

**RHODE ISLAND HEALTH AND EDUCATIONAL
BUILDING CORPORATION**

MEETING OF THE BOARD OF DIRECTORS

September 8, 2005

A Meeting of the Board of Directors of the Rhode Island Health and Educational Building Corporation was held on **Thursday, September 8, 2005 at 5:30 p.m.**, at the Corporation's office, 170 Westminster Street, Suite 1200, Providence, RI 02903.

Directors present: Ralph Ezovski, Vice Chairman; Jack Sullivan, Secretary and John Bentz, Treasurer.

Also present: Robert E. Donovan, the Corporation's Executive Director; June Matte from Public Financial Management, Inc., Maureen Gurghigian, from First Southwest Co., Scott Gibson, from Advest, Inc., the Corporation's Financial Advisors; Ellen Corneau, Esq., from Tillinghast Licht LLP; Normand Benoit, Esq., from Partridge, Snow & Hahn; James 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 11, 2005

It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to approve the Public Session Minutes of the Regular Meeting of August 11, 2005.

2. TO REVIEW THE EXECUTIVE DIRECTOR'S REPORT

**A) To accept the Audited Financial Statements for the fiscal year ending
June 30, 2005**

Mr. Wilkinson of Prescott, Chatellier, Fontaine and Wilkinson, LLP present their finds of the results of their audit of the Corporations finances for the fiscal year ending June 30, 2005. The audit found no material problems, reportable conditions or adjustment proposed. It was unanimously voted, upon motion by Mr. Bentz, seconded by Mr. Sullivan to accept the financial statements for the Corporation.

B) To consider a request from Northwest Community Health Center

Mr. Donovan stated that the Corporation has been requested to waive two defaults of loan covenants by Northwest during the year. The first default was to maintain operating income to debt service and the second was for timeliness of payments. The waiver would allow the health center to continue to classify the loan as long term debt for financial

reporting purposes. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to approve the waiver for Northwest Community Health Center.

C) To assign legal counsel for the East Providence School Financing

Mr. Donovan stated that at the last meeting the Board accepted an application from East Providence for financing related to roof repairs for two schools. In anticipation that the financing would be a tax-exempt lease, the Board appointed Tillinghast Licht, LLP as counsel. After further discussions with the City about the project and its timing, it is more efficient for it to be provided by the RIHEBC loan program. Since all the loan documentation is handled by Partridge Snow & Hahn it would be more cost effective to have them appointed as counsel for the transaction. Therefore it is requested that the Board change counsel and appoint Partridge Snow & Hahn as counsel for this transaction. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to appoint Partridge Snow & Hahn as legal counsel for East Providence School financing.

3. TO REVIEW THE FINANCIAL ADVISORS REPORT

Maureen Gurghigian reviewed the status of the City Providence School financing.

4) TO GRANT FINAL APPROVAL AND ADOPT AN AUTHORIZING RESOLUTION FOR THE CITY OF PROVIDENCE SCHOOL BOND ISSUE

Deferred

5) TO GRANT FINAL APPROVAL AND ADOPT AND AUTHORIZING RESOLUTION FOR THE BOARD OF GOVERNORS BOND ISSUE

Mr. Scott Gibson reviewed the Final Approval Memorandum for the Board of Governors bond issue. It will be an \$85,000,000 fixed rate bond issue. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to grant Final Approval for the Board of Governors bond issue.

Ms. Karen Grande reviewed the Authorizing Resolution for the Board of Governors bond issue. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to grant Authorizing Resolution for the Board of Governors bond issue.

6) TO GRANT FINAL APPROVAL AND ADOPT AND AUTHORIZING RESOLUTION FOR THE PAUL CUFFEE SCHOOL BOND ISSUE

Ms. June Matte reviewed the Final Approval Memorandum for the Paul Cuffee School bond issue. It will be a \$1,400,000 fixed rate bond issue. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to grant Final Approval for the Paul Cuffee School bond issue.

Mr. Normand Benoit reviewed the Authorizing Resolution for the Paul Cuffee School bond issue. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to grant Authorizing Resolution Paul Cuffee School bond issue.

7) TO APPOINT AN UNDERWRITER FOR BRYANT UNIVERSITY

Ms. Maureen Gurghigian stated that after a review of proposals from investment bankers and interviews, Bryant University would like to use Lehman Brothers as their investment banker. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to appoint Lehman Brothers as investment banker for the Bryant University.

8) TO ACCEPT AN APPLICATION FOR FINANCING FROM SOUTH COUNTY HOSPITAL AND ASSIGN BOND COUNSEL AND FINANCIAL ADVISOR

Mr. Donovan stated that the Corporation has received an application from the South County Hospital for a \$50 million bond issue for the refinancing of Series 2003A bond issue and for future capital expenditures. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to accept the application from South County Hospital.

Mr. Donovan requested that the Board appoint Partridge Snow & Hahn as bond counsel for the South County Hospital. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to appoint Partridge Snow & Hahn as bond counsel for the South County Hospital bond issue.

Mr. Donovan requested that the Board appoint Public Financial Management, as financial advisors counsel for the South County Hospital. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to appoint Public Financial Management as financial advisors for South County Hospital bond issue.

9) TO ACCEPT AN APPLICATION FROM WOMEN & INFANTS HOSPITAL FOR TAX-EXEMPT LEASE FIANCING

Mr. Donovan stated that the Corporation has received an application from Woman & Infants Hospital for a \$2,500,000 tax-exempt lease. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to accept the application from Woman & Infants Hospital.

Mr. Donovan requested that the Board appoint Public Financial Management, as financial advisors for the Woman & Infants Hospital financing. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to appoint Public Financial Management as financial advisors for Woman & Infants Hospital lease financing.

Mr. Donovan requested that the Board appoint Tillinghast Licht, LLP as bond counsel for the Woman & Infants Hospital. It was unanimously voted, upon motion of Mr.

Sullivan, seconded by Mr. Bentz to appoint Tillinghast Licht, LLP as bond counsel for the Woman & Infants Hospital lease financing.

10) TO SELECT A FIRM TO PROVIDE FINANCING FOR ST. JOSEPH HEALTH SYSTEMS

Ms. June Matte reviewed the bids to provide financing for St. Joseph Health Systems. After review of the bids, it is requested that Captech Funding, Chase Equipment Leasing and CIT be brought back for interviews. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to bring Captech Funding, Chase Equipment Leasing and CIT in for interviews.

11) TO CONSIDER FOR APPROVAL THE FOLLOWING GRANT APPLICATIONS

- A) **St. Antoine**
- B) **Groden Center**
- C) **Trudeau Center**
- D) **TSE/TSE/Providence Schools**

St. Antoine consideration deferred

Mr. Donovan stated that the Corporation has received a grant request from the Groden Center for \$10,000. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to approve the grant of \$10,000 for the Groden Center.

Mr. Donovan stated that the Corporation has received a grant request from Trudeau Center for \$10,000. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to approve the grant of \$10,000 for the Trudeau Center.

Mr. Donovan stated that the Corporation has received a grant request from TSE/TSE/Providence Schools for \$10,000. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Sullivan to approve the grant of \$10,000 for the TSE/TSE/Providence Schools.

12. 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. Bentz, seconded by Mr. Sullivan, to adjourn at 6:10 PM.

Submitted