RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

MEETING OF THE BOARD OF DIRECTORS

March 10, 2005

A Meeting of the Board of Directors of the Rhode Island Health and Educational Building Corporation was held on **Thursday, March 10, 2005 at 5:30 p.m.,** at the Corporation's office, 170 Westminster Street, Suite 1200, Providence, RI 02903.

Directors present: James Salome, Chairman; Ralph Ezovski, Vice Chairman and John Bentz, Treasurer

Also present: Robert E. Donovan, the Corporation's Executive Director; Scott P. O'Malley, Chief Financial Officer; June Matte from Public Financial Management, Inc., Steve Maceroni, from First Southwest Co., the Corporation's Financial Advisors; Karen Grande, 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 FEBRUARY 10, 2005

It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Ezovski to approve the Public Session Minutes of the Regular Meeting of February 10, 2005.

2. REVIEW THE EXECUTIVE DIRECTOR'S REPORT

A) Directors and Officers Liability Insurance

Mr. Donovan stated that every year the Corporation is required to request proposals from companies willing to provide Directors and Officers Liability Insurance. After reviewing the proposals the best coverage and price was from the current provider National Union Fire Insurance Company. It is requested that the Board approve obtaining D&O Insurance from National Union Fire Insurance Company. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Ezovski to appoint National Union Fire Insurance Company to provide D& O Insurance.

Mr. Donovan updated the Board on the status of the IRS Audit and asked Mr. Benoit to provide additional information. Mr. Benoit informed the Board that all the information was provided to the IRS and they are reviewing it. The expense incurred so far is approximately $3,500 related to the audit.

3. TO REVIEW THE FINANCIAL ADVISORS REPORT

Scott Gibson reported on the statue of the bids for investment contracts for the Board of Governors bond issue that received six bids and select the one that provided a 3.66% rate of return.

Steve Maceroni reported on the status of the Meeting Street School bond financing and also reported on the Catholic School bond financing.

4. TO CONSIDER APPROVAL FOR THE DIRECT LOAN FOR LASALLE ACADEMY

Mr. Gibson reviewed the Approval Memorandum for LaSalle Academy. It will be a $750,000 Direct Loan at a rate of 4.55% (current, subject to change). The proceeds will be used for renovation of space for Administrative Offices and upgrades to meet fire code requirements. It was unanimously voted, upon motion of Mr. Sullivan, seconded by Mr. Bentz to grant approval for a Direct Loan. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Ezovski to approve the Direct Loan for LaSalle Academy.

5. TO ACCEPT AN APPLICATION FROM NHPRI FOR A LOAN UNDER THE DIRECT LOAN PROGRAM

Mr. Donovan stated that the Corporation has received a request from Neighborhood Health Plan of Rhode Island for a loan in the amount of $138,057.27. The funds will be used for computer equipment. It was unanimously voted, upon motion of Mr. Ezovski, seconded by Mr. Bentz to approve the Direct Loan for NHPRI.

Mr. Donovan requested that the Board appoint Advest as financial advisors for Neighborhood Health Plan of Rhode Island. It was unanimously voted, upon motion of Mr. Ezovski, seconded by Mr. Bentz to appoint Advest as financial advisor for Neighborhood Health Plan of Rhode Island.

6. TO APPOINT AN UNDERWRITER FOR MEETING STREET SCHOOL

Steve Maceroni stated that following a review of proposals from investment banking firms, it is requested that the Board appoint UBS as senior underwriters for Meeting Street School bond issue. It was unanimously voted, upon motion of Mr. Bentz, seconded by Mr. Ezovski to appoint UBS as senior underwriter for Meeting Street School.

7. 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. Ezovski, to adjourn at 6:05 PM.

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Submitted