RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION

JULY 31, 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, July 31, 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 were Mr. Earl F. Queenan, Jr., Treasurer of RIIFC, Mr. Anthony Scolavino, Secretary of RIIFC, Ms. Alicia Pomfret, Assistant Secretary of RIIFC, Mr. Michael Saul, Managing Director of Finance for RIEDC and Antonio Afonso, Jr., Esquire, Counsel to RIIFC. Mr. Edward Rendine arrived late to the meeting and during the introduction to the Smith's General Trucking Co. agenda item listed below. Accordingly, Mr. David Piacitelli, Vice Chairman of the Board called the meeting to order.

ACCEPTANCE OF THE MINUTES OF MAY 22, 2008

The first item to come before the Board was consideration of

adoption of the minutes of the meeting the Board of Directors held on May 22, 2008. A motion was made by Mr. Renaud, to adopt the minutes of May 22, 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. Parsons – yes, Mr. Piacitelli – yes, Mr. Renaud – yes.

INTERNALLY PREPARED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED JUNE 30, 2008

Mr. Queenan presented and reviewed with the Board the draft Financial Statements for RIIFC for the month ending June 30, 2008. The Board reviewed the Financial Statements. Mr. Queenan indicated he expected the RIIFC Financial Statements to be timely submitted to the State. There was no further action with respect to this item.

CONSIDER ACTION WITH RESPECT TO DISCHARGE OF LIEN AND REAL ESTATE OF SMITH'S GENERAL TRUCKING

Mr. Afonso, as Counsel to RIIFC, reviewed with the Board correspondence and discussions which have ensued with principals of Smith's General Trucking. Mr. Afonso indicated Mr. Queenan had been contacted by Smith's General Trucking to have real estate beneficially owned by Smith's General Trucking conveyed by deed from RIIFC back to Smith's General Trucking. A Revenue Bond had been issued by RIIFC in 1985 pursuant to which the Smith's General Trucking real estate had been conveyed to RIIFC and leased back to Smith's General Trucking. Mr. Afonso reviewed information received

by way of Mr. Queenan indicating that former trustee employees of Citizens Trust Company had been contacted but were unable to shed any light on where any records may exist to confirm payment of the Bond from the trustee's records. Mr. Queenan indicated Smith's General Trucking does not have records concerning the payoff or, for that matter, a binder for the Bonds. Likewise, RIIFC has ceased to maintain records with respect to the 1985 Bond and has no evidence of satisfaction of the Bond and payment of all expenses in connection therewith.

A discussion ensued between the Board and Counsel as to what options were available. Counsel reviewed the possibility of an Affidavit of Complete Payment being received from Smith's General Trucking together with an Indemnity Agreement and Hold Harmless Agreement from Smith's General Trucking which would furnish comfort to RIIFC that if a claim were ever made under the Bond against RIIFC, Smith's General Trucking would be obligated to pay any such claim. A discussion then ensued as to whether or not security and collateral for such an Indemnity and Hold Harmless Agreement should be required.

Following considerable discussion, Counsel was directed to prepare a letter to Smith's General Trucking indicating the following:

a. A request to review financial statements of Smith's General Trucking with an eye toward determining the viability of any Indemnity and Hold Harmless Agreement which would be given by Smith's General Trucking to RIIFC;

b. A request from Smith's General Trucking that Bank of America,

believed to be the holder of the Bond when the Bond was unpaid, execute an Affidavit indicating all amounts have been paid under the Bond; and

c. Preparation of a form of Affidavit and Indemnity Agreement for Smith's General Trucking's execution.

The Board indicated that the matter should be returned to the Board for further consideration once the information as outlined above was received from Smith's General Trucking.

Following a motion by Mr. Parsons, seconded by Mr. Renaud, to table the matter for further consideration until a meeting of the Board of Directors of RIIFC at which the information received from Smith's General Trucking could be presented, the motion was unanimously adopted to table as follows: Mr. Parsons – yes, Mr. Rendine – yes, Mr. Piacitelli – yes, Mr. Renaud – yes.

There being no further business for public session before the Board, a motion was made by Mr. Parsons and seconded by Mr. Renaud to reconvene in Executive Session pursuant to R.I.G.L. 42-46-5(a)(5), (6) and (7) relating to considerations as to the acquisition or lease of real property, the location of prospective business locating in the State of Rhode Island and matters relating to the investment of public funds which Resolution was unanimously adopted as follows: Mr. Parsons – yes, Mr. Rendine – yes, Mr. Piacitelli – yes, and Mr. Renaud – yes.

At approximately 9:35 a.m. following motion duly made and seconded in Executive Session, the Board reconvened in Public Session. Following motion made by Mr. Parsons and seconded by

Mr. Rendine, to ratify the vote concerning the adoption of an Inducement Resolution on behalf of Converted Organics of Rhode Island, LLC, as taken in Executive Session, the motion was adopted as follows: Mr. Parsons – yes, Mr. Rendine – yes, Mr. Piacitelli – yes. Mr. Renaud did not vote as he had to leave the meeting prior to the vote in Executive Session being taken to attend to another engagement.

ADJOURNMENT

There being no other business to come before the Board, Mr. Parsons made a motion, which motion was duly seconded by Mr. Rendine, to adjourn the meeting, which motion was adopted as follows: Mr. Parsons – yes, Mr. Rendine – yes, Mr. Piacitelli – yes. Mr. Renaud was not present and not voting.

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 Minutes of the Meeting of theBoard of Directors of the Rhode Island Industrial Facilities Corporation held on July 31, 2008. These Minutes were approved by the Board of Directors at the meeting held on _____.

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Anthony Scolavino, Secretary