

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

August 24, 2006

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 August 24, 2006 at approximately 9:34 a.m.

Present were Board Members: Raymond Fogarty (Chair), Edward Rendine, Richard DeMerchant, and William Parsons. Absent was Maurice Paradis. Also present were: Earl Queenan, Anthony Scolavino, Alicia Pomfret, staff, along with Antonio Afonso, Legal Counsel and Stephen H. Whitney, Legislative Fiscal Analyst of the Senate Fiscal Office.

Mr. Fogarty called the meeting to order at 9:34 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 June 22,

2006. Mr. Parsons made a motion to approve the Public and Executive Session Minutes and Mr. DeMerchant 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 June 22, 2006 meeting as confidential.

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

EXECUTIVE SESSION

At 9:36 a.m. Mr. DeMerchant 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. Parsons seconded the motion, which passed unanimously.

Upon a motion made by Mr. Parsons and seconded by Mr. DeMerchant, the Board unanimously voted to return to Public Session at 10:24 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:

1) On behalf of B&B Enterprises, LLC. to approve the \$103,000 loan request, subject to the conditions outlined in the Executive Session Minutes.

2) On behalf of the Town of Burrillville to approve the Brownfields Loan Commitment Extension of the \$335,000 Loan/Grant to December 31, 2006.

Mr. DeMerchant made a motion to ratify the aforementioned votes, Mr. Parsons seconded, and the motion was passed unanimously.

Cash Position / Portfolio Activity / Watch List

Mr. Fogarty presented the Reports of Cash Position, Portfolio Activity and Watch List as of July 31, 2006. Mr. Scolavino gave a brief review of each report. No questions were posed by the Board.

Upon a motion made by Mr. Parsons, and seconded by Mr. DeMerchant, the Board unanimously voted to adjourn. The meeting concluded at 10:25 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.

Director of Accounting & Finance