

RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION

MAY 22, 2008

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 the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, May 22, 2008 beginning at approximately 9:00 a.m. pursuant to a Notice and Agenda duly posted and sent to all members.

Members present and attending the meeting were: Mr. Edward Rendine, Mr. David Piacitelli, Mr. William Parsons and Mr. Ronald Renaud. Mr. Andrew Lyon, III was not present. Also present and attending the meeting were Mr. Earl F. Queenan, Jr., Treasurer of RIIFC, Mr. Anthony Scolavino, Secretary of RIIFC, Mr. Michael Saul, Managing Director of Finance for RIEDC, Mrs. Claudia Tikoian, Loan Portfolio Manager of RIIFC, Ms. Alicia A. Pomfret, Assistant Financial Analyst and Antonio Afonso, Jr., Counsel to RIIFC. Mr. Edward Rendine, Chairman, called the meeting to order.

ACCEPTANCE OF THE MINUTES OF MARCH 27, 2008 MEETING

The first item to come before the Board was consideration of adoption of the minutes of the meeting of the Board of Directors held on March 27, 2008. A motion was made by Mr. Piacitelli to adopt the

minutes of March 27, 2008 as presented, which motion was seconded by Mr. Parsons. Following the motion and second, the motion to accept the minutes was adopted as follows: Mr. Rendine – yes, Mr. Parsons – yes, Mr. Piacitelli – yes and Mr. Renaud – yes.

INTERNALLY PREPARED FINANCIAL STATEMENTS FOR THE MONTH

ENDING APRIL 30, 2008

Mr. Queenan presented and reviewed with the Board the draft Financial Statements for RIIFC for the month ending April 30, 2008. The Board reviewed the Financial Statements. Mr. Rendine indicated he had received a letter from the Governor's Office reaffirming the need to file the RIIFC Financial Statements with the appropriate state authorities by September 30, 2008. Mr. Queenan confirmed to Mr. Rendine that there was no reason why such Financial Statements would not be timely filed within the deadline. Mr. Rendine indicated he would acknowledge receipt of the letter to the Governor's Office. Following the foregoing discussion upon motion made by Mr. Parsons and seconded by Mr. Piacitelli to approve the internally prepared Financial Statements, the motion was adopted as follows: Mr. Parsons – yes, Mr. Rendine – yes, Mr. Piacitelli – yes and Mr. Renaud – yes.

ELECTION OF OFFICERS

The next item addressed on the Agenda by the Board was the election of Officers of the Rhode Island Industrial Facilities Corporation. Mr. Parsons moved to nominate and elect Mr. Rendine

as Chairman, Mr. Piacitelli as Vice Chairman, Mr. Queenan as Treasurer, Mr. Scolavino as Secretary and Ms. Pomfret as Assistant Secretary. Following Mr. Parsons' motion, Mr. Piacitelli seconded the motion and the motion was adopted as follows: Mr. Parsons – yes, Mr. Rendine – yes, Mr. Piacitelli – yes and Mr. Renaud – yes.

FINAL APPROVAL AUTHORIZING THE ISSUANCE OF UP TO \$4,000,000 OF BONDS ON BEHALF OF NEUROTECH PHARMACEUTICALS, INC.

The Board was next presented with the form of Resolution having been previously furnished in the Board package for the issuance of up to \$4,000,000 in Tax-Exempt Industrial Development Bonds for Neurotech Pharmaceuticals, Inc. for installation of equipment in a manufacturing facility to be located in Cumberland, Rhode Island. Mr. Afonso, as counsel, briefly reviewed Resolution with the Board of Directors and discussed the previously adopted Inducement Resolution as adopted by the Board of Directors in 2007. Following a brief discussion, a motion was made by Mr. Parsons and seconded by Mr. Renaud, following which the motion was adopted as follows: Mr. Parsons – yes, Mr. Rendine – yes, Mr. Piacitelli – yes and Mr. Renaud – yes. The Resolution as adopted is made a part of these Minutes and is attached hereto as

Exhibit A.

EXTENSION OF THE INDUCEMENT RESOLUTION FOR SHIPWRECK FALLS RESORT/RHODE ISLAND, L.P.

Mr. Afonso reviewed with the Board the form of Resolution previously furnished in the Board package to extend to December 31, 2008 the Inducement Resolution previously adopted by the Board on August 7, 2007 for the benefit of Shipwreck Falls Resort/Rhode Island, L.P. Discussion ensued concerning the likely timing of a closing of the Shipwreck Falls Bond. While no definitive date had yet been determined, the principals of Shipwreck Falls had represented to the Corporation's representatives that the Bonds should be issued well before December of 2008. Following a motion by Mr. Parsons and seconded by Mr. Piacitelli, the Resolution in the form attached hereto and included as a part hereof as Exhibit B, was adopted as follows: Mr. Parsons – yes, Mr. Rendine – yes, Mr. Piacitelli – yes and Mr. Renaud – yes.

DISCUSSION CONCERNING DIRECTORS AND OFFICERS INSURANCE

Following the above agenda item, a motion was made by Mr. Parsons and seconded by Mr. Piacitelli to add an agenda item to the Board's agenda limited to discussion of potential options for obtaining Directors and Officers Liability Insurance for the Rhode Island Industrial Facilities Corporation. Following the motion and second as cited in the prior sentence, the motion to add the matter to the Board's agenda for discussion was adopted as follows: Mr. Rendine – yes, Mr. Parsons – yes, Mr. Piacitelli – yes and Mr. Renaud – yes.

Mr. Saul addressed the Board concerning certain options currently being considered for Directors and Officers Liability Insurance. Discussion ensued concerning the \$16,000 premium for \$1,000,000 in

coverage from Firemens' Fund versus the \$15,000 premium from Great American Insurance for \$2,000,000 in coverage. The prime difference between the foregoing two proposals being that the Great American proposal included costs of defense in the \$2,000,000 of coverage while the Firemens' Fund did not. Mr. Saul indicated he would bring the ultimate recommendation of staff back to the Board at a later meeting, in all likelihood for ratification should the insurance need to be in place prior to the next meeting of the Board. While no vote was taken on the Directors and Officers Liability Insurance question, several Board members suggested it would be appropriate not to let the insurance lapse prior to the next Board meeting.

AJOURNMENT

There being no other business to come before the Board, Mr. Renaud made a motion, which motion was duly seconded by Mr. Piacitelli to adjourn the meeting, which motion was adopted as follows: Mr. Rendine – yes, Mr. Parsons – yes, Mr. Piacitelli – yes and Mr. Renaud – yes.

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 May 22, 2008. These minutes were approved by the Board of

Directors at a meeting held on July 31, 2008.

Anthony Scolavino, Secretary

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EXHIBIT A

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO
\$4,000,000 ECONOMIC DEVELOPMENT REVENUE BONDS
(INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY PROGRAM
NEUROTECH PHARMACEUTICALS, INC. PROJECT - 2008 SERIES)
OF THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION
AND AUTHORIZING AND APPROVING THE EXECUTION AND
DELIVERY OF A LEASE AGREEMENT, ASSIGNMENT OF LEASE
AGREEMENT AND PLEDGED REVENUES, BOND PURCHASE
AGREEMENT
AND OTHER DOCUMENTS AND MATTERS IN CONNECTION
THEREWITH**

WHEREAS, the Rhode Island Industrial Facilities Corporation (the "Issuer") was constituted a public corporation and public instrumentality of the State of Rhode Island (the "State") pursuant to the provisions of Chapter 37.1 of Title 45 of the General Laws of Rhode Island (1956), as amended (the "Act") and is authorized pursuant to the Act (i) to finance the acquisition, equipping and furnishing of one or more projects, including all real and personal property in connection therewith, (ii) to execute agreements of lease, conditional sales contracts, installment sales contracts, loan agreements, mortgages, construction contracts, operation contracts and other contracts and instruments entered into to finance its projects, (iii) to sell, exchange, mortgage, donate and convey any and all of its properties whenever such action is found to be in furtherance of the purposes for which the Issuer was established, and (iv) to issue its bonds and notes and to mortgage and pledge any of its projects or parts thereof as security for such bonds; and

WHEREAS, the Issuer proposes to finance the furnishing and equipping of real property leased or to be leased by Neurotech Pharmaceuticals, Inc. (the "Obligor") at Highland Corporate Park located in Cumberland, Rhode Island including, but not limited to, new equipment, including, but not limited to two modular manufacturing suites (clean rooms) and related furnishings and equipment to be used by the Obligor in Obligor's manufacturing operations and for costs associated with bond issuance (such

leasing, furnishing, equipping and incurring of costs in connection therewith is referred to herein as the "Project") which will be leased to Obligor pursuant to a Lease Agreement dated August __, 2008 (the "Lease"); and

WHEREAS, the financing of the Project is authorized under the Act; and

WHEREAS, in order to finance the cost of such Project, the Issuer intends to issue its Economic Development Revenue Bonds (Industrial-Recreational Building Authority Program – Neurotech Pharmaceuticals, Inc. Project - 2008 Series) in the principal amount of up to \$4,000,000 (the "Bonds") pursuant to the Act; and

WHEREAS, the Issuer's right, title and interest in and to the Lease, including the Lease itself, will be assigned to Banc of America Public Capital Corp. or, with the written consent of Issuer, its designee (the "Original Purchaser") pursuant to the Assignment of Lease Agreement and Revenues (the "Assignment") dated August __, 2008 to be entered into with the Original Purchaser; and

WHEREAS, to secure the Obligor's payments under the Lease the Issuer and the Obligor will grant a security interest in the Project to the Original Purchaser pursuant to a Security Agreement dated August __, 2008 Security Agreement dated August __, 2008 (the "Security Agreement"); and

WHEREAS, to further secure the payment of the Bonds, the Rhode Island Industrial-Recreational Building Authority ("IRBA") will deliver to the Original Purchaser its Mortgage Insurance Agreement (the "Mortgage Insurance Agreement") which will be issued to ensure the

payments of the principal and interest on the Bonds;

WHEREAS, the Obligor has submitted to the Issuer, the Original Purchaser and IRBA financial and various other materials in order to enable the Issuer to make the findings set forth in Section 13 of the Act prior to the issuance of the Bonds; and

WHEREAS, the Issuer is now desirous of proceeding with the financing of the furnishing and equipping of the Project; and

WHEREAS, the Original Purchaser has submitted to the Issuer a proposal to purchase the Bonds pursuant to a Bond Purchase Agreement dated August __, 2008 (the "Bond Purchase Agreement") to be by and among the Issuer, the Obligor, the IRBA and the Original Purchaser; and

WHEREAS, there will be prepared in the traditional form, the following documents:

- (a) the Bill of Sale;**
- (b) the Lease;**
- (c) the Bond Purchase Agreement;**
- (d) the Bonds;**
- (e) the Assignment; and**
- (f) the Security Agreement.**

NOW, THEREFORE, BE IT RESOLVED BY THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION AS FOLLOWS:

SECTION 1. It is hereby found and determined that:

- (a) The acquisition of the Project will eliminate or prevent unemployment, either in whole or in part, in the area in which the**

Project is to be located; and

(b) The Project is consistent with the definition of "Project" as defined in Section 45-37.1-3 of the Rhode Island General Laws; and

(c) The Project will be leased to the Obligor, a financially responsible entity; and

(d) Adequate provision has been or will be made in the Lease, when executed, for the payment of the cost of the acquisition, construction and equipping of the Project and that, under no circumstances, will the State or any municipality or any political subdivision of the State be obligated, directly or indirectly, for the payment of the principal of, premium, if any, or interest on, any obligation issued to finance such acquisition, construction and equipping except as provided in the Mortgage Insurance Agreement; and

(e) Adequate provision has been or will be made in the Lease and other financing agreements related to the Project when executed, for the payment of all costs of operation, maintenance, and upkeep of the Project by the Obligor so that under no circumstances will the State or any municipality or any political subdivision of the State be obligated, directly or indirectly, for the payment of such costs; and

(f) The acquisition of the Project and the proposed financing, operation and use of the Project will aid in the development, growth and prosperity of the State and the municipality in which the Project is located.

SECTION 2. To accomplish the purposes of the Act, the Issuer hereby determines that the Project shall be furnished, equipped and installed in the Town of Cumberland, Rhode Island.

SECTION 3. To accomplish the purposes of the Act and to provide for the financing of the cost of the Project, the issuance of the Bonds is hereby authorized, subject to the provisions of this Resolution and the Lease. The Bonds shall be dated as provided in the Lease, shall be in a principal amount not to exceed \$4,000,000 and shall be issued as a fully registered bond. The Bonds shall mature, bear interest at the Interest Rate as calculated in the Bonds, be subject to redemption prior to maturity and bear such other terms as set forth in the Bonds. The form of the Bonds and the provisions for signatures, authentication, payment, prepayment and number shall be as set forth in Exhibit A to the Bond Purchase Agreement.

SECTION 4. The Bonds shall be special obligations of the Issuer payable solely from the revenues or other receipts, funds or moneys of the Issuer pledged therefor under the Lease and the Assignment and the Issuer's faith and credit is pledged only to such extent. The payment of the principal of, interest and premium, if any, on the Bonds, shall be secured by an assignment of certain rights, title and interest of the Issuer in and to the Lease pursuant to the Assignment and by the Mortgage Insurance Agreement.

Neither the State nor any municipality thereof (other than the Issuer as hereinabove set forth) shall be obligated to pay the principal of, premium, if any, or interest on the Bonds.

Except as set forth in the Mortgage Insurance Agreement, neither the faith and credit nor the taxing power of the State or any municipality thereof shall be pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

SECTION 5. The Issuer is hereby authorized to accept the conveyance and transfer of the Project in accordance with the terms of the Lease hereinafter authorized.

SECTION 6. The execution and delivery of the Lease is hereby authorized. The Lease shall be in substantially the form presented at this meeting. The Executive Director, Deputy Director or the Treasurer of the Issuer are each, acting singly, hereby authorized to execute, acknowledge and deliver the Lease with such changes, insertions and omissions as may be approved by said Executive Director, Deputy Director or Treasurer, and the Secretary or the Assistant Secretary of the Issuer are each hereby authorized to affix the seal of the Issuer on the Lease and to attach the same. The execution of the Lease by said Executive Director, Deputy Director or Treasurer shall be conclusive evidence of such approval.

SECTION 7. The execution and delivery of the Assignment is hereby authorized. The Assignment shall be in substantially the form presented at this meeting. The Executive Director, Deputy Director or the Treasurer of the Issuer are each, acting singly, hereby authorized to execute, acknowledge and deliver the Assignment with such changes, insertions and omissions as may be approved by said Executive Director, Deputy Director or Treasurer, and the Secretary or the Assistant Secretary of the Issuer are each hereby authorized to affix the seal of the Issuer on the Assignment and attest the same. The execution of the Assignment by said Executive Director, Deputy Director or Treasurer shall be conclusive evidence of such approval.

SECTION 8. The execution and delivery of the Security Agreement is

hereby authorized. The Security Agreement shall be substantially in the form as may be approved by the Executive Director, Deputy Director or the Treasurer of the Issuer. The Executive Director, Deputy Director or the Treasurer of the Issuer are each, acting singly, hereby authorized to execute, acknowledge and deliver the Security Agreement with such changes, insertions and omissions as may be approved by said Executive Director, Deputy Director or Treasurer, and the Secretary or the Assistant Secretary of the Issuer are each hereby authorized to affix the seal of the Issuer on the Security Agreement and attest the same. The execution of the Security Agreement by said Executive Director, Deputy Director or Treasurer shall be conclusive evidence of such approval.

SECTION 9. The Bonds are hereby authorized to be sold as provided in the Bond Purchase Agreement. The Executive Director, Deputy Director or the Treasurer of the Issuer are each, acting singly, hereby authorized to reduce the principal amount of the Bonds to be sold and to alter the maturity dates and prepayment provisions and to alter terms of the Bonds to make the Bonds conform to the Bond Purchase Agreement as the same may be amended by the parties thereto.

SECTION 10. The execution and delivery of the Bond Purchase Agreement are hereby authorized. The Bond Purchase Agreement shall be in substantially the form as may be approved by the Executive Director, Deputy Director or the Treasurer of the Issuer. The Executive Director, Deputy Director or the Treasurer of the Issuer are each, acting singly, hereby authorized to execute, acknowledge,

and deliver the Bond Purchase Agreement with such changes, insertions, and omissions as may be approved by said Executive Director, Deputy Director or Treasurer, and the Secretary or the Assistant Secretary of the Issuer are each, acting singly, hereby authorized to affix the seal of the Issuer on said Bond Purchase Agreement, if necessary, and attest the same. The execution of the Bond Purchase Agreement by said Executive Director, Deputy Director or Treasurer shall be conclusive evidence of such approval.

SECTION 11. The Bonds shall be executed in the manner provided in the Bond form and the same shall be delivered to the Original Purchaser.

SECTION 12. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution, the Lease, the Bond Purchase Agreement, the Assignment, and the Security Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution, the Lease, the Bond Purchase Agreement, the Assignment, and the Security Agreement shall be exercised or performed by the Issuer or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

SECTION 13. The proper officers of the Issuer are hereby further

directed to proceed to cause the proceeds of the sale of the Bonds to be disbursed as provided in the Lease for the financing of the acquisition of the Project.

SECTION 14. The Issuer hereby consents to the execution and delivery of such other documents and instruments necessary or desirable for the implementation of the purposes of this resolution or in connection with the issuance of the Bonds. The Issuer hereby consents to revisions and amendments to the documents referenced herein to the extent such do not substantially alter any of the foregoing and such would not be adverse to the interests of the Issuer and provided further that the Executive Director, Deputy Director or the Treasurer, acting singly, be and each hereby is authorized and empowered to execute and deliver such documents or instruments in accordance with this Section.

SECTION 15. This Resolution shall take effect upon passage.

DATED: May 22, 2008

EXHIBIT B

**AMENDMENT TO INDUCEMENT RESOLUTION OF THE
RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION
RELATING TO PROPOSED COMMERCIAL FACILITIES FOR
SHIPWRECK FALLS RESORT/RHODE ISLAND, L.P., LLC**

WHEREAS, the Rhode Island Industrial Facilities Corporation (the “Issuer”) adopted an Inducement Resolution for the benefit of Shipwreck Falls Resort/Rhode Island, L.P., LLC (“Obligor”) at its board meeting on June 7, 2007 (the “Original Resolution”);

WHEREAS, the Issuer has received information from the Obligor indicating that additional time will be needed to complete the transaction and issue the Bonds as referred to in the Original Resolution;

WHEREAS, the Issuer desires to afford the Obligor sufficient time to complete its transaction and issue the Bonds;

NOW, THEREFORE be it resolved that:

The original Resolution be and hereby is amended by deleting the original section numbered “7.” and replacing said section with the following:

1. “7. This Resolution shall expire on December 31, 2008 unless the Bonds are issued prior to such expiration date.”

2. The Original Resolution is further amended so that any and all references therein to “Shipwreck Falls Resort/Rhode Island, L.P.”

shall be deleted and be replaced with “Shipwreck Falls Resort/Rhode Island, L.P., LLC” .

3. Except as expressly amended hereby, the original Resolution shall remain in full force and effect.

Adopted: May 22, 2008