

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
Minutes of Authority Special Board Meeting – January 14, 2010

The State of Connecticut Health and Educational Facilities Authority met at 3:30 p.m. on Thursday, January 14, 2010.

The meeting was called to order at 3:32 p.m. by Patrick Colangelo, Vice Chair of the Board of Directors of the Authority. Upon roll call those present either in person or by telephone were as follows:

PRESENT: John Biancamano
 William Cibes, Jr., Ph.D.
 Benson R. Cohn
 Patrick Colangelo, Vice Chair
 John Mengacci (Rep. Secretary Robert Genuario)
 Bryan Pollard
 Sarah Sanders, (Rep. Honorable Denise Nappier)

ALSO PRESENT: Jeffrey A. Asher, Executive Director
 Paula Herman, General Counsel
 Tara Keating, Grants Administrative Assistant
 Eileen MacDonald, Manager, New Business/EasyLoan Program
 Michael Morris, Assistant Director
 Cynthia Peoples, Assistant Director
 Debra Pinney, Manager, Administrative Services
 Norberto Ramirez, Compliance/Internal Auditor
 Jennifer Smyth, Manager, Legal Services
 Jeanette Weldon, Managing Director
 of the Connecticut Health and Educational Facilities Authority

GUESTS: Laurie Hall, Esq., Hawkins, Delafield & Wood

MINUTES

Mr. Colangelo stated that the one agenda item is the proposed modification of the loan structure for the Hospital of Special Care Issue, Series D.

Mr. Asher turned the floor over to Mr. Morris.

Mr. Morris stated that CHEFA sent out an electronic copy of an updated resolution to the Board with minor changes to reflect the updated structure described in the staff memo which was sent earlier in the week. The mandatory tender date is January 19, 2010 for the Hospital of Special Care. The Hospital has found a new purchaser- Webster Bank. Webster wants the ability to release

the Radian policy. If the Bonds are not purchased on January 19, 2010 there will be a mandatory tender and an event of default. Webster has committed to purchase and hold the bonds until August 31, 2010 or until the Series D bonds are refunded. Webster has also expressed interest in providing a letter of credit (to be wrapped by a Federal Home Loan Bank letter of credit) to refund the Series D bonds with a Series E issue. On August 31, 2010, if the Series D bonds have not been refunded, the Hospital has the obligation to repurchase the Series D bonds from Webster. Failure to do so will result in a mandatory tender and an event of default under both Series C and D and the interest rate for the Series D bonds will be reset at the maximum rate of 12%.

Mr. Asher added that if CHEFA does not approve the modification of the loan structure, on Tuesday, January 19, 2010 there will be a put of the bonds. If CHEFA agrees to the change in the transaction to a private placement, Webster Bank agrees to buy and hold the bonds, and not sell in the secondary market. This will provide the Hospital with sufficient time to refinance, replace Radian, and complete a variable rate bond issue with a Federal Home Loan Bank wrapped letter of credit.

Mr. Asher asked if there were any questions or comments.

Ms. Sanders asked if Well's Fargo was causing this problem. Mr. Asher replied that the fault with this issue lies with Radian. Mr. Mengacci inquired if there was any reason CHEFA would not want to do this. Mr. Colangelo added he saw no reason not to approve. Mr. Morris concurred that CHEFA does not see a reason not to do it; this was being brought to the Board of Directors' attention because of the possibility of the Radian policy being released.

Dr. Cibes moved to approve the modification of the loan structure for the Hospital for Special Care Issue, Series D. Mr. Biancamano seconded the motion.

Upon roll call, the "Ayes," "Nays" and "Abstentions" were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
John Biancamano	None	None
William Cibes, Jr.		
Benson Cohn		
Patrick Colangelo		
John Mengacci		
Bryan Pollard		
Sarah Sanders		

There being no further business, Mr. Colangelo requested a motion to adjourn the meeting. Dr. Cibes moved to adjourn the meeting. Mr. Biancamano seconded his motion. All were in favor.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

John Biancamano
William Cibes, Jr.
Benson Cohn
Patrick Colangelo
John Mengacci
Bryan Pollard
Sarah Sanders

NAYS

None

ABSTENTIONS

None

The meeting adjourned at 3:42 p.m.

Respectfully submitted,

Jeffrey A. Asher
Executive Director