

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

FEBRUARY 28, 2007

A monthly meeting of the Board of Directors of the Small Business Loan Fund Corporation was held in public session at 315 Iron Horse Way, Providence, Rhode Island on February 28, 2007 at approximately 9:36 a.m.

Present were Board Members: Raymond Fogarty (Chair), Richard DeMerchant and William Parsons. Absent were Board Members Maurice Paradis and Edward Rendine. Also present were: Earl Queenan, Anthony Scolavino, Claudine Tikoian, Alicia Pomfret, Staff, and Thomas Moses, Legal Counsel.

Mr. Fogarty called the meeting to order at 9:36 a.m.

Adoption of Minutes

Mr. Fogarty presented the Minutes of the Board Meeting held on January 25, 2007. Following review and discussion, a motion was made by Mr. Parsons, was seconded by Mr. DeMerchant, and was unanimously approved to accept the Public and Executive Session

Minutes as submitted.

Confidentiality of Executive Session Minutes

The next item to come before the Board was the consideration of maintaining the Executive Session Minutes as confidential. Mr. DeMerchant made a motion, Mr. Parsons seconded, and it was unanimously approved to maintain the confidentiality of the Executive Session Minutes of the Meeting held on January 25, 2007.

Cash Position/Portfolio Activity/Delinquency Report

Mr. Scolavino presented the Reports of Cash Position, Portfolio Activity and Delinquency Review as of January 31, 2007. During review of these reports

Mr. DeMerchant posed questions on the delinquency report. Mr. Scolavino performed a detailed reporting on the following delinquents: Davin, Inc.; Rome Packing; Display World; Kenneth Shea; L'Epicureo, Inc.; and New England Environmental.

Staff noted that they did not have any other matters to address under the Public Session of the meeting.

Executive Session

At 9:52 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 10:27 a.m.

Executive Session Vote Ratification

The next item to come before the Board was the ratification of voting held during the Executive Session:

On behalf of TANYA CREATIONS, to issue a loan in the amount of \$250,000 subject to the conditions contained in the Executive Session Minutes;

On behalf of the ECONOMIC DEVELOPMENT FOUNDATION OF RI, to issue a loan in the amount of \$500,000 subject to the conditions contained in the Executive Session Minutes.

A motion to ratify the Executive Session Votes was then made by Mr. DeMerchant, was seconded by Mr. Parsons, and was adopted unanimously.

Upon a motion made by Mr. DeMerchant and seconded by Mr. Parsons, the Board unanimously voted to adjourn. The meeting concluded at 10:32 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.

Director of Accounting & Finance