

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

March 30, 2010

PUBLIC SESSION

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") 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 March 30, 2010 at approximately 9:00 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty (Chair), Mr. William Parsons and Ms. Leslie Taito.

Mr. Thomas Stocker entered the meeting at approximately 9:09 a.m. and participated throughout the remainder of the meeting.

Mr. Richard DeMerchant entered the meeting at approximately 9:15 a.m. and participated throughout the remainder of the meeting.

The following Director(s) were absent from the meeting: None.

Also present were: Earl F. Queenan, Jr., Corporation Administrator; Sean W. Esten, Corporation Administrator; Anthony J. Scolavino, Special Consultant; Thomas V. Moses, Legal Counsel; and Carol J. Anguilla, Moses & Afonso, Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 9:08 a.m.

2. Approval of the Minutes of the Meeting Held on February 25, 2010.

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meeting held on February 25, 2010. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to approve the Public Session Minutes and the Executive Session Minutes of the meeting held on February 25, 2010 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. DeMerchant and Mr. Stocker.

3. Maintain the Executive Minutes of February 25, 2010 Confidential.

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on February 25, 2010. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on February 25, 2010 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. DeMerchant and Mr. Stocker.

4. Executive Session

Mr. Fogarty suggested that the Board defer discussion of the next agenda items relating to cash position and portfolio activity, delinquency loan report and loan forbearance report and move directly into executive session. The Board agreed. Mr. Fogarty called for a motion to enter executive session. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. DeMerchant and Mr. Stocker.

Public session concluded and executive session began at 9:09 a.m. Mr. Stocker entered the room and joined the executive session at 9:09.

5. Return to Public Session

Upon a motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to

conclude executive session and return to public session was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

Executive session concluded and public session began at 9:30 a.m.

6. Approval of Flood Loan Fund Set Aside of \$500,000.

Mr. Scolavino explained that, upon the request of the Governor's office and pending the approval of the Corporation's Board of Directors, the Corporation will set aside funds of up to \$500,000 in order to provide loans to businesses affected by the recent flooding. Each loan application submitted under the terms of this special flood fund shall be considered on an expedited basis and will require only the approval of the Corporation staff and not the Corporation's Board of Directors. A brief discussion followed among Board members and the Corporation staff.

Upon a motion duly made by Mr. Stocker and seconded by Mr. Parsons, the motion to approve the request to set aside \$500,000 to be dispersed as set forth above and in accordance with the terms described on the attached Exhibit A was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

7. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during executive session. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the following votes were ratified:

To approve the application of CDS, Inc. for a term loan in the principal amount of \$250,000.00.

To table the request of Item Realty II, LLC for a change in the collateral securing its loan with the Corporation.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

Mr. Fogarty asked if there were any questions regarding the Report of Cash Position, the Portfolio Activity, Delinquency Loan Report, or the Loan Forbearance Report each as of February 28, 2010. There being no questions or further business to come before the Board, upon motion duly made by Mr. Parsons and seconded by Mr. Stocker the meeting was adjourned at 9:40 a.m.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

Respectfully submitted,

/s/ Earl F. Queenan, Jr.
Earl F. Queenan, Jr.
Administrator

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EXHIBIT A

RIEDC – SMALL BUSINESS LOAN FUND CORPORATION

FLOOD FUND TERMS & CONDITIONS (Loan program available through 9/30/10)

TOTAL FUND ALLOCATION:	\$500,000
ELIGIBLE APPLICANTS:	Existing manufacturers, retailers and selected services.
LOAN AMOUNT:	Minimum \$ 10,000 Maximum \$100,000
RATE:	5% fixed at time of closing
TERM:	Minimum 12 months Maximum 60 months
USE of PROCEEDS	Working capital needed due to business interruption. Leasehold improvements needed to repair flood damage. Replace damaged machinery & equipment. Evidence of business interruption or flood damage must be documented to support the loan request. (pictures) Evidence of approved/denied insurance payment to cover flood damage.
COLLATERAL:	SBLFC may require collateral in the entities real and/or personal property based on the strength of the financial condition of the borrower's balance sheet.
GUARANTOR(S)	For loans of closely held and/or management owned corporations and limited liability partnerships, the SBLFC may require owners/principals of these entities to personally guarantee the loan and depending on the financial strength of the individuals, the SBLFC may require them to secure their guarantees.
FINANCIAL MATERIAL REQUIRED:	<ul style="list-style-type: none">• Business Financial Statements & Tax Returns for the YE 12-31-09.• Business Interim Financial Statements for 2010• YE 12-31-10 forecasted financial statements for loan requests of \$50,000 - \$100,000.• Personal Financial Statements on Guarantor(s).• Personal Tax Returns for YE 12-31-09 for Guarantor(s).