

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

APRIL 26, 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 April 26, 2007 at approximately 9:30 a.m.

Present were Board Members: Raymond Fogarty (Chair), Richard DeMerchant, William Parsons and Edward Rendine. Absent was Board Member Maurice Paradis. Also present were: Earl Queenan,

Anthony Scolavino, Claudine Tikoian, Alicia Pomfret, Staff, Thomas Moses, Legal Counsel, Michael Saul of The Urban Revitalization Fund of Rhode Island, and Lauri J. Brayton, Legal Financial Analyst of the Senate Fiscal Office.

Mr. Fogarty called the meeting to order at 9:30 a.m.

Adoption of Minutes

Mr. Fogarty presented the Minutes of the Board Meeting held on February 28, 2007. Following review and discussion, a motion was made by Mr. DeMerchant, was seconded by Mr. Parsons, and was approved to accept the Public and Executive Session Minutes as submitted. Mr. Rendine abstained from voting as he was not in attendance at the February 28, 2007 meeting.

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.

Parsons made a motion, Mr. DeMerchant seconded, and it was unanimously approved to maintain the confidentiality of the Executive Session Minutes of the Meeting held on February 28, 2007.

Cash Position/Portfolio Activity/Delinquency Report

Mr. Scolavino presented the Reports of Cash Position, Portfolio Activity and Delinquency Review as of March 31, 2007. Mr. Scolavino gave detailed reports on the status of each of the following loans: Aldo Tech, Alidade, Boulevard Travel, Crest Surfaces, Davin, Display World, Eastern Wire, Federal Hill Florist, L'Epicureo, New England Environmental, New Territories, Ride Group, Kenneth Shea, Thames River Tube and Rome Packing. Mr. Queenan discussed the status of AeroServ and Narragansett Pellet. He then reported that the March 31, 2007 report to the United States Economic Development Administration was in compliance and has been submitted.

Request to transfer \$80,000 Urban Enterprise Equity Fund Availability to the Micro-Business Emerging Growth Fund

Messrs. Queenan and Scolavino discussed the proposed transfer of \$80,000 from the Urban Enterprise Equity Fund, as the fund has had

minimal activity, to the Micro-Business Emerging Growth Fund, which has had significant activity. Following brief discussion, a motion to approve this request was made by Mr. Parsons, was seconded by Mr. DeMerchant, and was adopted unanimously.

Requested Approval of the new SBLFC RLF Administrative Plan

At this point, Mr. Richard Reed, Deputy Director, of the Rhode Island Economic Development Corporation joined the meeting. He expressed that he was attending the meeting on behalf of Saul Kaplan, Executive Director, who was unable to attend due to a prior commitment. Mr. Michael Saul discussed his role as a consultant performing an assessment of the department's financial services products and procedures. He discussed the Revolving Loan Fund, matters brought to the Economic Development Corporation (RIEDC) Board of Directors and thoughts in making governance changes moving forward. Mr. Reed discussed The Urban Revitalization Fund program as well as other non-RIEDC financing programs available to the Rhode Island business community. He went on to explain that the RIEDC has chain of command governance over the SBLFC, that there may be recommendations for changes going forward and that may include recommendations for board appointments. Mr. Rendine queried how the revised plan differs. Mr. Reed replied that it combines 4 funds into 1 fund. Mr. Rendine asked about the mission

and Mr. Saul replied that there is no change; the RIEDC's plan is to leverage its financing programs with the private sector. A motion to accept the RLF Plan as submitted was made by Mr. Parsons, was seconded by Mr. DeMerchant, and was unanimously approved. At this point, Mr. Reed left the meeting.

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

Executive Session

At 10:17 a.m. Mr. Parsons 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.

Ms. Brayton exited the meeting.

Upon a motion made by Mr. Parsons and seconded by Mr. DeMerchant, the Board unanimously voted to return to Public Session at 10:43 a.m.

Ms. Brayton returned to the meeting.

Executive Session Vote Ratification

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

As to the matter that was being discussed on Rhode Island State Pier Properties, LLC, a motion that was made to approve that matter during Executive Session failed for lacking a second. No action was taken and the requested approval in fact failed.

A motion to ratify the Executive Session Vote was then made by Mr.

DeMerchant, was seconded by Mr. Rendine, and was adopted unanimously.

Upon a motion made by Mr. Parsons and seconded by Mr. DeMerchant, the Board unanimously voted to adjourn. The meeting concluded at 10:44 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.

Director of Accounting & Finance