**RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION**

**December 11, 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, December 11, 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. David Piacitelli, Mr. Ronald Renaud and Mr. William Parsons. Mr. Edward Rendine was not present. Also present and attending were Earl F. Queenan, Jr., Treasurer of RIIFC, Mr. Anthony Scolavino, Secretary of RIIFC, Ms. Alicia Pomfret, Assistant Secretary of RIIFC, Ms. Claudine Tikoian, Loan Portfolio Manager of RIIFC and Antonio Afonso, Jr., Esquire, Counsel to RIIFC. Mr. David Piacitelli, Vice Chairman, called the meeting to order.**

**ACCEPTANCE OF THE MINUTES OF OCTOBER 2, 2008**

**The first item to come before the Board was consideration of the adoption of the Public Session minutes of the Board of Directors held on October 2, 2008. A motion was made by Mr. Renaud to adopt the minutes for the Public Session of the October 2, 2008 meeting 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. Piacitelli – yes, Mr. Renaud – yes and Mr. Parsons – yes.**

**INTERNALLY PREPARED FINANCIAL STATEMENTS FOR THE FOUR MONTHS ENDED OCTOBER 31, 2008**

**Mr. Queenan proceeded to present a draft of internally prepared Financial Statements for RIIFC for the four months ended October 31, 2008. Mr. Queenan indicated that a comparison of financial performance for RIIFC for the four months ended October 31, 2008 versus last year was essentially flat year over year. Following Mr. Queenan's brief review of the Financial Statements, Mr. Renaud made a motion to accept the Financial Statements as presented which motion was seconded by Mr. Parsons. Following the foregoing motion and second, the motion was adopted as follows: Mr. Renaud – yes, Mr. Parsons – yes and Mr. Piacitelli – yes.**

**TO CONSIDER A RESOLUTION AMENDING THE GUARANTY DELIVERED IN CONNECTION WITH RIIFC'S TAXABLE ECONOMIC DEVELOPMENT REVENUE BOND (ISLAND HOTEL GROUP, LLC PROJECT – 2006 SERIES)**

**Mr. Afonso proceeded to review with the Board a letter received from counsel to RBS Citizens, National Association, the sole holder of RIIFC's Taxable Economic Development Revenue Bond (Island Hotel**

**Group, LLC Project – 2006 Series) (the "Bond"). RBS Citizens, as sole holder of the Bond, has requested that RIIFC consent to the amendment of the Guaranty Agreement delivered in connection with RBS Citizens, National Association's purchase of the Bond pursuant to which amendment the guaranty would be limited in recourse as to the Guarantors to no more than ten percent (10%) of the principal and interest obligations under the Bond. A brief discussion ensued among the Board members as to the nature of the project and the status of project. Following discussion, a motion was made by Mr. Parsons, which motion was seconded by Mr. Renaud to adopt the Resolution in the form presented to the Board with respect to the amendment of the Guaranty Agreement, which motion was duly adopted as follows: Mr. Renaud – yes, Mr. Parsons – yes and Mr. Piacitelli – yes. The foregoing Resolution is included in these Minutes attached hereto as Exhibit A.**

**TO CONSIDER THE ADOPTION OF A RESOLUTION WITH RESPECT TO EXECUTION OF A LANDLORD'S WAIVER AND RELATED DOCUMENTS RELATIVE TO RIIFC'S $1,300,000 TAX EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND (INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY PROGRAM – HENRY BIRKS & SONS U.S., INC. PROJECT – 2005 SERIES)**

**Mr. Afonso reviewed with the Board a request from Henry Birks & Sons U.S., Inc. (the "Obligor") relative to a requested Landlord's Waiver and related documents. Obligor and its affiliated companies are in the process of amending existing credit facilities for**

**approximately of $138,000,000. In connection with the foregoing, Obligor has requested that a Landlord's Waiver and certain Subordination Agreements be executed, making clear that the collateral for the RIIFC Bond which is not represented by the mortgaged real property securing the Bond is subject to the proposed Landlord's Waiver and Subordination Agreements. It was indicated that any consent of RIIFC to the foregoing is subject by the terms of the vote presented for the Board's consideration to the written consent of Scojen Limited Partnership, the sole holder of the Henry Birks & Sons U.S., Inc. Bonds. Following a brief discussion among the Board members, a motion was made by Mr. Renaud and seconded by Mr. Parsons to accept the Resolution attached hereto as Exhibit B as presented to the Board relative to the execution of the Landlord's Lien Subordination Estoppel, which motion was adopted as follows: Mr. Renaud – yes, Mr. Piacitelli – yes and Mr. Parsons – yes.**

**TERMINATION OF INDUCEMENT RESOLUTION IN FAVOR OF DENMAN & DAVIS, INC.**

**The Board next took up the issue of the status of an Inducement Resolution adopted by RIIFC on September 4, 2008 for the benefit of Denman & Davis, Inc. (the "Inducement Resolution"). Mr. Queenan reviewed with the Board a Memorandum received from Capital Markets LLP and John MacArthur the underwriter for Denman & Davis. Mr. MacArthur indicated in the correspondence that Denman & Davis had opted at the request of the Seller of the real property in**

**North Smithfield to extend its lease for two additional years. Thus, it may be some length of time before Denman & Davis returns to RIIFC for financing. Following a discussion concerning the foregoing correspondence, a motion was made by Mr. Parsons and seconded by Mr. Renaud to terminate the Inducement Resolution adopted for Denman & Davis on September 4, 2008 which motion to terminate said Inducement Resolution was adopted as follows: Mr. Renaud – yes, Mr. Parsons – yes and Mr. Piacitelli – yes.**

**ADJOURNMENT**

**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. Piacitelli – yes, Mr. Renaud – yes and Mr. Parsons – yes.**

**EXHIBIT A**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION WITH RESPECT TO $8,500,000 RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION TAXABLE ECONOMIC DEVELOPMENT REVENUE BOND (ISLAND HOTEL GROUP, LLC PROJECT – 2006 SERIES)(the "Bonds")**

**WHEREAS, the Rhode Island Industrial Facilities Corporation ("RIIFC") issued the Bonds as of November 13, 2007;**

**WHEREAS, RBS CITIZENS, NATIONAL ASSOCIATION, successor in interest to Citizens Bank of Rhode Island, is the sole holder as of the date hereof of said Bonds;**

**WHEREAS, there is a Guaranty Agreement from Island Hotel Group, LLC and James J. Karam individually and Robert Kempenaar, II granted incident to the issuance of the Bonds RIIFC and Citizens Bank of Rhode Island, predecessor in interest to the current holder of the Bonds, RBS CITIZENS, NATIONAL ASSOCIATION;**

**WHEREAS, the current holder of the Bonds, RBS CITIZENS, NATIONAL ASSOCIATION, by letter dated December 8, 2008 (see copy attached hereto as Exhibit A) requests that RIIFC consent to the amendment of the aforesaid Guaranty Agreement so that such guaranty is limited in recourse to 10% of the principal and interest obligations under the Bond;**

**NOW THEREFORE, it is:**

**VOTED: That the Rhode Island Industrial Facilities Corporation be and hereby is authorized and empowered to consent to the request of RBS CITIZENS, NATIONAL ASSOCIATION, the sole holder of RIIFC's Taxable Economic Development Revenue Bond (Island Hotel Group,**

**LLC Project – 2006 Series) in the original principal amount of $8, 500,000 to limit the Guaranty Agreement's recourse to 10% of the principal and interest of the Bonds; and further**

**VOTED: That the Treasurer or Secretary of RIIFC, acting singly, each be and hereby is authorized and empowered to execute any amendment to the foregoing Guaranty Agreement and any papers, documents or instruments executed in connection therewith as are consistent with these votes.**

**Adopted: December 11, 2008**

**EXHIBIT B**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION WITH RESPECT TO RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION $1,300,000 TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BOND (INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY PROGRAM HENRY BIRKS & SONS U.S., INC. PROJECT – 2005 SERIES)(THE "BONDS")**

**WHEREAS, the Rhode Island Industrial Facilities Corporation**

**("RIIFC") issued the above referenced Bonds on March 24, 2005;**

**WHEREAS, Henry Birks & Sons U.S., Inc., a Delaware corporation is the Obligor pursuant to the documents and instruments executed with respect to such Bonds;**

**WHEREAS, Henry Birks & Sons, Inc., a Canadian corporation is a Guarantor incident to documents and instruments executed with respect to such Bonds;**

**WHEREAS, Scojen Limited Partnership, a Rhode Island limited partnership is the sole holder of such Bonds;**

**WHEREAS, Obligor has requested certain extensions of credit from Bank of America N. A. and GB Merchant Partners LLC, a Delaware limited liability company;**

**WHEREAS, Obligor has requested of RIIFC that RIIFC execute an Amended and Restated Security Interest Subordination Agreement as well as a Landlord Lien Subordination and Estoppel Agreement;**

**NOW THEREFORE, does RIIFC act as follows:**

**VOTED: That the Rhode Island Industrial Facilities Corporation be and hereby is authorized and empowered to enter into the Landlord Lien Subordination and Estoppel as well as the Amended and**

**Restated Security Interest Subordination Agreement as requested by Henry Birks & Sons U.S., Inc. subject however to the prior written consent thereto as evidenced by signatures affixed on such documents of Scojen Limited Partnership, a Rhode Island limited partnership and sole holder of the Bonds and of the written consent as evidenced by the signature on the aforesaid documents of the Rhode Island Industrial-Recreational Building Authority; and further**

**VOTED: That the Treasurer or Secretary of RIIFC, acting singly, each be and hereby is authorized and empowered to execute such Amended and Restated Security Interest Subordination Agreement and Landlord's Lien Subordination and Estoppel and any papers, instruments and documents incident thereto which are consistent with the provisions of these votes.**

**Adopted: December 11, 2008**

**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 the Board of Directors of the Rhode Island Industrial Facilities Corporation held on December 11, 2008. These Minutes were approved by the Board of Directors at the meeting held on _____.**

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**Anthony Scolavino, Secretary**