RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

MEETING OF THE BOARD OF DIRECTORS

September 23, 2004

A Meeting of the Board of Directors of the Rhode Island Health and Educational Building Corporation was held on **Thursday, September 23, 2004 at 5:30 p.m.,** at the Corporation's office, 170 Westminster Street, Suite 1200, Providence, RI 02903.

Directors present: James Salome, Chairman; Jack Sullivan, Secretary, John Bentz, Treasurer and Douglas Jeffrey Sr., Assistant Treasurer.

Also present: Robert E. Donovan, the Corporation's Executive Director; Scott P. O'Malley, Chief Financial Officer; Emily Abrantes from Public Financial Management, Inc., Maureen Gurghigian, from First Southwest Co., Scott Gibson from Advest, Inc., the Corporation's Financial Advisors; Ellen Courneau, Esq., from Tillinghast Licht Perkins Smith & Cohen, LLP; Normand Benoit, Esq., from Partridge, Snow & Hahn and Jim McGuirk, Esq., from Edwards and Angell, the Corporation's Bond Counsel; and Tony Afonso, Esq., the Corporation's Legal Counsel.

1. APPROVAL OF THE MINUTES FROM AUGUST 19, 2004

It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Jeffrey to approve the Public Session Minutes of the Regular Meeting of August 19, 2004.

2. REVIEW THE EXECUTIVE DIRECTOR'S REPORT

A) Accept Audited Financial Statements of the Corporation

Mr. Robert Civetti of the Audit Firm Prescott Chatellier Fontaine & Wilkinson, LLP reviewed the results of the 2004 fiscal year audit. Mr. Civetti stated that there was no reportable conditions noted in internal controls, no violations of laws and regulations, no material audit adjustments proposed and no difficulties or delays encountered as a result of management action. It was unanimously voted, upon motion of Mr. Jeffrey, seconded by Mr. Bentz to accept the audited financial statements for fiscal year 2004.

B) Consider request from Partridge Snow & Hahn

Mr. Benoit requested that the Board approve their bill as bond counsel for the New England Institute of Technology bond issue. Mr. Benoit explained that although the Board put a cap of $35,000 for legal fees for each series for routine bond issue, that it would entertain consideration of fees exceeding the cap where the bond issue is not of a relatively routine nature. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Jeffrey to approve the additional legal fee for the New England Institute of Technology.

3. TO REVIEW THE FINANCIAL ADVISORS REPORT

Ms. Abrantes updated the Board on the results of the recent bond issue for NEIT, and on the status of the upcoming bond issue for Times Sq.

Ms. Gurghigian updated the Board on the progress in the bond issue for the Diocese.

4. TO ACCEPT APPLICATION AND SELECT FIRM TO PROVIDE TAX EXEMPT LEASE FINANCING FOR LANDMARK MEDICAL CENTER

Mr. Donovan stated that the Corporation has received on application from Landmark Medical Center for a tax-exempt lease financing of approximately $4.7 million for equipment, construction and renovations. It was unanimously voted, upon motion of Mr. Jeffrey, seconded by Mr. Sullivan to accept the application for tax-exempt lease financing for Landmark Medical Center.

June Matte presented to the Board a review of firms willing to provide financing of the project. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to select the Bank of America for the financing with Citi Group as the backup provider.

5. TO GRANT FINAL APPROVAL AND AUTHORIZE BOND ISSUE FOR THE GRODEN CENTER-KINGSTON ACADEMY

Scott Gibson reviewed the Final Approval Memorandum for the Groden Center-Kingston Academy. It will be a $4,400,000, fixed rate bond issue. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Jeffrey to grant Final Approval for the Groden Center-Kingston Academy.

Jim McGuirk reviewed the Authorizing Resolution for the Groden Center-Kingston Academy bond issue. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to grant the Authorizing Resolution for the Groden Center-Kingston Academy.

6. TO GRANT FINAL APPROVAL AND AUTHORIZE A BOND ISSUE FOR THE BOARD OF GOVERNORS. TO SELECT CO-MANAGERS FOR THE BOND ISSUE

Scott Gibson reviewed the Final Approval Memorandum for the Board of Governors. It will be a $33,000,000 Series A, fixed rate bond issue and a $33,000,000 Series B, variable with fixed swap bond issue. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Jeffrey to grant Final Approval for the Board of Governors bond issue.

Ellen Courneau reviewed the Authorizing Resolution for the Board of Governors bond issue. It was unanimously voted, upon motion of Mr. Jeffrey, seconded by Mr. Sullivan to grant the Authorizing Resolution for the Board of Governors.

Mr. Donovan requested that the Board appoint Dain Rausher and Roosevelt & Cross as co-managers for the fixed rate portion of the bond issue. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Jeffrey to appoint Dain Rausher and Roosevelt & Cross as co-managers for the fixed rate portion of the bond issue.

7. TO ACCEPT AN APPLICATION AND APPOINT A FINANCIAL ADVISOR AND BOND COUNSEL FOR ST. PHILOMENA SCHOOL

Mr. Donovan stated that the Corporation has received an application from St. Philomena School requesting financing for $2,500,000. The financing will be used for the construction of a building and to redesign and refurbish a 12,000 sq ft building. Mr. Donovan requested that the Board include it as part of the proposed bond issue for the Diocese of Providence. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to accept the application and include it as part of the proposed bond issue for the Diocese of Providence, from St. Philomena School.

Mr. Donovan requested that the Board appoint First Southwest as financial Advisor for St. Philomena School. It was unanimously voted, upon motion of Mr. Jeffrey, seconded by Mr. Sullivan to appoint First Southwest as financial advisors for St. Philomena School.

Mr. Donovan requested that the Board appoint Edwards & Angell as bond counsel for St. Philomena School. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to appoint Edwards & Angell as bond counsel for St. Philomena School.

8. TO CONSIDER GRANT REQUESTS

A) Woman & Infants Oncology
B) RI Free Clinic

Mr. Donovan stated that the Corporation has received a request for a $10,000 grant from the Women & Infants Oncology and Breast Health Center. The program provides essential information and support for patients and families dealing with cancer and its treatment. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to approve the $10,000 grant for the Woman & Infants Oncology and Breast Health Center.

Mr. Donovan stated that the Corporation has received a grant request from the RI Free Clinic to assist with the funding of a website to enhance the outreach of the Clinic. The Clinic established in 1999 provides primary and preventive health care at no cost to the uninsured population in the state. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to approve the $10,000 grant for the RI Free Clinic.

9. TO CONSIDER ANY OTHER BUSINESS TO COME PROPERLY BEFORE BOARD

There being no other business to come before the Board, it was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Jeffrey, to adjourn at 6:20 PM.

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Submitted