RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

FEBRUARY 25, 2008

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, February 25, 2008, in Public Session, at 4:00 p.m., at the offices of the Rhode Island Economic Development Corporation, located at 315 Iron Horse Way, Suite 101, Providence, Rhode Island, pursuant to notice of the meeting to all Directors, and public notice of the meeting, a copy of which is attached hereto, as required by the By-Laws of the Corporation and applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Mr. Keith Stokes, Mr. George Shuster, Ms. Cheryl Merchant, Mr. Alexander Biliouris and Ms. Kimball Hall.

Directors absent: Governor Donald L. Carcieri, Mr. Frank Montanaro and Ms. Alma Green.

Also present were: Executive Director Saul Kaplan, members of the Corporation's staff and Attorney Robert I. Stolzman.

Mr. Keith Stokes presided over the meeting and Attorney Robert I. Stolzman acted as Secretary.

1. CALL TO ORDER

Mr. Stokes called the meeting to order at 4:00 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON JANUARY 28, 2008

A slight error in the minutes was noted by Mr. Shuster.

Upon motion duly made by Ms. Merchant and seconded by Mr. Shuster, the following vote was adopted:

VOTED: To approve the public session minutes of the meeting held on January 28, 2008, as amended.

Voting in favor of the foregoing were: Mr. Stokes, Mr. Shuster, Ms. Merchant, Mr. Biliouris and Ms. Hall.

Voting against the foregoing were: None.

3. FOR APPROVAL OF INNOVATION AND GROWTH TAX CREDITS FOR PROVIDENCE HEALTH SOLUTIONS

Attorney Stolzman reminded the Board that it had previously granted the initial issuance of up to $100,000 in Innovation Tax Credits for Providence Health Solutions ("PHS") and $75,000 of that amount was approved at the January Board meeting. Before the Board this date was a request for final approval of another $25,000 in Innovation Tax Credits for PHS.

Upon motion duly made by Mr. Shuster and seconded by Ms. Merchant, the following vote was adopted:

VOTED: See text of Vote at **Exhibit A**.

Voting in favor of the foregoing were: Mr. Stokes, Mr. Shuster, Ms. Merchant, Mr. Biliouris and Ms. Hall.

Voting against the foregoing were: None.

4. FOR FINAL APPROVAL OF ISSUANCE OF TAX EXEMPT BONDS FOR THE RHODE ISLAND PHILHARMONIC ORCHESTRA

Mr. Stolzman explained that the Board had approved an inducement resolution for the issuance of up to $7,000,000 in tax exempt bonds for the Rhode Island Philharmonic approximately one year earlier, and the approval was subsequently extended in November 2007. He explained that before the Board today was a request for final approval, and that Attorney Anthony Afonso was present to answer any questions. Mr. Stolzman stated that this is a standard revenue bond issuance and presents no obligations to the State of Rhode Island.

Upon motion duly made by Mr. Shuster and seconded by Ms. Merchant, the following vote was adopted:

VOTED: See text of Vote at **Exhibit B**.

Voting in favor of the foregoing were: Mr. Stokes, Mr. Shuster, Ms. Merchant, Mr. Biliouris and Ms. Hall.

Voting against the foregoing were: None.

5. FOR APPOINTMENT OF R. THOMAS STOCKER, JR. TO BOARD OF DIRECTORS OF THE SMALL BUSINESS LOAN FUND CORPORATION

Director Kaplan stated that R. Thomas Stocker, Jr. has been nominated to fill the vacancy by Maurice Paradis to the Board of Directors of the Small Business Loan Fund Corporation, and noted that Mr. Stocker's resume was included in the Board packages

(See **Exhibit C**). Mr. Kaplan stated that Mr. Stocker has significant financial experience and is well qualified for this appointment.

Upon motion duly made by Mr. Shuster and seconded by Mr. Biliouris, the following vote was adopted:

VOTED: See text of vote at **Exhibit C.**

Voting in favor of the foregoing were: Mr. Stokes, Mr. Shuster, Ms. Merchant, Mr. Biliouris and Ms. Hall.

Voting against the foregoing were: None.

6. FOR APPROVAL OF UNDERWRITERS FOR RIAC AIRPORT IMPROVEMENT BONDS

Mr. Richard Reed noted that an inducement resolution for the issuance of airport revenue bonds was previously approved by the Board, and that, under a Kushner resolution, the Rhode Island Airport Corporation (RIAC) has until June 2008 to complete the issuance. At its meeting last week, the RIAC Board selected Citigroup Global Markets ("Citigroup") to be Senior Managing Underwriter for the 2008 Bonds, and the appointment of Citigroup is now before the EDC Board for ratification. Mr. Reed noted that Mr. Brian Shattle, RIAC's Chief Financial Officer, was present to answer any questions.

Mr. Biliouris asked why Citigroup was chosen, to which Mr. Shattle explained that RIAC followed the usual process of asking for applicants and forming a committee to evaluate applicants. He noted that Citigroup fit the criteria established by RIAC, including specific airport expertise. In reply to a follow up question by Mr. Biliouris, Mr. Shattle stated that Citigroup was not the least costly, but that all of the applicants were in the same range as far as cost is concerned. Mr. Reed added that RIAC has extensive experience with all of the applicants, including Merrill Lynch and Bear Stearns, and that those firms had been lead underwriters in previous RIEDC bond issues.

There being no further discussion, upon motion duly made by Mr. Shuster and seconded by Ms. Merchant, the following vote was adopted:

VOTED: See text of Vote at **Exhibit D**.

Voting in favor of the foregoing were: Mr. Stokes, Mr. Shuster, Ms. Merchant, Mr. Biliouris and Ms. Hall.

Voting against the foregoing were: None.

7. EXECUTIVE DIRECTOR'S REPORT

Director Kaplan noted several recent articles focusing on the economic development, in particular the defense industry, in Rhode Island (See **Exhibit E**). He noted a similar theme in the articles was that the defense industry is an area of great strength for the local economy and that an increase in activity in this sector is forthcoming. This is good news for Rhode Island's innovation economy, particularly for the Aquidneck area.

Mr. Kaplan noted that Mr. Stokes recently co-hosted an event aimed at bringing local business people together with representatives from the Coast Guard, National Guard and the Navy to discuss contracts. He stated that the event was attended by some 400 business people. Each of the defense departments is looking for local contractors to fulfill its contracting needs in Rhode Island. Mr. Kaplan stated that there will be a lot of defense work available over the next several years, and noted that Mr. John Riendeau has been putting a lot of effort into this sector.

As recommended at the last Board meeting, Mr. Kaplan also distributed a booklet entitled "Economic Growth Plan 2008" which is expected to be released on February 26, 2008 (See **Exhibit F**). Mr. Kaplan explained that the booklet contains action items and strategies, and will be aggressively communicated.

In other news, Mr. Kaplan distributed three press releases to be released this week, one having to do with a $20 million Growth Capital Guarantee Program and the other two having to do with new alliances being formed.

The Growth Capital Guarantee Program, as explained by Mr. Kaplan, will come from a repositioning of funds currently available in the Rhode Island Industrial-Recreational Building Authority (IRBA) Program (See **Exhibit G**). When IRBA was created in 1958, its purpose was to provide assistance with machinery, equipment and real estate needs of companies. With the evolvement of high wage knowledge-based companies, the needs have changed. Companies are now more focused on working capital and intangibles, such as patents, trademarks and licenses. Mr. Kaplan stated that financing programs have to be updated to meet the current needs of Rhode Island companies. This new program will require Kushner legislation and General Assembly approval. Mr. Michael Saul provided more details to the Board regarding the program. Mr. Saul explained that the program will operate similarly to the IRBA program, with an oversight committee. Development of the program is in the early stages and specific criteria is still being put together. Mr. Kaplan noted that final approval will come before the board at the appropriate time.

Mr. Kaplan explained that another press release has to do with a new partnership being developed with the Business Development Company of Rhode Island (BDCRI) and the Business Development Company of New England (BDCNE), which will bring more capital to invest in Rhode Island's economic development (See **Exhibit H**).

The final press release, reported Mr. Kaplan, is regarding an alliance with the Rhode Island Commodores to focus on attracting new investments to Rhode Island. The program, known as “Opportunity: Rhode Island”, will use direct marketing, industry events and peer outreach to generate new business development leads. This program will focus on the Financial Services, Information Technology and Digital Media and Health and Life Sciences sectors (See **Exhibit I)**. Mr. Kaplan described the EDC as “playing offense” in attracting new businesses to Rhode Island.

Ms. Melissa Withers, the RIEDC’s public information director, stated that, at the last Board meeting, Board members encouraged more communication efforts to get the word out about economic development in Rhode Island. The aforesaid press releases are designed to do just that. The Corporation is planning to do more outreach, through newspaper and other media releases, electronic releases, meetings with Chambers, and the like.

Mr. Kaplan noted an article expected to be published soon by the Boston Globe will report on Rhode Island’s IT & Digital Media sector which is expected to reflect favorably on the activity of this sector in Rhode Island.

There being no further business in Public Session, the meeting was adjourned at 4:40 p.m., upon motion made by Ms. Merchant and seconded by Ms. Hall.

_____

Robert I. Stolzman, Secretary

446123_1.doc