

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

October 10, 2006

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; Joseph McNamara, Vice Chairman; Mike Sheridan representing the Commissioner of the Department of Banking and Insurance; Bob Smartt, representing the State Treasurer; Noel Maguire representing the Secretary of the NJ Commerce, Economic Growth and Tourism Commission; Marilyn Davis representing the Commissioner of the Department of Labor and Workforce Development; Timothy Carden, Carlos A. Medina, Philip Kirschner, and Charles Sarlo, Public Members; Raymond Burke, Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Bernie Piaia representing the Commissioner of Education; Steve Plofker, Public Member; and Carmen Twillie Ambar, Alternate Public Member.

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

Chairman Van Horn called the meeting to order at 10:04.

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 next item of business was the approval of the September 12, 2006 meeting minutes and Executive Session minutes of the Board. A motion was made to approve the minutes by Mr. Carden, seconded by Mr. Burke and was approved by the 10 Members present.

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

Mr. Sadler entered the meeting at this time.

Ms. Davis entered the meeting at this time.

BOND RESOLUTIONS

The next item was the approval to: adopt the Sixteenth Supplemental Resolution authorizing the issuance of the 2006 Series R Bonds and 2006 Series S Bonds in a combined principal amount not to exceed \$600 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 to authorize Authority staff to take all necessary actions incidental to the issuance of the 2006 Series R Bonds and 2006 Series S Bonds, subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Medina **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 1

PROJECT: Research & Mfg. Corp. of America **APPL.#17525**
LOCATION: Linden City/Union Cty. **BUSINESS:** Mfr. of bushings for cars
PROCEEDS FOR: bldg. acqui. & renov./equip. purch.
FINANCING: \$4,000,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Ms. Davis **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 2

AMENDED BOND RESOLUTIONS

PROJECT: Cedar Crest Village, Inc. **APPL.#17652**
LOCATION: Pequannock Twp./Morris Cty. **BUSINESS:** Not-for-profit retirement
community
AMENDED RESOLUTION TO: enable the Applicant to current and/or refund the principal
amount of the 2001 bonds and pay costs of issuance in an amount not to exceed \$90 million.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Carden **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 3
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Cozzoli Enterprises L.L.C. for the benefit **APPL.#17692**
Cozzoli Machine Company
LOCATION: Franklin Twp./Somerset Cty. **BUSINESS:** Mfr. of custom packaging
machinery
AMENDED RESOLUTION TO: enable the Applicant to current refund the principal balance of
\$3,600,000.
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Kirschner **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 4
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Hebrew Old Age Center of Atlantic City **APPL.#17694**
d/b/a Seashore Gardens
LOCATION: Galloway Twp./Atlantic Cty. **BUSINESS:** Not-for-profit health care
facility
AMENDED RESOLUTION TO: enable the Applicant to advance refund the outstanding balance
of the 2001 bonds, pay cost of issuance, and a debt service reserve fund in the amount not to exceed
\$32,000,000.
MOTION TO APPROVE: Mr. Kirschner **SECOND:** Mr. Carden **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Seabrook Village, Inc. **APPL.#17651**
LOCATION: Tinton Falls Boro./Monmouth Cty. **BUSINESS:** Not-for-profit retirement
community
AMENDED RESOLUTION TO: enable the Applicant to issue tax-exempt, Series 2006 Bonds,
in the amount of \$75 million maximum, to advance refund the outstanding \$63.8 million of
Series 2000 Bonds.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Carden **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PRELIMINARY RESOLUTIONS

PROJECT: Antonio Mozzarella Factory, Inc. or nominee **APPL.#17685**
LOCATION: Newark City/Essex Cty. **BUSINESS:** Mfr. of cheese
PROCEEDS FOR: bldg. acqui. & renov./equip. purch.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Kirschner **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 7

BOND RESOLUTION

PROJECT: Converted Organics of Woodbridge, LLC **APPL.#17429**
for the benefit of Converted Organics, Inc.
LOCATION: Woodbridge Twp./Middlesex Cty. **BUSINESS:** Mfr. of all-natural soil
amendment products
PROCEEDS FOR: bldg. renov./equip. purch.
FINANCING: \$17,500,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Kirschner **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 8
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

DIRECT LOANS

PROJECT: Cooper's Ferry Development Association, Inc. **APPL.#17716**
LOCATION: Camden City/Camden Cty. **BUSINESS:** Project management business
PROCEEDS FOR: working capital
FINANCING: \$250,000
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. McNamara **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT 9 **Mr. Medina recused himself because his firm has done work for Cooper's Ferry.**

STATEWIDE LOAN POOL PROGRAM

PROJECT: The Eichert Family LLC for the benefit of Art **APPL.#17642**
Materials Service, Inc.
LOCATION: New Brunswick/Middlesex Cty. **BUSINESS:** Mfr. of metal hardware
PROCEEDS FOR: refinancing
FINANCING: \$1,900,000 bank loan with a \$475,000 (25%) Authority participation.
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Medina **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT 10 **Mr. Kirschner recused himself because the bank, NJM, is an affiliate of his employer.**

LOCAL DEVELOPMENT FINANCING FUND

PROJECT: BMS Realty Corporation of NJ for the benefit **APPL.#17654**
of Life Changes, Inc.
LOCATION: Winslow Twp./Camden Cty. **BUSINESS:** Car Wash
PROCEEDS FOR: bldg. acqui.
FINANCING: \$1,700,000 bank loan with a \$500,000 (29.4%) Authority participation.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. McNamara **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 11

NEW MARKETS LOAN PROGRAM

PROJECT: CityWorks West Lake, LLC **APPL.#17103**
LOCATION: Neptune Twp./Monmouth Cty. **BUSINESS:** Not-for-profit urban redevelopment agency
PROCEEDS FOR: bldg. constr./land
FINANCING: \$20,000,000
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Kirschner **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

CAMDEN ECONOMIC RECOVERY BOARD

PROJECT: Camden Redevelopment Agency **APPL.#17493**
(Building 8 - Radio Lofts)
LOCATION: Camden City/Camden Cty.
FINANCING: \$1,997,716 infrastructure grant
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Davis **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 13

PROJECT: Camden Redevelopment Agency **APPL.#16137**
(Central Waterfront Parking Project)
LOCATION: Camden City/Camden Cty.
MODIFICATION: to approve a \$1,089,500 increase in the total project cost from \$3,910,500 to \$5,000,000 to account for increased appraisal values, relocation and demolition costs.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Medina **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 14

PROJECT: Cooper Grant Developers LLC **APPL.#15416**
LOCATION: Camden City/Camden Cty.
MODIFICATION: to approve a change in project scope from the construction of 28 new market rate units to the construction of 18 new market rate units to be located in the Cooper Grant neighborhood and reduce the ERB soft loan from \$1,550,000 to \$1,200,000.
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Ms. Davis **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PETROLEUM UNDERGROUND STORAGE TANK 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. Carden **SECOND:** Mr. Kirschner **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: Township of Hillside (Fire Division Headquarters) **APPL.#17558**
LOCATION: Hillside Twp./Union Cty.
PROCEEDS FOR: remediation
FINANCING: \$72,458 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund loan

The next item was the Petroleum Underground Storage Tank Program Delegated Authority Approvals for the month of September 2006. **(For Informational Purposes Only)**

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The next item was the Hazardous Discharge Site Remediation Fund Delegated Authority Approvals for the month of September 2006. **(For Informational Purposes Only)**

TECHNIUM TECHNOLOGY RESOURCES PROGRAM

PROJECT: Princeton Server Group Inc. **APPL.#17408**
LOCATION: Princeton Twp./Mercer Cty. **BUSINESS:** Digital media technology company
PROCEEDS FOR: growth capital
FINANCING: \$700,000 Technium Investment
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Carden **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 17

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: Raymours Furniture Co. Inc. d/b/a **APPL.#17693**
Raymour & Flanigan
LOCATION: Bayonne City/Hudson Cty. **BUSINESS:** Furniture retailer
GRANT AWARD: 75% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Davis **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 18

PROJECT: SBD Net Products, Inc. **APPL.#17691**
LOCATION: East Brunswick Twp./Middlesex Cty. **BUSINESS:** Consulting company
GRANT AWARD: 70% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Kirschner **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 18

The next item was Business Employment Incentive Program Modifications that were approved in the quarter ending June 30, 2006. **(For Informational Purposes Only)**

The next item was Business Employment Incentive Program Modifications that were approved in the quarter ending September 30, 2006. **(For Informational Purposes Only)**

BOARD MEMORANDUMS

The next item was the approval of the following projects under Delegated Authority for the month of September 2006: **(For Informational Purposes Only)**

New Jersey Business Growth Fund - Abilities of Northwest Jersey, Inc., Digital Arts Imaging, LLC, Roseys Tank Cleaning Service, and Vozech Equipment Corporation.

New Jersey Business Growth Fund Modifications - Jezek Tool and Machine Company, LLC, Lafferty Family Chiropractic, LLC, and Parkway Kew Corporation.

Preferred Lender Program - Bielen Properties, LLC.

Camden ERB - SMSMR Enterprises LLC.

Loan Modifications - Amity Street Holdings Co., LLC.

AUTHORITY MATTERS

The next item was the approval that the Authority establish a qualified OPEB trust to provide for the care and custody of employee benefit plan assets.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT 19

Subject to review of the Attorney General's Office.

The next item was the approval of the following Technology Business Tax Certificate Transfer Program Appeals: Airtrax, Inc., Akers Biosciences, Inc., Antenna Software, Atinav LLC, Brickhouse Software, Global Safety Surveillance, Immunogenetics, Inc., Innovative Photonic Solutions, Material Technologies, Mikronite Technologies, Multiplex Inc., Restricted Stock Systems, Sela2, and Tech Laboratories. The application for Cerionx is being withdrawn from the program.

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Kirschner **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT 20

The next item was the approval of the adoption of policy recommendations and technical changes in the Business Employment Incentive Program; and to authorize the submission of the amendments to the regulations to the Office of Administrative Law for promulgation and adoption in the New Jersey Register. With respect to the policy recommendation relating to the default based on New Employment Commitment, recommend outreach to the business community with a report back to the Board prior to promulgating any regulations.

MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Carden **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT 21 Mr. Kirschner voted No.

Mr. Burke left the meeting at this time.

The next item was the approval of the expansion of the Fund for Community Development to provide financial assistance to municipalities in addition to community development organizations; the expansion of the uses of the Fund to include planning and marketing substantially; and a delegation of authority to the Chief Executive Officer or either the Chief Operating Officer, Chief Financial Officer or Senior Vice President to approve all Fund pre-development financial assistance up to \$50,000 provided the applicant meets the Authority's requirements.

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Kirschner **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT 22

The next item was the approval to implement modifications to the Edison Innovation Fund - Innovation Zone Benefits program, including making necessary policy and regulation changes, with review and approval of final form by the Office of the Attorney General.

MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Carden **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT 23

The next item was a memo regarding the New Jersey Urban Fund and Edison Innovation Fund.
(For Informational Purposes Only)

REAL ESTATE

The next item was the approval to execute contracts for property, facilities, and asset/business management services with TMC Services, Inc. for a term of three years with an additional two year renewal term option, on terms acceptable to the Chief Executive Officer and the Attorney General's Office.

MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Carden **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT 24

The next item was a memo regarding the Authority's compliance with recently issued Executive Order #34 and #37. **(For Informational Purposes Only)**

PUBLIC COMMENT

There was no comment from the public.

EXECUTIVE SESSION

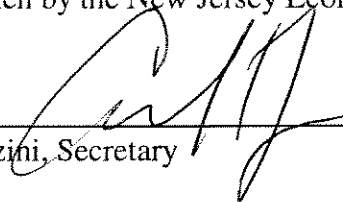
At this time on a motion made by Mr. Carden, and seconded by Mr. Kirschner, the members adjourned to go into Executive Session to discuss litigation settlement.

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Kirschner **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT 25

PROJECT: Jersey Juice **APPL.#10102 & 10286**
LOCATION: Ewing Twp./Mercer Cty.
MODIFICATION: to accept a payment of \$475,000 as full settlement of two written off loans.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Kirschner **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT 26

There being no further business on a motion by Mr. Carden, and seconded by Mr. Kirschner, the meeting was adjourned at 11:50 a.m.

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