

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

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

PUBLIC SESSION

SEPTEMBER 26, 2011

The Access to Capital Subcommittee of the Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, September 26, 2011, in Public Session, beginning at 4:30 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, Mr. Peter Dorsey, Mr. Richard DiRienzo, Mr. Mark Hayward, Executive Director Keith Stokes, Mr. Earl Queenan, Mr. Steve Noack, Mr. Sean Esten, Mr. Timothy Cole, Mr. Christopher Cannata and Ms. Alexandra Pezzello.

Absent subcommittee members were: Ms. Janet Raymond, Mr. Anthony Rust, and Mr. Cap Willey.

Ms. Snead opened the meeting at 4:30 p.m. and confirmed that the upcoming meetings of the subcommittee had been scheduled for: Thursday, October 20, 2011 at 8:30 a.m., Tuesday, November 15, 2011 at 8:30 a.m., and Monday, December 5, 2011 at 8:30 a.m. Ms. Snead advised the subcommittee that, prior to further review of the Job Creation Guaranty Program ("JCGP") application that was presented at the prior subcommittee meeting, there needed to be further discussion regarding the structure of the program in order to ensure consistency throughout the approval process.

Subcommittee members discussed the factors that the Corporation could consider when determining the interest rate that the Corporation would charge the JCGP participant for the Corporation's guaranty. It was noted that NuLabel will be paying 2% interest to the Corporation. The members of the subcommittee expressed the need for an interest rate matrix, which would address the risks and rewards of each applicant and provide a guide as to what rate of interest should be assigned to the program participants. Members of the subcommittee expressed concern in assigning different the rates of interest based on the subcommittee's analysis of risk. Mr. Queenan also cautioned setting the interest rate too high applicants, which could cause applicants to be less inclined to apply for the JCGP.

Members of the subcommittee discussed the allocation of risk in granting the guaranties to JCGP applicants, including whether requirements such as other equity

contributions, separate letters of credit and personal guaranties should be considered. It was noted that these factors should be included in the interest rate matrix, but not necessarily added as requirements of the program. Members of the subcommittee additionally discussed how job creation will to be assessed and when the job data will be collected from the companies. Ms. Snead advised that further discussion would be needed at the next meeting to address this and the other items discussed. She requested that the Corporation staff come up with suggestions to present at the next subcommittee meeting.

There being no further business the meeting concluded at 4:57 p.m.

David M. Gilden, Secretary

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