

The following are "DRAFT" Minutes of the Rhode Island Industrial-Recreational Building Authority Board of Directors, Meeting #419, held on September 2, 2004. Upon acceptance of the Minutes by the Board of Directors, the Minutes will be posted in their approved form.

MINUTES OF

THE RHODE ISLAND INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY

Meeting #419 – September 2, 2004

**PRESENT: Frank R. Benell -- Chairperson
Frances H. Gammell-Roach -- Vice Chairperson
Peter R. Dunn -- Member**

**ABSENT: Donald Harris – Member
Robert H. Luneberg -- Member**

**ALSO PRESENT: Earl F. Queenan, Jr. -- Manager
Alicia A. Pomfret -- Assistant Manager**

Anthony J. Scolavino -- Sr. Financial Program Administrator

Philomena Teixeira -- Financial Program Administrator

Thomas V. Moses, Esquire -- Legal Counsel

Natalie Jackvony, Esquire -- Legal Counsel

The meeting was held at One West Exchange Street, Providence, and was called to order by Mr. Benell at 11:42 a.m.

Mr. Benell presented the Open Session Minutes of the Meeting of August 4, 2004. He noted that there were no Executive Session Minutes from the August meeting. Following review and discussion, a motion to accept the Minutes as presented was made by Mr. Dunn, was seconded by Mrs. Gammell-Roach, and was unanimously adopted; a roll call vote was then taken:

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Benell – aye

Mr. Benell presented the Watch List as of August 25, 2004. Mr. Queenan performed a review of the report. Mr. Moses noted that there is a company looking into acquiring ULTRA FINE POWDER TECHNOLOGY, INC. Mr. Queenan discussed the refinancing of the AKL FLEXO TECH-USA, LP bonds with Bank of America. He added

that the interest payments have been set up for quarterly, electronic payments. After this, a motion to accept the Watch List as submitted was made by Mr. Dunn, was seconded by Mrs. Gammell-Roach, and was unanimously approved; a vote by roll call was then taken:

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Benell – aye

Mr. Benell presented the Portfolio Report as of August 25, 2004. Mr. Queenan gave a review of the report, after which, a motion to accept the report as presented was made by Mr. Dunn, was seconded by Mrs. Gammell-Roach, and was unanimously adopted; a roll call vote was then held:

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Benell – aye

Mr. Queenan noted that there are no administrative matters to be discussed.

At 11:50 a.m., Mr. Benell declared that he would entertain a motion to adjourn to Executive Session and that an affirmative vote of a majority of the members is required. In accordance with §42-46-4 of the Rhode Island General Laws, a portion of the meeting will be held

in Executive Session to consider and take appropriate action on such matters as permitted by subsection (5) (acquisition or lease of real property for public purposes or disposition of publicly held property), subsection (6) (location of prospective businesses in Rhode Island), or subsection (7) (investment of public funds) of Rhode Island General Laws, Section 42-46-5(a), the Open Meetings Law. Mrs. Gammell-Roach motioned to enter into Executive Session, Mr. Dunn seconded, and a vote was taken.

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Benell – aye

At 1:18 p.m., Mr. Benell requested a motion to return to Open Session, and noted that an affirmative vote of a majority of the members is required in accordance with §42-46-4 of the Rhode Island General Laws. Mrs. Gammell-Roach motioned to return to Public Session, Mr. Dunn seconded, and a vote was taken.

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Benell – aye

In accordance with §42-46-4 of the Open Meetings Law of the General Laws of the State of Rhode Island, the Board revisited the votes taken during Executive Session. A motion was made by Mrs.

Gammell-Roach, was seconded by Mr. Dunn, and was unanimously adopted to ratify the following votes made during the Executive Session:

To table the SLAVIN POINT JUDITH FISHERMEN'S COMPANY financial waiver request.

In connection with CHESTNUT HILL AVIATION, to Amend the Resolutions of Approval dated May 5, 2004, copies of which are attached to the Executive Session Minutes of the Meeting of September 2, 2004, and made a part thereof, as follows:

1. To waive the requirement for the Payment and Performance Bond of the General Contractor.

2. To change the language of the No Material Adverse Change requirement to read: "Lessee's most current financial statement, prepared on a combined basis for Lessee, and each Guarantor's most current financial statement, all prepared and certified as being true and correct by Lessee and each Entity Guarantor's chief financial officer and by Individual Guarantor, which demonstrates to the Authority, in the Authority's discretion, that there has been no Material Adverse Change (defined below) since December 31, 2003. In addition, the Authority shall have determined, in its discretion, that there has not been any Material Adverse Change in the financial ability of the Lessee and the Guarantors. The term "Material Adverse

Change” means that there has been a significant and adverse change in the financial condition or operations of the group consisting of the Lessee and the Guarantors subsequent to December 31, 2003, as evidenced by their most recent financial statements provided to the Authority, excluding the effect in such most recent financial statements of (1) costs of the construction of the Project (2) costs of acquisition of equipment to be used at or in connection with the Project (the “Related Equipment”), (3) start-up costs, (4) costs of acquiring this financing and financing from Commerce Bank and/or other sources for this Project and acquisition of Related Equipment, (5) costs of professionals and advisers in connection with this Project, the Related Equipment and its financing, and (6) non-cash expenses such as depreciation and amortization. “Material Adverse Change” includes, but is not limited to, (1) Individual Guarantor’s death or his disability or incapacity that, in the Authority’s opinion, affects his ability to conduct the business of Lessee and/or Guarantors; and (2) changes in economic, legal or regulatory conditions that adversely affect the financial condition of the Individual Guarantor or Galaxy Internet Services. Lessee and Guarantors shall also provide a certification that there has been no Material Adverse change in the financial ability of Lessee and Guarantors since the most recent financial statements previously delivered to the Authority.”

To table the 848 PARK AVENUE ASSOCIATES Mortgage Insurance Application dated June 24, 2004.

There being no other business to discuss, Mr. Benell requested a motion to adjourn.

Mrs. Gammell-Roach made a motion to adjourn, Mr. Dunn seconded, and it was unanimously approved to end the meeting, a roll call vote was held:

Mr. Dunn – aye

Mrs. Gammell-Roach – aye

Mr. Benell – aye

The meeting adjourned at 1:21 p.m.

Respectfully submitted,

Alicia A. Pomfret

Assistant Manager & Assistant Secretary