

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

EMERGENCY SPECIAL MEETING OF DIRECTORS

PUBLIC SESSION

MAY 16, 2012

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Wednesday, May 16, 2012, in Public Session, beginning at 8:30 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 emergency special meeting to all Directors, and public notice of the emergency special 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 Lincoln D. Chafee, Ms. Helena Foulkes, Mr. Jerauld Adams, Dr. Timothy Babineau, Dr. David Dooley, Mr. Stephen Lane, Mr. George Nee, Mr. Daniel Sullivan, Mr. Karl Wadensten, and Mr. Stanley Weiss.

Directors absent were: Mr. J.L. Singleton, Ms. Cheryl Snead and Mr. Jack Templin.

Also present were: Executive Director Keith Stokes and Secretary David M. Gilden.

1. EMERGENCY SPECIAL SESSION

Governor Chafee called the meeting to order at 8:49 a.m.

Upon motion duly made by Mr. Wadensten and seconded by Dr. Babineau, the following vote was adopted:

VOTED: To address an unexpected occurrence that requires immediate action to protect the public regarding the 38 Studios, LLC financing.

Voting in favor of the foregoing were: Ms. Foulkes, Mr. Adams, Dr. Babineau, Mr. Lane, Mr. Nee, Mr. Sullivan, Mr. Wadensten and Mr. Weiss.

Voting against the foregoing were: None.

Governor Chafee reported that the reason the meeting was convened with less than forty-eight (48) hours notice is because the Corporation has received financial and other information and reports regarding 38 Studios, LLC which must be addressed by the Board immediately in order to protect the public.

Governor Chafee noted his desire to remain in public session in order to allow the public to understand what is transpiring; however, he stated that such a discussion is better suited to a closed session. Mr. Gilden stated that the purpose of the closed session is to allow the Board to receive highly confidential information from 38 Studios, LLC and a presentation, which cannot be made public at this time. Mr. Wadensten commended Governor Chafee for his desire for openness, while noting that not all board members have all of the information from the original transaction.

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

VOTED: Motion is made pursuant to the Open Meetings Act, Rhode island General Laws Section 42-46-4, to go into closed session in order to address an unexpected occurrence that requires immediate action to protect the public regarding the 38 Studios, LLC financing, under Section 45-46-5(a)(7) (investment of public funds where the premature disclosure would adversely affect the public interest).

Voting in favor of the foregoing were: Ms. Foulkes, Mr. Adams, Dr. Babineau, Mr. Lane, Mr. Nee, Mr. Sullivan, Mr. Wadensten and Mr. Weiss.

Voting against the foregoing were: None.

Members of the Board, counsel and staff exited the boardroom for the closed session at 8:51 a.m.

[Dr. Dooley arrived during the closed session]

The public session was reconvened at 12:25 p.m.

Governor Chafee stated that, despite the desire to have the discussion and presentations made in public session, the Board made the correct decision to meet in closed session. Governor Chafee thanked the members of the Board for their attendance at the meeting. He stated that the conversation during the closed session was confined to addressing an unexpected occurrence that required immediate action relating to 38 Studios, LLC financing. Mr. Gilden stated that no vote was taken during the closed session and he read the following statement of the Board:

"The RIEDC Board of Directors met in closed session to receive a presentation from representatives of 38 Studios as to the company's confidential financial status and projections. Members of the Board asked many probing questions of the company. After representatives from 38 Studios concluded their presentation, the Board then engaged in extended discussion of confidential financial information. The Board did not take any vote. The company still has the option to cure the existing default by paying the \$1,125,000 guaranty fee that is past due. In the meantime, we

will continue to talk with 38 Studios and develop additional information, and will resume the Board meeting at our regularly scheduled meeting on May 21. The members of the Board may not discuss the confidential information received and discussed today.”

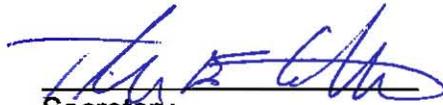
Upon a motion duly made by Mr. Weiss and seconded by Ms. Foulkes, the following vote was adopted:

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 Board of Directors ratifies and reports in public session of this meeting.

Voting in favor of the foregoing were: Ms. Foulkes, Mr. Adams, Dr. Babineau, Dr. Dooley, Mr. Lane, Mr. Nee, Mr. Sullivan, Mr. Wadensten and Mr. Weiss.

Voting against the foregoing were: None.

There being no further business in public session, the meeting was adjourned at 12:40 p.m., upon motion made by Mr. Babineau and seconded by Mr. Adams.


Secretary

1624279_1.3735-20