Wicks **APPL.#15469**
LOCATION: Lakewood Twp./Ocean Cty.
PROCEEDS FOR: site remediation
FINANCING: \$39,667 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Doris Zammit **APPL.#16259**
LOCATION: Wrightstown Boro./Burlington Cty.
PROCEEDS FOR: site remediation
FINANCING: \$5,729 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

NJDEP HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The next item presented was a municipal grant under the NJDEP Hazardous Discharge Site Remediation Fund Program.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 14

PROJECT: Township of Gloucester **APPL.#16342**
(Former Nike Missile Base)
LOCATION: Gloucester Twp./Camden Cty.
PROCEEDS FOR: site remediation
FINANCING: \$47,154 NJDEP Hazardous Discharge Site Remediation municipal grant

SPRINGBOARD FUND PROGRAM

PROJECT: Microplate Automation, Inc. **APPL.#16376**
LOCATION: Camden City/Camden Cty. **BUSINESS:** Producer of technology cleaning supplies
FINANCING: \$250,000 Springboard II grant
MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Piaia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Silicon Wafer Technologies, Inc. **APPL.#16375**
LOCATION: Newark City/Essex Cty. **BUSINESS:** Producer of starting wafers for semiconductor chipmakers
FINANCING: \$250,000 Springboard II grant
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Supertron Technologies, Inc. **APPL.#16377**
LOCATION: Newark City/Essex Cty. **BUSINESS:** Producer of MRI coils
FINANCING: \$250,000 Springboard II grant
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Akey **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: Bentley Laboratories, LLC **APPL.#16345**
LOCATION: Edison Twp./Middlesex Cty. **BUSINESS:** Mfr. of cosmetics
GRANT AWARD: 65% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: Collins Stewart Tullett Holdings, Inc. **APPL.#16351**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Brokerage firm
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Grossi **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: Comag Marketing Group, LLC **APPL.#16349**
LOCATION: Princeton Boro./Mercer Cty. **BUSINESS:** Sales & marketing org.
GRANT AWARD: 60% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Grossi **SECOND:** Mr. Carden **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: Givaudan Fragrances Corporation **APPL.#16279**
LOCATION: Parsippany-Troy Hills Twp./Morris Cty. **BUSINESS:** Mfr. of fragrance
compounds
GRANT AWARD: 65% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: Government Employees Insurance Company **APPL.#16313**
LOCATION: Evesham Twp./Burlington Cty. **BUSINESS:** Auto insurance company
GRANT AWARD: 65% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Akey **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 16 **Mr. Kirschner recused himself because NJBIA has a marketing relationship with another company in the industry.**

PROJECT: Howmedica Osteonics Corp. **APPL.#16359**
LOCATION: Mahwah Twp./Bergen Cty. **BUSINESS:** Mfr. & Developer of
orthopedic joints
GRANT AWARD: 70% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Akey **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: IXIS North America **APPL.#16354**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Asset management company
GRANT AWARD: 70% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 16 **Mr. Denholtz recused
himself because he has a
business relationship with
the company.**

PROJECT: Juvent, Inc. **APPL.#16355**
LOCATION: Franklin Twp./Somerset Cty. **BUSINESS:** Mfr. of medical devices
GRANT AWARD: 70% Business Employment Incentive grant, 7 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Akey **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: Medico Graphic Services, Inc. **APPL.#16315**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Mfr. of medical stationary
GRANT AWARD: 55% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Grossi **SECOND:** Ms. Akey **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: Pharmasset, Inc. **APPL.#16364**
LOCATION: Plainsboro Twn./Mercer Cty. **BUSINESS:** Pharmaceutical company
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Grossi **SECOND:** Mr. Piaia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: SG Americas Operational Services Inc./ **APPL.#16358**
SG Americas Securities
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Securities broker-dealer
GRANT AWARD: 80% Business Employment Incentive grant, 10 years

Ms. Franzini noted that standard due diligence on this application has revealed litigation that is a basis for disbarment of the applicant. Upon review of mitigating actions by the company and advice of the Attorney General's Office, staff has recommended the grant request for approval.

Ms. Franzini proceeded to review the matter for the Board. Criminal charges were brought against an employee of an affiliate company, SG Cowen, in 2002. The employee, a former officer and retail broker, was convicted of federal charges of security fraud, mail fraud, bank fraud and identity theft. He received a seven year prison sentence. In addition, the individual was convicted in Ohio state court of like charges. SG Cowen was charged with failure to supervise the officer and violations of the federal securities law based on the officer's activities. The company entered into a consent order for these charges without admitting guilt, paid a total of \$9.5 million fines to state and federal authorities, agreed to a censure from the SEC, agreed to review its policies and systems and to participate in expedited arbitration to resolve claims of customers hurt by the fraudulent behavior. The company has implemented new business policies and compliance procedures to prevent such fraudulent practices from occurring in the future.

The Attorney General's Office reviewed the matter after its determination that there is a basis for debarment. Counsel recommends that the grant request be presented to the Board for approval. The recommendation is based on the behavior that was limited to one officer, that none of the company or its affiliates or officers has ever been convicted of any other crimes; nor have there been similar regulatory matters in which there was an admission or finding of guilt.

Chairman Koeppe asked if the company has been subject to sanctions in any other jurisdictions. Larry Cier stated that the Attorney General's review indicated that the applicants are not involved in any pending matters and there have been no debarments or suspensions of the applicants or its affiliates.

Mr. Kirschner asked what has been the impact of the company's financial settlements and what the exposure will be from pending claims from customers. Mr. Cier stated that the company has represented that there has been no adverse financial impact to operations. Ms. Franzini suggested that staff would research this matter further with the participation of the Attorney General's Office and if the exposure appeared significant the matter would be referred back to the Board. Chairman Koeppe opined that the mitigating actions undertaken by the company may allow the Board to approve the grant request but that the Attorney General's Office should monitor the company closely. Deputy Attorney General advised that the BEIP has an "evergreen" requirement that mandates the disclosure of any litigation that should occur at anytime over the life of the grant term and a recommendation for debarment can be made to the Board at any time if a basis has been determined.

MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Grossi **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT 16 **Mr. Kirschner voted No.**
The approval was conditioned on AG review of the financial settlement to determine if it has had an adverse effect on the operations of the company.

PROJECT: Sanofi-Synthelabo, Inc.
LOCATION: TBD

APPL.#16368
BUSINESS: Pharmaceutical company

GRANT AWARD: 50% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Grossi **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: United Parcel Service General Services **APPL.#16350**
Company
LOCATION: Mahwah Twp./Bergen Cty. **BUSINESS:** Package delivery company
GRANT AWARD: 70% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Grossi **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

BOARD MEMORANDUMS

The next item was the approval to add a second Business Employment Incentive Program project site to the grant location approved by the meeting in May, 2004 for Novartis Pharmaceuticals Corporation.

MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT 17

The next item was the approval of the Business Employment Incentive Program Modifications.
(For Informational Purposes Only)

The next item was the approval of the following loans under the New Jersey Business Growth Fund Program: Samuel Coraluzzo Co., Inc., Pine Street Holdings, LLC and Mid-Atlantic Vegetable Shortening Co..
(For Informational Purposes Only)

NJ SCHOOL CONSTRUCTION CORP.

CEO John Spencer of the NJ Schools Construction Corporation, a subsidiary corporation of the NJEDA, made a presentation to the board on the current scope and activities of the school construction program. He highlighted the status of the design and building of schools in the Abbott districts and current financial obligations of the program.

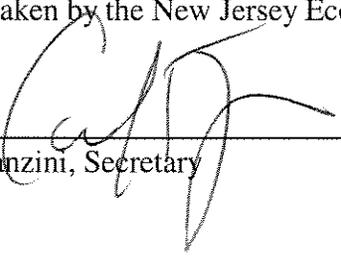
PUBLIC COMMENT

Chairman Koeppel asked for any public comment by members of the public. There was none.

There being no further business on a motion by Mr. McNamara, and seconded by Mr. Kocsis, the meeting was adjourned at 12:10.

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.



Caren S. Franzini, Secretary