

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 8, 2005

MINUTES OF THE MEETING

Members of the Authority present: 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; Michael Sheridan 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, Charles Sarlo, and Timothy Carden, Public Members; Raymond Burke and Steven Denholtz, Alternate Public Members; and Rodney Sadler, non-voting member.

Absent from the meeting: Al Koeppel, Chairman.

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

Mr. McNamara 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.

Vice Chairman McNamara advised the members that Dennis Shah's term has expired and expressed appreciation on behalf of the Board for his many years of service to the EDA. He also noted that Charles Sarlo and Raymond Burke would be joining the Board.

Mr. Sarlo and Mr. Burke recused themselves from all actions being taken today because they were recently appointed to the Board and have not had a chance to review the agenda.

MINUTES OF AUTHORITY MEETING

The first item of business was the approval of the January 11, 2005 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Kocsis, seconded by Mr. Carden and was approved, with the amendment to L&F Properties that Mr. Latoof serves on the potential project users board, by the 11 Members present.

The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board. **(For Informational Purposes Only)**

Mr. Denholtz entered the meeting at this time.

BOND RESOLUTIONS

The next item was the approval to adopt the Twelfth Supplemental School Facilities Construction Bond Resolution authorizing the issuance of the 2005 Series L Bonds and 2005 Series M Bonds in a combined principal amount not to exceed \$650 million as well as other matters in connection with the issuance and sale thereof; authorize the use of professionals, reduce the Authority's closing fee to no less than half the regulatory bond closing fee, and authorize Authority staff to take all necessary actions incidental to the issuance of the 2005 Series L and 2005 Series M bonds, subject to final review and approval of all terms and documentation by Bond counsel and the Attorney General's Office.

This matter has been held from consideration.

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Metropolitan YMCA of the Oranges **APPL.#16417**
LOCATION: Hardyston Twp./Sussex Cty. **BUSINESS:** Not for profit recreational services
PROCEEDS FOR: refinancing/equip. purch.
FINANCING: \$5,500,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 1
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PRELIMINARY RESOLUTIONS

PROJECT: Appel Farm Arts and Music Center, Inc. **APPL.#16428**
LOCATION: Upper Pittsgrove Twp./Salem Cty. **BUSINESS:** Not for profit arts camp
PROCEEDS FOR: bldg. constr. & renov./refinancing
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 2

PROJECT: The Darcey School **APPL.#16427**
LOCATION: Chatham Twp./Morris Cty. **BUSINESS:** Not for profit school
PROCEEDS FOR: bldg. acqui. & renov.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 3

PROJECT: Milky Way Education Center, Inc. **APPL.#16430**
LOCATION: Paterson City/Passaic Cty. **BUSINESS:** Not for profit education center
PROCEEDS FOR: bldg. acqui. & renov.
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 4

PROJECT: The Pennington School **APPL.#16405**
LOCATION: Pennington Boro./Mercer Cty. **BUSINESS:** Not for profit boarding school
PROCEEDS FOR: refinancing
MOTION TO APPROVE: Mr. Grossi **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: PFG, LLC for the benefit of Gasflo **APPL.#16411**
Products, Inc.
LOCATION: Oakland Boro./Bergen Cty. **BUSINESS:** Mfr. of components & valves
PROCEEDS FOR: bldg. acqui.
This matter has been held from consideration.

STRUCTURED FINANCE

PROJECT: Phillips Van Heusen Corporation **APPL.#16154**
LOCATION: Bridgewater Twp./Somerset Cty. **BUSINESS:** Dress shirt manufacturer
PROCEEDS FOR: bldg. renov.
FINANCING: \$10,080,000
MOTION TO APPROVE: Mr. Grossi **SECOND:** Mr. Sheridan **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 6

STATEWIDE LOAN POOL PROGRAM

PROJECT: Cameo Novelty & Pen Corp. or Nominee **APPL.#16416**
LOCATION: Hillside Twp./Union Cty. **BUSINESS:** Seller of promotional goods
PROCEEDS FOR: bldg. acqui. & renov./equip. purch.
FINANCING: \$792,000 bank loan with a \$198,000 (25%) Authority Participation
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 7

PROJECT: Herman's Trucking, Inc. **APPL.#16404**
LOCATION: North Hanover Twp./Burlington Cty. **BUSINESS:** Dist. of construction materials
PROCEEDS FOR: equip. purch.
FINANCING: \$1,293,000 bank loan with a \$323,250 (25%) Authority pari passu Participation
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Grossi **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 7

FUND FOR COMMUNITY ECONOMIC DEVELOPMENT

PROJECT: Jewish Renaissance Medical Ctr, Inc. **APPL.#16385**
LOCATION: Perth Amboy City/Middlesex Cty. **BUSINESS:** Not for profit health center
PROCEEDS FOR: engineering & architectural fees
FINANCING: \$50,000 Fund for Community Economic Development loan
MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Denholtz **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 8

ECONOMIC RECOVERY BOARD FOR CAMDEN

PROJECT: Walt Whitman Arts Center **APPL.#15431**
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: bldg. constr.
FINANCING: \$233,100 Economic Recovery Board for Camden grant program
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Kocsis **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 9

PETROLEUM UNDERGROUND STORAGE TANK LOAN PROGRAM

The following projects presented were grants under the NJDEP Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund Program.
MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Sheridan **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 10

PROJECT: Richard Hanf **APPL.#15041**
LOCATION: Hamburg Boro./Sussex Cty.
PROCEEDS FOR: site remediation
FINANCING: \$5,381 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Meadowlands Imports, Inc. **APPL.#15922**
LOCATION: Kearny Town/Hudson Cty.
PROCEEDS FOR: site remediation
FINANCING: \$42,490 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

NJDEP HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The next items presented were grants under the NJDEP Hazardous Discharge Site Remediation Fund Program.

MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Kirschner **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT 11

PROJECT: Nelson Rutledge for the benefit of **APPL.#16340**
Sailboat Rental, Inc.

LOCATION: Ocean City/Cape May Cty.

PROCEEDS FOR: site remediation

FINANCING: \$15,085 NJDEP Hazardous Discharge Site Remediation grant

PROJECT: Nelson Rutledge for the benefit of **APPL.#16339**
Sailboat Rental, Inc.

LOCATION: Ocean City/Cape May Cty.

PROCEEDS FOR: site remediation

FINANCING: \$33,167 NJDEP Hazardous Discharge Site Remediation grant

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

PROJECT: City of Millville **APPL.#16390**
(Millville Airport Ind. Park)

LOCATION: Millville City/Cumberland Cty.

PROCEEDS FOR: site remediation

FINANCING: \$17,213 NJDEP Hazardous Discharge Site Remediation grant

BOARD MEMORANDUMS

PROJECT: New Jersey Tax Lien Financing Corporation **APPL.#16357**
for the benefit of the City of Camden

LOCATION: Camden City/Camden Cty.

MODIFICATION: to approve the funding authorization for a \$6 million guarantee of a \$12 million loan from Fannie Mae American Communities Fund to New Jersey Tax Lien Financing Corporation. The ERB guarantee will be for a term of five years and remain constant at \$6 million until the balance of the loan is reduced below \$6 million at which time the guarantee will be equal to the outstanding balance on the loan.

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Kocsis **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT 12

PROJECT: Borough of Penns Grove & Township of Carney's Point **APPL.#14233 & 16403**

LOCATION: Penns Grove/Salem Cty. & Upper Penns Neck Twp./Salem Cty.

MODIFICATION: to decrease the amount of the HUD 108 loan to the Borough of Penns Grove from \$2.5 million to \$2.11 million, approve a \$390,000 HUD 108 loan to the Township of Carney's Point and to approve the waiver of the \$500 application fee for the Carney's Point project.

This matter has been held from consideration.

PROJECT: The Kintock Group of Newark, Inc. **APPL.#10563**

LOCATION: Bridgeton City/Cumberland Cty.

MODIFICATION: to consent to an appraised value of \$2,500,000 to secure the 25% guarantee (\$720,356) of a \$2,881,426 Bond.

MOTION TO APPROVE: Mr. Kocsis **SECOND:** Mr. Scalera **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT 13

PROJECT: Warren Lumber & Millwork, Inc. **APPL.#13527**

LOCATION: Phillipsburg Town/Warren Cty.

MODIFICATION: to consent to increase Warren Lumber & Millwork, Inc.'s borrowing-base line of credit with PNC Bank and release its second lien on its machinery, equipment, furniture, fixtures and leasehold improvements.

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT 14

The next item was the approval of the Delegated Authority approvals for the fourth quarter 2004. **(For Informational Purposes Only).**

The next item was the approval of the following loans under the New Jersey Business Growth Fund Program: Broadway Kleer-Guard Corp. and Nutra-Med Packaging, Inc. **(For Informational Purposes Only)**

Mr. Scalera left the meeting at this time.

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: AuthentiDate Holding Corp. **APPL.#16407**

LOCATION: TBD/TBD **BUSINESS:** Software developer

GRANT AWARD: 35% Business Employment Incentive grant, 10 years

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Celldex Therapeutics, Inc. **APPL.#16406**
LOCATION: TBD/TBD **BUSINESS:** Biotechnology company
GRANT AWARD: 35% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Medina **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: COIM USA Inc. **APPL.#16391**
LOCATION: West Deptford Twp./Gloucester Cty. **BUSINESS:** Mfr. of specialty chemicals
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Laird Plastics, Inc. **APPL.#16393**
LOCATION: Edison Twp./Middlesex Cty. **BUSINESS:** Plastic distribution company
GRANT AWARD: 65% Business Employment Incentive grant, 7 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: MannKind Corporation **APPL.#16410**
LOCATION: TBD/TBD **BUSINESS:** Therapeutic products developer
GRANT AWARD: 40% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Grossi **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Phytion Biotech, Inc., or Subsidiary **APPL.#16426**
LOCATION: East Windsor Twp./Mercer Cty. **BUSINESS:** Pharmaceutical Mfr.
GRANT AWARD: 55% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Grossi **SECOND:** Mr. Piaia **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Verizon Communications Inc. & Subsidiaries **APPL.#16419**
LOCATION: TBD/TBD **BUSINESS:** Communications services provider
GRANT AWARD: 50% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Grossi **SECOND:** Mr. Kirschner **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Victory Worldwide Transportation, Inc. **APPL.#16363**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Speciality moving company
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Zimmer Trabecular Metal Technology, Inc. **APPL.#16408**
LOCATION: Parsippany-Troy Hills Twp./Morris Cty. **BUSINESS:** Producer of trabecular metal biomaterial
GRANT AWARD: 60% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Grossi **SECOND:** Mr. Denholtz **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Franklin Credit Management Corporation **APPL.#16394**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Finance company
GRANT AWARD: 80% Business Employment Incentive grant, 6 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Medina **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

REAL ESTATE DIVISION

The next item was the approval to revise the delegation of authority to those senior staff members previously identified to approve leases or small amounts of space up to 500 sq. ft. to service providers without the restriction of having been operating less than five years and to approve leases of offices or dry labs of up to 1,500 sq. ft. to other high technology tenants without the restriction of being product development stage companies for the Commercialization Center for Innovative Technologies.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Kocsis **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PUBLIC COMMENT

There was no comment from the public.

EXECUTIVE SESSION

At this time on a motion made by Mr. Piaia, and seconded by Mr. Kocsis, the members adjourned to go into Executive Session to discuss a potential litigation matter.
RESOLUTION ATTACHED AND MARKED EXHIBIT 17

PROJECT: 531 Delaware, Inc.

APPL.#01097 & 01285

LOCATION: Delanco Twp./Burlington Cty.

MODIFICATION: to accept \$1,382,000 as full settlement of the \$2,132,276 in outstanding balances on the debt, consisting of an immediate payment of \$632,000 and an additional \$750,000 to be paid no later than June 30, 2005 through the sale of the project property. Upon further consideration by the Board, approval was amended to accept an immediate payment of \$632,000 and to require a minimum of \$750,000 through the sale of the project property, with any excess proceeds from the sale (less the related costs of any third party to the real estate transaction) to be shared equally between the EDA and the guarantors, as well as authority to staff to grant an extension of 60 days to complete the sale. If the sale is not completed in this time frame, the Authority would receive a deed in lieu of foreclosure. Upon consummation of the settlement, the guarantors will be released from liability and there will be no further recourse.

MOTION TO APPROVE: Mr. Carden

SECOND: Mr. Latoof

Mr. Denholtz suggested that the motion be amended to reflect an approval that would allow for staff to revoke the release of the guarantors from liability should the corporation file for bankruptcy prior to the consumation of the settlement.

MOTION TO APPROVE: Mr. Carden

SECOND: Mr. Latoof

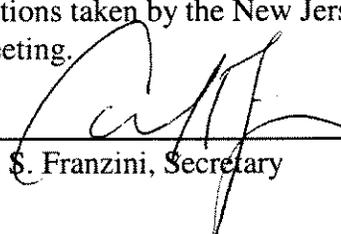
AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT 18

Pamela Bridgeforth of the Walt Whitman Arts Center in Camden thanked the Board for approving the ERB grant request for a new storefront arts center. Ms. Franzini asked that she provide the members with additional information on the Center and the work they are doing.

There being no further business on a motion by Mr. Latoof, and seconded by Mr. Denholtz, the meeting was adjourned at 11:30.

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