

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

JULY 28, 2008

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, July 28, 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. Frank Montanaro, Mr. Keith Stokes, Ms. Cheryl Merchant, Ms. Alma Green, Mr. Alexander Biliouris and Ms. Kimball Hall.

Directors absent: Governor Donald L. Carcieri and Mr. George Shuster.

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

Governor Donald L. Carcieri presided over the meeting and Attorney Robert I. Stolzman acted as Secretary.

1. CALL TO ORDER

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

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON MAY 19, 2008

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

VOTED: To approve the public session minutes of the meeting held on May 19, 2008.

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

Voting against the foregoing were: None.

3. EXECUTIVE DIRECTOR'S REPORT

Executive Director Saul Kaplan reported that the business development group has been out in the marketplace with efforts to assist businesses with expansion and development in Rhode Island. Out of a goal of 5,000 calls for 2008, the outreach contacts to date number approximately 2,700. Mr. Kaplan noted that the calls are being made primarily to businesses in the life science, financial and digital media sectors.

Mr. Kaplan provided a package of recent news articles concerning economic development in Rhode Island (See **Exhibit A**). Included in the package was an announcement to be published the following morning regarding the relocation of InQuest Technologies (InQuest) from Massachusetts to Rhode Island. Mr. Kaplan noted that InQuest provides good high-wage jobs and that the move to Rhode Island will increase the number of jobs from 20 to 50. He added that the EDC team assisted InQuest in its decision to relocate to Rhode Island in a number of ways, including the provision of a small business loan in the amount of \$750,000. Mr. Kaplan stated that he hopes to see many more such relocations to Rhode Island.

Also in the recent news, Mr. Kaplan reported on the opening of a new manufacturing facility in East Providence by Aspen Aerogels (Aspen). Mr. Kaplan described Aspen as being a knowledge-driven manufacturer of aerogel-based products.

Finally, Mr. Kaplan noted the recent announcement by CVS Caremark Corporation of its intention to expand its operations in Rhode Island by building two new 150,000 square-foot office facilities in Cumberland. Mr. Kaplan reported that the expansion promises to provide an additional 200 jobs. He noted CVS's continued strength in the market, especially since its recent merger with Caremark.

In closing, Mr. Kaplan stated that the EDC needs to stay focused on a growth plan for Rhode Island as the current unemployment rate is too high.

Mr. Stokes commented that Mr. Kaplan's report brings great news, but that the news always seems to be reported in the Providence Journal (ProJo) and the Providence Business News (PBN), but does not seem to reach the local newspapers. He noted that not everyone reads ProJo, but most people in the State read their respective local newspapers on a regular basis. Mr. Stokes noted that Mr. Kaplan's op-ed pieces should be published in every local newspaper, as well as in ProJo. He stated that he spends a lot of his time each day explaining to businesses in the Aquidneck area what the EDC is doing.

Mr. Kaplan concurred with Mr. Stokes' concerns and reported that he has sat down with local regional newspapers but that they often lack the staff to cover everything. Mr. Andy Cutler stated that he is on the telephone with the editors of the regional papers every day, but what he is hearing is that unless something is happening in their particular community, they are not interested in publishing it. Mr. Kaplan stated that the EDC must keep reaching out and called upon the Board members to use their

voices to write articles and editorials. Ms. Merchant agreed that the Board members should take this on to assist with outreach.

4. FOR APPROVAL OF AMENDMENT TO PENSION PLAN AND TRUST REGARDING FREEZE FOR LOCAL 877

Attorney Stolzman explained that a technical amendment to the Corporation's Pension Plan and Trust was necessary in order to allow one employee who had been caught in a prior freeze to participate. He noted that Local 877 covers the sewer workers at Quonset. Upon inquiry of Ms. Merchant, Mr. Stolzman stated that the one employee did not represent favoritism, but was merely an unintended omission.

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

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

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

Voting against the foregoing were: None.

5. FOR APPROVAL OF AMENDMENT TO PENSION PLAN AND TRUST REGARDING COLA

Mr. Stolzman explained that the way the COLA adjustment is currently worded in the Pension Plan and Trust, the adjustment is to be made per employee rather than on an annual basis for everyone. The Board is being asked to approve a technical amendment so that the COLA adjustments will be made on an annual basis going forward, which will cut down on administration and paperwork.

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

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

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

Voting against the foregoing were: None.

6. FOR APPROVAL OF INNOVATION AND GROWTH TAX CREDITS FOR INFUSION RESOURCES

Mr. Kaplan reminded the Board that EvoCare, now known as Infusion Resources, had previously received preliminary approval to pursue funding for eligibility

for Innovation and Growth Tax Credits. He state that the Company has done its due diligence and has produced evidence for final approval, and the staff recommends approval.

Mr. Kaplan explained further that the last legislation reduced the total amount which could be given under this program from \$2,000,000 to \$1,000,000 over a two-year period, and that, with the approval before the Board today, the \$1,000,000 threshold has been met. It is still possible, however, that one or more of the companies which have already been given pre-approvals will fail to qualify, which would free up some funds for new applicants. He noted that three companies have asked for extensions until November to qualify, and if they are unable to produce evidence by that time, those funds will be available for others. Otherwise, no further applicants can be accepted.

A summary of the 2007 and 2008 applications and approvals is provided at **Exhibit D**.

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

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

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

Voting against the foregoing were: None.

7. FOR APPROVAL OF AUTHORIZED SIGNATORIES

Mr. Stolzman acknowledged the departure of Mr. Richard Reed as of June 30 and reported that the Executive Director has appointed Mike Saul as Deputy Director of Management Operations and Ms. Susan Morgan as Director of Accounting. He noted that both of these individuals have extensive financial backgrounds. Mr. Stolzman stated that a vote is necessary to allow Mr. Saul and Ms. Morgan to sign checks for the Corporation. Upon inquiry of Mr. Biliouris, Mr. Stolzman explained that checks for amounts under \$10,000 require only one signature, and checks over that amount require two signatures.

Mr. Kaplan reported that he has been very pleased with the work of Mr. Saul and Ms. Morgan with the corporation.

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

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

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

Voting against the foregoing were: None.

There being no further business in Public Session, the meeting was adjourned at 4:30 p.m., upon motion made by Mr. Biliouris and seconded by Ms. Merchant.

Robert I. Stolzman, Secretary

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