

RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION

October 28, 2004

PUBLIC SESSION

A meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation ("RIIFC") was held in public session at the offices of RIIFC, One West Exchange Street, 5th Floor, Providence, Rhode Island, on Thursday, October 28, 2004 beginning at approximately 9:00 a.m., pursuant to a notice and agenda duly posted and sent to all members.

Members present throughout the meeting were Mr. Edward Rendine, Mr. William Parsons and Mr. Raymond Fogarty. Mr. Philip Rivers and Mr. George Mason were absent from the meeting. Also present and participating were Mr. Earl Queenan, Jr., Treasurer of RIIFC, Ms. Philomena Teixeira, Loan Servicing Specialist for RIIFC, Steve Geremia, from Lefkowitz, Garfinkel, Champi & DeRienzo, Richard Pacheco, from Lefkowitz, Garfinkel, Champi & DeRienzo and Ellen Corneau, Esquire, bond counsel to RIIFC along with Laurie Enslow, Legal Assistant for bond counsel. Mr. Rendine presided and called the meeting to order.

MINUTES OF THE AUGUST 26, 2004 BOARD MEETING

The first item to come before the Board in Public Session was consideration of the Minutes for the Board meeting held on October 28, 2004 (the "October 28th Minutes").

Mr. Fogarty made a motion to accept the October 28th Minutes and to

maintain the Executive Session portions of the October 28th Board Meeting as confidential. Mr. Fogarty seconded the motion, which passed unanimously as follows: Mr. Edward Rendine yes; Mr. Raymond Fogarty yes; and Mr. William Parsons yes.

CONSIDERATION OF THE DRAFT AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2004 AND 2003 AND THE RIIFC SAS 61 LETTER FOR THE YEAR ENDED JUNE 30, 2004 AND 2003

The second item to come before the Board in Public Session was consideration of the draft Audited Financial Statements for the Fiscal Year ending June 30, 2004 and 2003 and the RIIFC SAS 61 Letter for the year ended June 30, 2004 and 2003 (the "Financial Statements").

Mr. Parsons made a motion for approval of the Financial Statements for discussion purposes. Mr. Fogarty seconded the motion and Mr. Geremia addressed the Board as follows:

Our opinion on the financial statement is on page one of the financials. We believe that the financial statement represents fairly the financial position and results of operation of RIIFC for June 30th for the year that ended. Pages two through four are management discussion and analysis in terms of what happened this year relating to the assets, revenues and expenses for RIIFC. Page five is the balance sheet.

You will see a couple of changes when you see 2004 and 2003.

Principles and receivables went up and it's not a result of items that are not collectible but principally for one \$50,000 receivable that was due before June 30th and was paid to the corporation shortly after June 30th, 2004. This receivable makes up the majority of increase in receivables. There is an additional issue relating to receivables and revenue included in the financial statement which has been addressed the back in our report. This issue is not within our control because there was some filling for certain participants regarding administration fees. Unfortunately in the billing process the administration fees were not billed for several years. The receivables include the administration fees with an allowance of those accounts that have not paid the fees. This will allow those participants to pay the fees to RIIFC.

Mr. Rendine questioned whether these fees are collectible. Mr. Queenan responded that the fees are collectible and the problem has been eliminated. He added that RIIFC is receiving payments as quoted to avoid this problem in the future. Mr. Queenan further stated that bills have gone out for fees that have not been paid and he has not heard any complaints. However, he has not received any checks for the fees either and therefore there will be some discussion between RIIFC and the participants to allow the participants to pay the fees over time.

Mr. Rendine questioned the total of unpaid fees. Mr. Geremia stated that the total is \$110,000 of billings. Mr. Geremia further stated that \$18,000 related to current year and \$92,000 related to previous year. Therefore, the \$92,000 is reserved and the \$18,000 is shown as

revenue.

Mr. Rendine questioned how many participants were included in the unpaid fees. Mr. Pacheco stated that there were four, NFA with \$62,000; Greystone with \$23,000; Interplex with \$20,000 and Arpin with \$3,000.

Ms. Corneau added that the documents do provide that the fee is due and payable without any action such as billing required by RIIFC. Sending out a bill is purely a convenience for the borrowers and RIIFC can declare a default if the fees are not paid.

Mr. Rendine questioned whether there were any other issues. Mr. Geremia stated that there were no other items that came up and this is shown on pages thirteen through fifteen of the financials.

Mr. Rendine questioned why this issue had not surfaced earlier. Mr. Geremia stated that they rely on the information provided by RIIFC accounting department. This year, they received information from outside the accounting department that indicated that these accounts were participants of the program. At that time they asked where the revenues were for those participants and it was realized that they had not been received.

Parsons made a motion to accept the Financial Statements. Mr. Fogarty seconded the motion, which passed unanimously as follows: Mr. Edward Rendine yes; Mr. Raymond Fogarty yes; and Mr. William Parsons yes.

CONSIDERATION OF THE AGENDA FOR RIIFC

SCHEDULE OF PUBLIC MEETINGS FOR 2005

The third item to come before the Board in Public Session was consideration of the Agenda for RIIFC Schedule of Public Meetings for 2005 ("Agenda").

Mr. Fogarty made a motion to accept the Agenda. Mr. Parsons seconded the motion, which passed unanimously as follows: Mr. Edward Rendine yes; Mr. William Parsons yes; and Mr. Raymond Fogarty yes.

CONSIDERATION OF A RESOLUTION FOR CHAPEL ASSOCIATES DELEGATING APPROVAL OF SUBSEQUENT FINANCING TO THE TREASURER

The fourth item to come before the Board in Public Session was consideration of a Resolution for the benefit of Chapel Associates Delegating Approval of Subsequent Financing to the Treasurer ("Chapel").

Ms. Corneau began by stating that Chapel closed yesterday and we will record today. Sovereign Bank has the first mortgage on the entire project. When the developer or subtenants attempt to get leasehold improvement financing they are required to come to the board to get a parody or a senior lien. The obligor has asked that for future parody or senior liens to Sovereign Bank, provided that Sovereign Bank has approved the financing, could RIIFC delegate the ability to grant those liens to Earl Queenan without having to wait a month for the board to meet and approve.

Mr. Fogarty made a motion to accept the Resolution for Chapel. Mr. Parsons seconded the motion, which passed unanimously as follows: Mr. Edward Rendine yes; Mr. Raymond Fogarty yes; and Mr. William Parsons yes.

ADDITIONAL BUSINESS

There was not additional business to discuss.

EXECUTIVE SESSION

(There was no executive session)

ADJOURNMENT

Mr. Parsons made a motion to adjourn the meeting. Mr. Fogarty seconded the motion, which was passed unanimously as follows: Mr. Edward Rendine yes; Mr. Raymond Fogarty yes; and Mr. William Parsons yes.

Respectfully submitted,

Anthony Scolavino, Secretary

SECRETARY'S CERTIFICATE

I, Anthony Scolavino, Secretary of the Rhode Island Industrial Facilities Corporation, hereby certify that attached hereto is a true

and accurate copy of the minutes of the meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation held on October 28, 2004. These minutes were approved by the Board of Directors at a meeting held on November 18, 2004.

Anthony Scolavino, Secretary