

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

October 27, 2011

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 October 27, 2011, scheduled for 9:30 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 meeting began later than anticipated due to a delay in staff arrival.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. William Parsons, Ms. Leslie Taito and Mr. Thomas Stocker.

The following Director(s) were absent: None

Also present were: Steve Noack, Corporation Administrator, Stacy Farrell, Corporation Staff, Susan Morgan, Corporation Administrator, Earl F. Queenan, Managing Director of Financial Services, and Tom Moses, Legal Counsel, Moses & Afonso, Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 10:04 a.m.

2. Approval of the Minutes of the Meeting Held on September 22, 2011.

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 September 22, 2011. Upon motion duly made by Mr. Parsons and seconded by Mr. DeMerchant, the motion to approve the Public Session Minutes and the Executive Session Minutes of the above noted meetings as presented was duly adopted.

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

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None

3. Maintain the Executive Minutes of September 22, 2011 as 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 September 22, 2011. 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 September 22, 2011 was duly adopted.

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

The following Directors voted against the foregoing: None.
The following Directors were absent for the vote: None.

4. Report of Cash Position as of September 30, 2011.

Mr. Queenan asked if there were any questions or comments regarding the Cash Report for the period ended September 30, 2011 (Exhibit A). There being none, there was no further discussion on this report.

5. Delinquency Loan Report as of October 15, 2011.

Mr. Queenan noted that a meeting of the Delinquency Subcommittee for SBLF was held on October 18, 2011. The Loan Delinquency report dated October 15, 2011 was discussed at this meeting (Exhibit B). The results of this meeting were summed up in a Memo to the Board dated October 21, 2011 (Exhibit C). Mr. Queenan reviewed the Memorandum with the Board. He provided an update regarding those companies which were being asked to attend a meeting at the office of the RIEDC by months end. Each of the suggested companies had an appointment scheduled except for Pawtucket Asphalt. Mr. Queenan intends to reach out to the company, or visit the business if they continue to be non-responsive. There was no further discussion on this matter.

6. JEC Realty, LLC- Legal Representation

Mr. Queenan advised the Board that a current borrower of SBLFC, JEC Realty, LLC, a/k/a Crisloid, had recently filed for Chapter 11 Bankruptcy. Mr. Kevin D. Heike is to be the legal representative for the company. Mr. Heike is a partner of the law firm Delaney, DeMerchant & Heike LLC of which Mr. Richard DeMerchant is a member. Mr. Queenan noted that Mr. DeMerchant intends to recuse himself from any discussions regarding this company. There was no further discussion regarding this matter.

7. Executive Session

Mr. Fogarty suggested that the Board move into Executive Session. Upon motion duly made by Ms. Taito and seconded by Mr. Parsons, 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. DeMerchant, Mr. Parsons, Ms. Taito and Mr. Stocker.

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 10:13 a.m.

8. 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:

- (a) To table the request for additional capital from Nationwide Diesel Technologies subject to additional information.
- (b) To approve the request for a \$250,000 loan by RSM Employer Parking, LLC.

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

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 Ms. Taito and seconded by Mr. DeMerchant, the motion to adjourn the meeting was duly adopted.

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

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: None.

The meeting was adjourned at 11:18 a.m.

Respectfully submitted,

/s/ Sean Esten
Sean W. Esten, Administrator

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