SMALL BUSINESS LOAN FUND CORPORATION
MINUTES OF THE BOARD OF DIRECTORS

February 5, 2015

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 Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, February 5, 2015, 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 following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. John Pagliarini, and Mr. Lee Mercer.

The following Directors were absent: Ms. Antonieta Falconi and Mr. Joseph Monteiro

Also present were: Mr. marcel Valois, Executive Director of the Rhode Island Commerce Corporation, Mr. William Ash, Corporation Administrator, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator, Mr. Christopher Cannata, Manager of Client Services for the Rhode Island Commerce Corporation, and Mr. Tom Moses, Esq., Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

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

2. Approval of the Minutes of the Meeting held on October 30, 2014

The first item to come before the Board was the approval of the Minutes of the Board meeting held on October 30, 2014. A motion was duly made by Mr. DeMerchant and seconded by Mr. Mercer, to approve the Public and Executive Session Minutes of the meeting noted above was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

3. Maintain the Executive Minutes of the October 30, 2014 meeting 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 October 30, 2014. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Mercer, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

4. Report of Cash Position as of December 31, 2014

Staff asked if there were any questions or comments regarding the Cash Report for the period ended December 31, 2014 (Exhibit A). There was no further discussion regarding this report.

5. Delinquency Loan Report as of January 30, 2015

Staff asked if there were any questions regarding the Loan Delinquency report dated January 30, 2015 (Exhibit B). There was no discussion regarding this report.

6. Review and discuss compliance relating o the new Quasi Public Corporations Accountability and Transparency Act effective January 1, 2015.

Mr. Ash reviewed the legislation (Exhibit C) and provided an overview of the Board requirements relating to the legislation (Exhibit D). Staff noted it was working on a formal vote for the Board to adopt at its next meeting which would outline each requirement and the Board's response to each point. There was no further discussion regarding this matter.

7. Discuss and amend By-Laws to reflect process for appointing legal counsel services for the Corporation

Mr. Ash reminded the Board of a discussion that took place in August of 2014 at a board meeting of the SBLFC. At that time it was suggested that the process for engaging legal counsel be documented in the By-Laws and that the role be subject to a Request for Proposal ("RFP") every five years. The amended By-Laws were presented to the Board for consideration (Exhibit E). After some discussion it was determined that the five year RFP would not be consistent with the current State purchasing procedure used by the Rhode Island Commerce Corporation ("Commerce RI"). The matter was tabled and staff was asked to review the procedure used by Commerce RI and to present a revised amendment at the next meeting. It was suggested that the RFP for legal be issued every three years and the contract be for one year, with the option to extend on an annual basis until such time as the RFP is to be issued again.

8. Review and discuss Request for Proposal ("RFP") for legal services of the Corporation

Mr. Ash reviewed the Request for Proposal ("RFP") (Exhibit F) with the Board. He noted that the RFP had been issued in November and there had been five responses to the proposal. He indicated staff realized the Board had asked to review an RFP prior to issuance and stated he would issue the RFP again if the Board wished. Upon discussion it was determined that the Board did not see the need to reissue the RFP. Staff asked that two members of the Board participate in interviews with the candidates and help provide a final recommendation to the full Board for consideration. Mr. Mercer and Mr. DeMerchant offered to participate in interviews with staff and make a recommendation to the full board.

9. Vote authorizing staff to issue RFP for legal services

This item was tabled as the Board indicated it would not be necessary to issue a second RFP.

10. Executive Session

Mr. Fogarty suggested that the Board move into Executive Session to discuss the remaining agenda items. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Mercer, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) 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. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

Public Session concluded and Executive Session began at 10:11 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. Pagliarini and seconded by Mr. DeMerchant, the following votes were ratified:

(a) To approve the request from parsonsKellogg, LLC for a $100,000 loan, subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

(b) To approve the request from The Carlyle Johnson Machine Company, LLC (Artic Tool) for a $250,000 loan subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: Mr. Richard DeMerchant

The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

(c) To approve the request from Ocean State Equine Associates for a $200,000 loan subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

(d) To decline the request from BEO Studios for a $30,000 loan.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None
The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

(e) Vote to seal the Executive Session Minutes

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None
The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

12. Vote to Seal Minutes of Executive Session

Mr. Fogarty asked for a motion to seal the Executive Session minutes of the meeting. Upon a motion made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to seal the Executive Session Minutes of the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None
The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

Adjournment

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. Pagliarini and seconded by Mr. Mercer, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None
The following Directors were absent for voting: Mr. Joseph Monteiro and Ms. Antonieta Falconi

The meeting was adjourned at 10:59 a.m.

Respectfully submitted,

/s/ Stacy Farrell_____
Stacy Farrell, Secretary