

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

EXECUTIVE SESSION

JULY 15, 2010

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Thursday, July 15, 2010, in Executive Session, at 10:00 a.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. Lynn Singleton, Dr. Timothy Babineau, Ms. Donna Cupelo, Dr. David Dooley, Mr. George Nee, Ms. Cheryl Snead, Mr. Shivan Subramaniam and Mr. Alfred Verrecchia.

Directors absent: Mr. Karl Wadensten, Mr. Dan Sullivan, Mr. Paul Choquette and Mr. Stephen Lane.

Also present were: Executive Director Keith Stokes and Attorney Robert I. Stolzman.

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

Prior to adjournment to executive session, upon motion of Dr. Babineau and seconded by Mr. Subramaniam, it was voted that the Board adjourn to Executive Session to consider such matters as permitted by subsection (6) (location of prospective businesses in Rhode Island) of the Rhode Island General Laws, §42-46-5 (a), the Open Meetings Law.

1. DISCUSSION ON 38 STUDIOS TRANSACTION

Mr. Stokes reviewed basic terms and conditions of the 38 Studios transaction with the Board, including utilizing the Job Creation Guaranty program in the amount of \$75,000,000 to locate the Company to Rhode Island, the number of jobs anticipated, the type of jobs, the industry, wages, etc. Mr. J. Michael Saul reviewed financial projections and marketing plans of 38 Studios and results from the consultants' analysis.

Mr. Nee inquired as to the use of Rhode Island vendors. Mr. Stokes indicated that the documents would encourage the use of Rhode Island vendors, and discussed the utilization of job training programs in Rhode Island to create Rhode Island jobs.

Mr. Verrecchia commented on the need for third-party confirmation in monitoring the game, which was also endorsed by Ms. Cupelo.

Ms. Maureen Gurghigian, from First Southwest, the State's Financial Advisor, reviewed the rates, risks and market conditions analysis.

There was extensive discussion regarding the market risk and execution risk of selling the bonds. The Board extensively discussed utilizing the private placement capacity of Wells Fargo and other underwriters with respect to the sale of the bonds.

Mr. Verrecchia inquired as to the mechanisms used to assure new employment in Rhode Island. Mr. Stolzman explained the loan and trust agreement provisions that would require the monitoring of job creation.

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

VOTED: To authorize the Executive Director to proceed with the transactions as publicly described and pursuant to the terms and conditions described today.

Voting in favor of the foregoing were: Mr. Singleton, Dr. Babineau, Ms. Cupelo, Dr. Dooley, Mr. Nee, Ms. Snead, Mr. Subramaniam and Mr. Verrecchia.

Voting against the foregoing were: None.

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

VOTED: Pursuant to §42-46-4 and §42-46-5 of the General Laws, the minutes of the closed session shall not be made available to the public at the next regularly scheduled meeting of the Corporation, except as to the portions of such minutes as the Board of Directors ratifies and reports in Public Session of this meeting.

There being no further business to come before the Board in closed session, upon motion duly made by Mr. Singleton and seconded by Mr. Verrecchia, the executive session of the meeting was adjourned at 12:25 p.m.