

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

MAY 18, 2009

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, May 18, 2009, 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: Governor Donald L. Carcieri, Mr. Frank Montanaro, Mr. Keith Stokes, Mr. George Shuster, Mr. Alexander Biliouris and Ms. Kimball Hall.

Director absent: Ms. Cheryl Merchant and Ms. Alma Green.

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

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

1. CALL TO ORDER

Governor Carcieri called the meeting to order at 4:00 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON APRIL 27, 2009

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

VOTED: To approve the public session minutes of the meeting held on April 27, 2009, as submitted to the Board of Directors.

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

Voting against the foregoing were: None.

3. INTERIM EXECUTIVE DIRECTOR'S REPORT

Highlights of Interim Executive Director J. Michael Saul's report can be found at **Exhibit A**. Mr. Saul also distributed a packet of recent press releases regarding economic development news (See **Exhibit B**).

4. FOR APPROVAL OF INNOVATION AND GROWTH TAX CREDIT FOR ISIS BIOPOLYMER.

Ms. Christine Smith presented this matter to the Board for consideration (See **Exhibit C** for details). Mr. Biliouris raised the question of who owns the software related to the company's innovation and design, to which Ms. Smith replied that the company owns the software.

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

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

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

Voting against the foregoing were: None.

5. FOR APPROVAL OF ISSUANCE OF BONDS FOR HISTORIC TAX CREDIT COST REDUCTION PROGRAM AS AUTHORIZED IN FY '09 BUDGET

Ms. Maureen Gurghigian, from First Southwest Company, made a presentation to the Board (See **Exhibit D**). In response to a question posed by Mr. Biliouris, Ms. Gurghigian reported that the Garvee Bonds resulted in a cost average rate of 4.35%. Attorney Norman Benoit, of Partridge, Snow & Hahn, briefed the Board on various legal issues related to the issuance of the Historic Tax Credit Bond Cost Reduction program.

Upon inquiry of Mr. Biliouris, Mr. Benoit indicated that the Historic Tax Credit Bonds would be taxable and would likely yield a rate between 5-1/2% to 6%.

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

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

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

Voting against the foregoing were: None.

6. FOR RE-APPROVAL OF ECONOMIC DEVELOPMENT PROJECT STATUS FOR UNITED NATURAL FOODS, INC. CORPORATE HEADQUARTERS

Attorney Stolzman explained to the Board that the General Assembly has amended the provisions of R.I.G.L. §42-64-20 (d) to provide that General Assembly approval is no longer needed for the approval of projects of the Corporation. However, when the Corporation originally approved the United Natural Foods, Inc. project, General Assembly approval was needed. Accordingly, while the project has not changed, the Board of Directors of the Corporation is required to re-approve the project since the approval process has been changed by statute.

Governor Carcieri commended United Natural Foods, Inc. for its continuing efforts to relocate its corporate headquarters to Providence, Rhode Island. Mr. Saul confirmed that United Natural Foods was proceeding with the relocation, and that construction delays caused by the Struever Brothers financing delays was being overcome by direct investor capitalization of the construction of the build-out for United Natural Foods, Inc.

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

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

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

Voting against the foregoing were: None.

There being no further business to come before the Board, the meeting was adjourned at 4:55 p.m., upon motion made by Mr. Montanaro and seconded by Mr. Stokes.

Robert I. Stolzman, Secretary