

**SMALL BUSINESS LOAN FUND CORPORATION
MINUTES OF THE BOARD OF DIRECTORS**

February 26, 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 26, 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. Antonietta Falconi
Resigned: Jose Monteiro

Also present were: Mr. William Ash, Corporation Administrator, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator 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 9:57 a.m.

2. Approval of the Minutes of the Meeting held on February 5, 2015

The first item to come before the Board was the approval of the Minutes of the Board meeting held on February 5, 2015. A motion was duly made by Mr. DeMerchant and seconded by Mr. Pagliarini, 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: Ms. Antonietta Falconi

3. Maintain the Executive Minutes of the February 5, 2015 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 February 5, 2015. Upon motion duly made by Mr. Mercer and seconded by Mr. DeMerchant, 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: Ms. Antonietta Falconi

4. Report of Cash Position as of January 31, 2015

Staff asked if there were any questions or comments regarding the Cash Report for the period ended January 31, 2015 (Exhibit A). There was no further discussion regarding this report.

5. Delinquency Loan Report as of February 20, 2015

Staff asked if there were any questions regarding the Loan Delinquency report dated February 20, 2015 (Exhibit B). There was no discussion regarding this report.

6. Vote Addressing Compliance Relating to the Quasi-Public Corporations Accountability and Transparency Act effective January 1, 2015.

Mr. Ash reviewed the proposed vote with exhibits (Exhibit C) and provided an overview of the Board requirements relating to the legislation. Upon motion duly made by Mr. Mercer and seconded by Mr. DeMerchant, the Exhibit was accepted as a vote of compliance by the Board relating to the Quasi-Public Corporations Accountability act.

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: Ms. Antonietta Falconi

7. Discussion Regarding the Energy Revolving Loan Fund

Mr. Ash provided the Board with some material which outlined the Energy Revolving Loan Fund (“ERLF”) (Exhibit D). Ms. Hannah Morini, Renewable Energy Program Manager for the Rhode Island Commerce Corporation (“Commerce RI”) joined the discussion to provide some background on the fund. She explained the fund had been established using ARRA (American Resource Recovery Act) dollars that had not been expended and were in jeopardy of being lost. She explained that Commerce RI had received the funds to begin a revolving loan fund, similar to the fund administered by SBLFC, to be used for energy related projects. Ms. Morini noted the Commerce RI Board’s desire to have the SBLFC Board of directors’ review and approve the loans for this fund. After some discussion it was decided that a discussion should be had a future meeting which would include policies and procedures for administering funds through this program as well as a clear description of the responsibility and/or liability (if any) that lies with this Board by agreeing to administer the funds. Staff noted an application had been received relating to this program and the Board agreed to review the request in Executive Session and make a determination given the small dollar amount of the request. There was no further discussion regarding this matter.

8. Resignation of SBLFC Board member Jose Monteiro

Staff distributed a resignation letter from Mr. Monteiro which was received prior to the meeting (Exhibit E). Upon motion duly made by Mr. Pagliarini and seconded by Mr. Mercer, the Board moved to accept the resignation of Jose Monteiro.

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: Ms. Antonietta Falconi

9. 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. Pagliarini, 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: Ms. Antonietta Falconi

Public Session concluded and Executive Session began at 10:29 a.m.

10. 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 West Greenwich Animal Hospital for a \$25,000 loan through the Energy Revolving Loan Fund, 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: Ms. Antonietta Falconi

- (b) 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: Ms. Antonietta Falconi

11. 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 at the last board meeting of the SBLFC. The amended By-Laws were presented to the Board for consideration (Exhibit F). Upon motion duly made by Mr. Pagliarini and seconded by Mr. Mercer, the Board moved to accept the proposed amendment to the By-Laws as presented.

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: Ms. Antonietta 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. Mercer and seconded by Mr. DeMerchant, 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: Ms. Antonietta Falconi

The meeting was adjourned at 10:46 a.m.

Respectfully submitted,

/s/ Stacy Farrell

Stacy Farrell, Secretary