

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS SPECIAL MEETING

February 2, 2012

PUBLIC SESSION

A Special meeting of the Board of Directors (the “Board”) of the Small Business Loan Fund Corporation (the “Corporation”) was held in public session at the Bello Center, Seminar Room 214, Bryant University, Smithfield, Rhode Island on February 2, 2012, scheduled for 11:00 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, Mr. William Parsons, and Mr. Richard DeMerchant.

Ms. Leslie Taito was present for a portion of the meeting.

Also present were: Sean Esten, Corporation Administrator, Dan Price, Corporation Staff, Adam Quinlan, Corporation Staff, Stacy Farrell, Corporation Staff, Susan Morgan, Corporation Administrator, Earl F. Queenan, Managing Director of Financial Services, Armeather Gibbs, Managing Director of Urban Finance and Business Development, Christopher Cannata, Corporation Staff, and Tom Moses, Legal Counsel, Moses & Afonso, Ltd.

Mr. Fogarty called the meeting to order, and then turned the meeting over to Robert Leaver of New Commons so that he could facilitate the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 11:09 a.m.

2. Strategic Planning Discussion

Mr. Leaver reviewed the topics which were to be discussed during the meeting. These included: possible prequalifying criteria for the program, loan rates of interest, documentation requirements for applicants, board package materials, and the go forward public message for the program.

Mr. Leaver reviewed the past activities of the loan program. A discussion was had regarding the types of loans that were successful and those which had failed in the past. It was noted that the Small Business Loan Fund Corporation should not operate the way a bank does. Its function was to spur economic development and therefore the risk profile would be greater than that of bank. There was additional discussion regarding the

importance of assessing repayment ability of the applicants since the future of the fund is dependent on its ability to revolve. Overall, the consensus was that potential Borrowers should be assessed to see if they were a fit for the program, and if not, they should be referred to other resources which could help them grow their business.

The discussion then moved to specific criteria including collateral requirements, staff approval and denial authorities, and the possible development of a risk policy. There was also discussion on how best to invest in growth opportunities for the state.

Mr. Leaver then asked the Board and staff members to review the current required documentation for Borrowers. The consensus was that the requested documents were sufficient to assess the credit. There were suggestions and comments regarding the formatting of the application and the credit offering memorandum authored by the underwriters.

At the conclusion of the meeting, Mr. Leaver addressed the items of discussion where a consensus was made, provided a list of open questions, and instructed staff as to what the next steps should be. A follow up meeting was suggested for March to discuss open items and further develop the core message of the program.

3. Appointment of Officers

Due to time constraints, the appointment of officers was tabled until the next regularly scheduled meeting of the Board.

Executive Session

There were no items which needed discussion in executive.

4. Other Business

Staff reminded Board members that the next regularly scheduled meeting of the SBLFC Board taking place on February 23, 2012 was moved from 9:30 a.m. to 1:00 p.m. due to a scheduling conflict for staff and Board members.

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

The following Directors voted in favor of the foregoing: Mr. Parsons, Ms. Taito, Mr. Stocker 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 4:16 p.m.

Respectfully submitted,

/s/ Sean Esten
Sean W. Esten, Administrator

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