

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

April 21, 2005

A monthly meeting of the Board of Directors of the Small Business Loan Fund Corporation was held in public session at the offices of the Rhode Island Economic Development Corporation, One West Exchange Street, Providence, Rhode Island on April 21, 2005 at approximately 9:37 a.m.

Present were Board Members: Raymond Fogarty (Chair), Edward Rendine, Richard DeMerchant and Maurice Paradis. Also present were: Earl Queenan, Anthony Scolavino, Philomena Teixeira, and Alicia Pomfret, staff, along with Thomas V. Moses, SBLFC Counsel of Moses Afonso Jackvony Ltd. Absent was William Parsons.

Mr. Fogarty called the meeting to order at 9:37 a.m.

Adoption of Minutes

The first item to come before the Board was consideration for adoption of the Minutes from the Board Meeting held on March 24, 2005. Mr. DeMerchant made a motion to approve the Public and

Executive Session Minutes as submitted, Mr. Fogarty seconded the motion, which was unanimously passed.

Executive Minutes

The second item to come before the Board was the consideration of maintaining

the Executive Session Minutes of the March 24, 2005 meeting as confidential.

Mr. DeMerchant made a motion, Mr. Fogarty seconded, and the motion passed unanimously.

Cash Position / Portfolio Activity / Delinquency Review

Mr. DeMerchant posed questions to Mr. Scolavino concerning the Delinquency Report. Messrs. Scolavino and Moses responded to his queries. Mr. Scolavino discussed the workout of AldoTech and noted that UPS Capital is ahead of the SBLFC for \$800,000 to \$900,000. Mr. Rendine asked for an update on the Beaver River Golf Course.

Mr. Scolavino responded that he expects to write-off \$160,000.

Rhode Island Ethics Commission New Gift Limits

For informational purposes, staff presented the Board with the Rhode Island Ethics Commission's amended gift regulation memorandum dated April 12, 2005.

EXECUTIVE SESSION

At 9:39 a.m., Mr. Rendine made a motion to move the next portion of

the meeting into Executive Session pursuant to the Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of RI 1956 (1988 Reenactment), as amended.

Mr. DeMerchant seconded the motion, which passed unanimously.

Upon a motion made by Mr. DeMerchant and seconded by Mr. Paradis, the Board unanimously voted to return to Public Session at 10:19 a.m.

Executive Session Vote Ratification

The next item to come before the Board was the ratification of voting held during the Executive Session. The following votes were presented for ratification:

Agri-Tourism Loan Fund

- 1) To approve the AgriTourism Fund as presented by staff.**
- 2) To authorize staff to issue loans without board approval, for applicants who meet the fund's criteria, and do not exceed the amount of \$25,000.**
- 3) That this vote is subject to determination by the Rhode Island Tourism Division that the applicant serves the state's tourism industry.**

Vision Telecom, Inc.

To release the \$25,000 savings escrow account being held by the

SBLFC to the Company.

Save the Bay, Inc.

To approve that the Save The Bay SBLFC Mortgage be subordinated to the \$1,725,000 Sovereign Bank/Citizens Bank First Mortgage.

SENESCO

To extend the SBLFC's Loan Commitment to SENESCO to June 30, 2005.

Mr. DeMerchant made a motion to ratify the aforementioned votes, Mr. Paradis seconded the motion, Mr. Rendine noted that he would ratify the Executive Session Votes with the exception of Vision Telecom, Inc. for which he had abstained from discussion and voting during Executive Session. The motion to ratify the Executive Session votes passed.

Upon a motion made by Mr. DeMerchant, and seconded by Mr. Paradis, the Board unanimously voted to adjourn. The meeting concluded at 10:29 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.

Director of Accounting & Finance