

MINUTES OF
THE RHODE ISLAND INDUSTRIAL – RECREATIONAL BUILDING AUTHORITY

September 26, 2014 (#485)

PUBLIC SESSION

A monthly meeting of the Board of Directors (the “Board”) of the **RHODE ISLAND INDUSTRIAL – RECREATIONAL BUILDING AUTHORITY** (the “Authority”) was held in Public Session at the offices of the Rhode Island Commerce Corporation (“Commerce RI”), 315 Iron Horse Way, Suite 101, Providence, Rhode Island on September 26, 2014 at approximately 8:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by Rhode Island General Law 42-46-6.

PRESENT: Frances H. Gammell-Roach, Chairperson
Christopher V. Bilotti, Vice Chairman
Scott A. Gibbs, Member
Laurence W. Ehrhardt, Member

ABSENT: John R. Gowell, Member

ALSO PRESENT: William Ash, Manager of the Authority
Stacy Farrell, Assistant Manager of the Authority
Marcel Valois, Executive Director for Commerce RI
John Pagliarini, Chief of Staff for Commerce RI
Adam Quinlan, Chief Financial Officer for Commerce RI
Tom Moses, Esq. Moses Afonso Ryan Ltd.
Tim Eskey, Esq. Moses Afonso Ryan Ltd.

Chairperson Gammell-Roach presided over the meeting.

1. **Call to Order.**

Ms. Gammell-Roach called the meeting to order at 8:34 a.m.

2. **Approval of the Public and Executive Session Minutes of the Meeting Held on July 25, 2014**

Ms. Gammell-Roach presented the Public and Executive Session Minutes of the meeting held on July 25, 2014. A motion was duly made by Mr. Ehrhardt, was seconded by Mr. Bilotti and was unanimously carried to accept the Public and Executive Session Minutes, as presented. A roll call vote was taken:

Mrs. Gammell-Roach – aye
Mr. Ehrhardt – aye
Mr. Bilotti – aye
Mr. Gibbs – aye

3. Maintain the Executive Session Minutes of July 25, 2014 as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meetings held on July 25, 2014. A motion was duly made by Mr. Bilotti, was seconded by Mr. Ehrhardt, and was unanimously carried to maintain the confidentiality of the Executive Session Minutes of the above noted meeting. A roll call vote was taken:

Mrs. Gammell-Roach – aye

Mr. Ehrhardt– aye

Mr. Bilotti – aye

Mr. Gibbs – aye

4. Review of the draft audited financial statements for the period ended June 30, 2014.

Mr. Quinlan introduced Mr. Stephen Geremia, CPA of the accounting firm LGG&D. Mr. Geremia then presented and reviewed with the Board the draft audited financial statements for the Authority for the fiscal year ended June 30, 2014 (Exhibit A). Mr. Geremia outlined some of the highlights of the statements and answered some questions from the Board. Upon completion of the review Mr. Geremia indicated that next steps, upon Board approval, were to review final documentation, and finalize a representation letter to accompany them. Copies of the report would then be filed with the Auditor General and the state's Controllars Office. Upon completion of the discussion a motion was duly made by Mr. Bilotti, was seconded by Mr. Gibbs, and was unanimously carried to approve the draft audited financial statements of the Authority for the fiscal year ended June 30, 2014 as presented. A roll call vote was taken:

Mrs. Gammell-Roach – aye

Mr. Ehrhardt– aye

Mr. Bilotti – aye

Mr. Gibbs – aye

5. To consider changes in the corporate ownership of Ashaway Pines, LLC and the shareholders of MCK Realty and to consider an extension of approval relating to the issuance by the Authority of up to \$2,200,000 taxable industrial revenue bonds.

Mr. Moses advised the Board that they could combine the next two agenda items into one action item if they wished. Mr. Ash indicated there had been a change to the corporate ownership of MCK Realty, a corporate guarantor of the Ashaway Pines LLC transaction. He noted this did not change the structure of the deal as the individual guarantors remained in place. MCK Realty had an individual remove himself from the corporation due to some financial difficulties and a new individual stepped in. He also advised the Board that a certificate of occupancy had not yet been acquired and had delayed the permanent financing from being put into place. He asked that the board consider extending the approval to December 31, 2014. There being no further discussion, a motion was duly made by Mr. Bilotti, was

seconded by Mr. Ehrhardt, and was unanimously carried to accept the material change in ownership of MCK Realty and to extend the approval date for the transition to December 31, 2014. A roll call vote was taken:

Mrs. Gammell-Roach – aye
Mr. Ehrhardt– aye
Mr. Bilotti – aye
Mr. Gibbs – aye

6. Executive Session

Mrs. Gammell-Roach suggested that the Board move into Executive Session. Upon motion duly made by Mr. Gibbs and seconded by Mr. Ehrhardt, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) of the General Laws of the State of Rhode Island, as amended, was duly adopted. A roll call vote was taken:

Mrs. Gammell-Roach – aye
Mr. Ehrhardt– aye
Mr. Bilotti – aye
Mr. Gibbs – aye

Public Session concluded and Executive Session began at 8:54 a.m.

7. Executive Session Vote Ratification

The meeting was reconvened from Executive Session to Public Session at 9:54 a.m. Mrs. Gammell-Roach noted that a unanimous vote of the Board was taken and would be kept confidential so as not to jeopardize any strategies, negotiation or investigations undertaken with respect to litigation in accordance with Rhode Island General Law 42-46-4(b)2.

8. Adjournment

There being no further business to come before the Board, upon motion duly made by Mr. Ehrhardt, was seconded by Mr. Bilotti, the Board unanimously voted to adjourn the meeting. A roll call vote followed:

Mrs. Gammell-Roach – aye
Mr. Ehrhardt– aye
Mr. Bilotti – aye

The meeting was adjourned at 9:55 a.m.

Respectfully submitted,

/s/ Stacy Farrell
Stacy Farrell, Assistant Manager