

EQUIPMENT REVENUE NOTE

MEMORANDUM OF UNDERSTANDING

BETWEEN

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY

AND

In recognition of their relationship and until such time as this Memorandum of Understanding ("Memorandum") may be superceded, the New Jersey Health Care Facilities Financing Authority (the "Authority") and (the "Institution"), do hereby mutually covenant and agree as follows:

- (1) That the Institution is applying to the Authority for possible assistance in the form of financing through the Authority's Equipment Revenue Note Program;
- (2) That the Institution has complied with and will maintain compliance with the Health Care Facilities Planning Act, (N.J.S.A. 26:2H-1 et seq.) and the New Jersey Health Care Facilities Financing Authority Act, (N.J.S.A. 26:2I-1 et seq.);
- (3) That the Institution shall remit to the Authority,
 - (a) concurrently with this agreement, a non-refundable application fee as calculated using the Authority's fee schedule in effect at the time this Memorandum is executed. Upon closing, this fee will be applied against the Authority's annual fee (see (b) below). If there is no closing on the issue within a year from the date of this Memorandum, the application fee shall be forfeited to the Authority and an additional fee payment will be required prior to any further Authority action, and
 - (b) an annual administrative fee as more specifically defined in the loan agreement or such other appropriate document to be entered into between the Authority and the Institution relating to the issuance of the Equipment Revenue Note(s).
- (4) That the Institution shall be responsible for any costs, fees or other expenses incurred directly by the Institution as well as any costs, fees or other expenses incurred by the Authority relating to the Institution. Such expenses may include, but shall not be limited to, legal fees, including Authority and bond counsel and State Attorney General fees and expenses specific to the transaction, and costs of printing of certain documents which relate specifically to the Institution;
- (5) That the Institution may be reimbursed by the Authority for certain of such expenses, if the Authority and the Institution shall so agree, in writing, but any such reimbursement may be made only from monies of the Authority received as proceeds from the issuance of the Equipment Revenue Note(s) sold for the benefit of the Institution;

- (6) Under the Equipment Revenue Note Program, the Note(s) is(are) sold through a negotiated private placement, which requires the purchaser(s) of the Note(s) to provide an "investor letter" at closing;
- (7) That nothing contained herein shall be construed as an agreement or indication of intent on the part of either the Authority or the Institution that the Authority shall proceed to sell or issue an Equipment Revenue Note(s);
- (8) That the parties hereto agree that this Memorandum sets forth legal and binding obligations of both the Authority and the Institution, but is not intended to preclude continuing negotiations and review of documentation between the parties which may result in a new agreement between the parties; and
- (9) That the parties further agree that this Memorandum shall be governed by the laws of the State of New Jersey.

The Authority and the Institution each will signify their acceptance of the terms and conditions of this Memorandum by causing its execution, in duplicate, in the appropriate spaces provided below.

NEW JERSEY HEALTH CARE FACILITIES
FINANCING AUTHORITY

Dated: _____

By: _____

Title: _____

NAME OF INSTITUTION

Dated: _____

By: _____

Title: _____