

RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION

September 22, 2005

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, September 22, 2005 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. Philip Rivers, and Mr. Raymond Fogarty. Mr. George Mason and Mr. William Parsons were absent from the meeting. Also present and participating were Mr. Earl Queenan, Jr., Treasurer of RIIFC, Mr. Anthony Scolavino, Secretary of RIIFC, Claudine Tikoian, Loan Portfolio Manager and Ellen M. Corneau, Esquire, bond counsel to RIIFC along with Denise Marshall, Legal Assistant for bond counsel. Mr. Rendine presided and called the meeting to order.

MINUTES OF THE SEPTEMBER 22, 2005 BOARD MEETING

The first item to come before the Board in Public Session was consideration of the Minutes for the Board meeting held on August 25, 2005 (the "August 25th Minutes").

Mr. Raymond Fogarty made a motion to accept the August 25th Minutes and to maintain the Executive Session portions of the August

25th Board Meeting as confidential.

Mr. Philip Rivers seconded the motion, which passed as follows: Mr. Edward Rendine - yes; Mr. Philip Rivers - yes; and Mr. Raymond Fogarty - yes.

**TO CONSIDER RIIFC FINANCIALS FOR
YEARS ENDED JUNE 30, 2005 AND 2004**

The second item to come before the Board in Public Session was consideration of RIIFC Financials for years ended June 30, 2005 and 2004. Mr. Edward Rendine introduced Mr. Richard Pacheco from Lefkowitz, Garfinkel, Champi & DeRienzo P.C. ("Lefkowitz") to explain the financials. Mr. Pacheco stated that the Independent Auditor's Report which discusses the financial statements are the responsibility of the management and Lefkowitz's responsibility is to express our opinion based upon our audit. The audit is in accordance with regular auditing standards but also the government auditing standards. We provide reasonable assurance that those financial statements are free of material misstatement. Mr. Pacheco then reviewed the Statement of Net Assets. He stated that the administrative fees and allowances were different. The administrative fees receivable was a \$5,000 allowance this year and a \$95,000 allowance from last year. The reason for that is because of outstanding borrowers' fees due from several years.

Mr. Queenan was able to collect on most of those fees, including

NFA, Interplex, Greystone and Arpin. Mr. Pacheco also discussed an additional opinion regarding internal control of financial reporting and compliance and other matters. He stated that this opinion states that Lefkowitz considers the internal control of financial reporting and did not note any matters which are material weaknesses. Mr. Pacheco stated that with RIIFC having limited resources regarding the access of control last year. He stated that there are a few incompatible job functions. The person receiving the cash also has access to the accounts receivable records and also can record journal entries which you do not want to have with one person. Mr. Queenan stated that he receives the checks and will list them and then

give them to one of his staff, Steve Fratiello to record in the journal. Mr. Pacheco ended by discussing the letter to RIIFC which states that there is nothing to be concerned with and the letter is reasonable but not absolute. Lefkowitz proposed one adjustment of \$12,000 for revenue bonds which were paid off early.

Mr. Raymond Fogarty made a motion to accept the RIIFC Financials and

Mr. Philip Rivers seconded the motion, which passed as follows: Mr. Edward Rendine - yes; Mr. Philip Rivers - yes; and Mr. Raymond Fogarty - yes.

TO CONSIDER RIIFC BUDGET

The third item to come before the Board in Public Session was consideration of the RIIFC Budget. Mr. Queenan stated that the

budget needs to be submitted by September 30, 2005. Mr. Raymond Fogarty made a motion to accept the RIIFC Financials and Mr. Philip Rivers seconded the motion, which passed as follows:

Mr. Edward Rendine - yes; Mr. Philip Rivers - yes; and Mr. Raymond Fogarty - yes.

ADDITIONAL BUSINESS

(There was no additional business)

ADJOURNMENT

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

EXECUTIVE SESSION

(There was no executive session)

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 September 22, 2005. These minutes were approved by the Board of

Directors at a meeting held on October 27, 2005.

Anthony Scolavino, Secretary