

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

December 16, 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 December 16, 2010 at approximately 9:31 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), Ms. Leslie Taito, Mr. Thomas Stocker, Mr. William Parsons and Mr. Richard DeMerchant.

The following Director(s) were absent: None.

Also present were: Sean W. Esten, Corporation Administrator, J. Michael Saul, Deputy Director of the RIEDC, Stacy Farrell, Corporation Staff, Earl F. Queenan, Jr., Administrator, Paul Harley, Moses & Afonso, Ltd. and John J. Garrahy, Legal Counsel, Moses & Afonso, Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 9:31 a.m.

2. Approval of the Minutes of the Meeting Held on October 21, 2010.

The first item to come before the Board was approval of the Public Session Minutes of the Board meeting held on October 21, 2010. Upon motion duly made by Mr. Stocker and seconded by Mr. DeMerchant, the motion to approve the Public Session Minutes and the Executive Session Minutes of the meeting held on October 21, 2010 was duly adopted.

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

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

3. **Report of Cash Position as of November 30, 2010.**

Mr. Esten presented the report of Cash Position as of November 30, 2010.

4. **Report of Portfolio Activity, Delinquency Loans and Loan Forbearances as of November 30, 2010.**

Mr. Esten presented the report of Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report as of November 30, 2010. Mr. Saul asked about the status of Nationwide Diesel Technologies, Inc. and Mr. Esten addressed the same. Mr. Esten thereafter provided an update as to each loan listed in the Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report. Thereafter, a brief discussion was held amongst the Board regarding the status of certain loans.

There were no other questions or discussions from the Board.

5. **To Consider and Approve the Regular Meeting Schedule of the Corporation for the Calendar Year 2011.**

Mr. Esten next presented the proposed regular meeting schedule of the Corporation for the calendar year 2011. Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to regular meeting schedule of the Corporation for the calendar year 2011 was duly adopted.

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

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

6. **To Consider and Approve the authorization of Steven R. Noack to sign as an administrator on behalf of the Corporation subject to the limitations of the Board.**

Mr. Esten next presented a request that Steven R. Noack be approved by the Board to sign as an administrator on behalf of the Corporation thereby authorizing him to, among other things, execute on behalf of the Corporation all documents in connection with loans made by the Corporation. Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to approve the authorization of Steven R. Noack to sign as an administrator on behalf of the Corporation was duly adopted. A copy of the corporate resolution authorizing the same is attached hereto and made a part hereof as Exhibit A.

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

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

7. To Discuss and Approve the Amendment of the Corporation's Bylaws.

Mr. Esten next presented the amended Bylaws of the Corporation and requested Mr. Harley to update the Board as to the proposed changes. Mr. Harley advised the Board as to the changes including the ability of the Corporation to send meeting packages via electronic mail.

Upon motion duly made by Ms. Taito and seconded by Mr. Stocker, the motion to approve the amendments to the Corporation's Bylaws was duly adopted.

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

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

8. Other Business.

The staff confirmed that there were no other matters to be discussed during this portion of the public meeting.

9. Executive Session

Mr. Fogarty suggested that the Board move into 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, Ms. Taito, Mr. Stocker, Mr. Parsons and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

Public session concluded and executive session began at 9:43 a.m.

10. Return to Public Session

Upon a motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, 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, Ms. Taito, Mr. Stocker, Mr. Parsons and Mr. DeMerchant.

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 9:58 a.m.

11. Executive Session Vote Ratification

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

- (a) To approve the release of certain collateral in connection with a \$500,000 loan to Concordia Manufacturing, LLC, such approval subject to the further conditions of the Corporation; and
- (b) To approve the release of certain collateral in connection with the paydown of a \$750,000 loan to Item Realty II, LLC, such approval subject to the further conditions of the Corporation.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Ms. Taito, Mr. Parsons and Mr. DeMerchant. Mr. Stocker abstained from voting with respect to the Concordia Manufacturing, LLC but voted in favor of the Item Realty II, LLC approval.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, the motion to adjourn the meeting was duly adopted.

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

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

The meeting was adjourned at 9:59 a.m.

Respectfully submitted,

/s/ Sean W. Esten
Sean W. Esten, Administrator

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