

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF BOARD OF DIRECTORS **ACCESS TO CAPITAL SUBCOMMITTEE**

PUBLIC SESSION

AUGUST 22, 2011

The Access to Capital Subcommittee of the Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, August 22, 2011, in Public Session, beginning at 3:30 p.m., at the offices of the Rhode Island Economic Development Corporation located at 315 Iron Horse Way, Providence, Rhode Island, pursuant to notice of the meeting to all subcommittee members, 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 individuals were present and participated throughout the meeting: Subcommittee Chairperson Ms. Cheryl Snead, Mr. Stephen Lane, Mr. J.L. Singleton, Executive Director Keith Stokes, Mr. Anthony Rust, Ms. Janet Raymond, Mr. Cap Willey, Ms. Alexandra Pezzello, Ms. Stacey Farrell, Mr. Earl Queenan, Mr. Steve Noack, Mr. Sean Esten, and Mr. Peter Dorsey.

Ms. Snead opened the meeting at 3:40 p.m and asked if there were any questions or comments on the meeting minutes from the previous meeting. There being none, Ms. Snead requested an update on the State Small Business Credit Initiative ("SSBCI") application. Mr. Queenan reported that the application was submitted in a timely manner to the U.S. Treasury and Mr. Stokes reported that the application has since been approved. He thanked the Corporation staff for their work in preparing the application. Mr. Stokes commented on the importance of this opportunity to receive such significant funds to re-capitalize and support small businesses in Rhode Island, as well as partner with Slater and BetaSpring to support small business growth.

With respect to the Small Business Loan Fund ("SBLF"), Mr. Queenan stated that of the 12 deals that had recently been approved, 5 had closed totaling \$1.1 million, while the other 7 are in the process of closing by early September, which will result in an additional \$2.8 million in closed loans. He reported that there remains a current lending capacity of \$1.8 million and two deals are being presented the next SBLF Board meeting, which are for an additional \$400,000 in loans. Mr. Queenan stated that the \$1.7 million in funds that the SBLF will receive from the SSBCI funds will greatly advance this program.

Ms. Snead stated that the subcommittee would next consider a Job Creation Guaranty Program (JCGP) application, portions of which would be conducted in executive session. Ms. Snead indicated the need to recuse herself from consideration of the application because she serves on the board of Bank Rhode Island, which is a potential lender to the applicant. Mr. Dorsey stated that he would also recuse himself

due to his position as President of Business Development Company of Rhode Island, which was an investor in the applicant through Cherrystone Angel Investor Group. Mr. Singleton was asked to preside over this portion of the subcommittee meeting.

Ms. Pezzello explained to the Board that if it wished to enter into a closed executive session to discuss a certain Job Creation Guaranty Program application, which contains confidential information, a motion to go into closed session would be in order. The motion would be pursuant to the Open Meetings Act, Rhode Island General Laws Section 42-46-4, in order to discuss prospective businesses or industries locating in the state of Rhode Island, under Section 42-46-5(a)(6).

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

VOTED: That, pursuant to Rhode Island General Laws § 42-46-4, the Open Meetings Act, the Subcommittee close the public session of this meeting and commence a closed session to consider a Job Creation Guaranty Program application and possibly take action on such matters as permitted under § 42-46-5(a)(6) (prospective business or industry locating in the state of Rhode Island) of the Open Meetings Act.

Voting in favor of the foregoing were: Mr. Lane, Mr. Singleton, Mr. Stokes, Mr. Rust, Ms. Raymond, Mr. Willey.

Voting against the foregoing were: None.

Recused were: Ms. Snead and Mr. Dorsey.

Members of the public were then asked to leave the boardroom for the closed session at 3:48 p.m. Ms. Snead and Mr. Dorsey also exited the boardroom at that time.

The public session was reconvened at 4:35 p.m. Ms. Snead and Mr. Dorsey rejoined the other members of the subcommittee in the boardroom.

Upon a motion duly made by Mr. Lane and seconded by Mr. Willey, the following vote was adopted:

VOTED: That, pursuant to Rhode Island General Laws § 42-46-4, § 42-46-5 and § 42-46-7, the Open Meetings Act, the minutes of the closed session shall not be made available to the public, except as to the portions of such minutes as the Subcommittee ratifies and reports in public session of this meeting.

Voting in favor of the foregoing were: Mr. Lane, Mr. Singleton, Mr. Stokes, Mr. Rust, Ms. Raymond, Mr. Willey.

Voting against the foregoing were: None.

Recused were: Ms. Snead and Mr. Dorsey.

Mr. Singleton announced that, during the closed session, the members of the subcommittee, after receiving a presentation from JCGP applicant NuLabel Technologies, Inc. ("NuLabel"), voted to recommend the JCGP application of NuLabel to the Corporation Board of Directors for their consideration.

Ms. Snead inquired whether the format used to present JCGP application was sufficient for the subcommittee members. Mr. Queenan stated that the intention is to have each JCGP present to both the subcommittee and the Corporation Board of Directors, in order for each to have the opportunity to ask the applicant questions. He further stated that it was their intention to have representatives from the financial institution providing the capital to also be present to answer questions.

The members of the subcommittee discussed the proposed timeline for consideration of future JCGP applications. The members of the subcommittee determined that if the subcommittee meetings were held around the 15th of each month, this would allow the Board to consider recommended applications the following week at the next regularly scheduled Board meeting. Subcommittee members requested that they receive application materials by approximately the 1st of the month, which would include, at minimum, the bank term sheet, credit offering memorandum and economic impact analysis.

Ms. Snead noted that the Corporation was in the process of finding a new Managing Director of Financial Services. She encouraged members of the subcommittee to forward the job description information to qualified candidates that they may be aware of. The next subcommittee meeting was announced for September 15, 2011 at 8:30 a.m.

The meeting concluded at 4:55 p.m.

David M. Gilden, Secretary