

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

OCTOBER 22, 2012

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, October 22, 2012, in Public Session, beginning at 5:00 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 **Exhibit A**, 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, Mr. Jack Templin, Mr. Jerauld Adams, Mr. Karl Wadensten, Mr. Stanley Weiss, Dr. David Dooley and Mr. George Nee.

Directors absent were: Ms. Cheryl Snead and Mr. Daniel Sullivan. Also present were Deputy Director William J. Parsons, Thomas Carlotto, Jonathan Savage, and René Pickett.

1. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:01 P.M. indicating that a quorum was present.

2. APPROVAL OF THE MINUTES OF THE MEETINGS HELD ON SEPTEMBER 24 AND 28, 2012

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

VOTED: To approve the Public and Executive Session Minutes of the meetings of September 24, 2012 and September 28, 2012, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, Dr. Dooley and Mr. Nee.

Voting against the foregoing were: None.

3. TO DETERMINE WHETHER ALEXION PHARMACEUTICALS QUALIFIES FOR INCENTIVES PURSUANT TO THE RHODE ISLAND JOBS DEVELOPMENT ACT

Mr. John Riendeau indicated to the Board that Alexion Pharmaceuticals ("Alexion") has submitted an application pursuant to the Job Development Act ("JDA") and an economic impact analysis to support its application. He continued that the Board had received copies of the application and the economic impact analysis. He also noted that Alexion was present to address any questions. Mr. Riendeau noted that Alexion's current tax rate is 9%. He continued that Alexion has 92 qualifying employees and therefore if the application were to be approved, under the Job Development Act the corporate income tax rate that Alexion pays would be reduced from 9% to 6.75% in perpetuity unless the job count reduces. Mr. Riendeau further indicated that monitoring is conducted by the Division of Taxation.

Mr. Wadensten asked whether other Rhode Island companies can apply for the JDA. Mr. Riendeau indicated that Rhode Island companies can apply. Mr. Parsons noted that there is a requirement that the company must be a C Corp to qualify under the JDA.

Dr. Dooley commented that Alexion has a unique business model in the pharmaceutical world, which is to target genetic diseases that are always terminal, where the choice for the patient is life or death and accordingly the company can recoup the development costs. He continued that very few companies develop for these diseases and that Alexion has been quite successful and has a number of good prospects ahead of them.

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

VOTED: That the Rhode Island Economic Development Corporation, pursuant to the submitted economic impact analysis and in accordance with R.I. Gen. Laws § 42-64.5-5 of the Rhode Island Jobs Development Act, hereby determines that:

- (a) But for the incentives available under the Rhode Island Jobs Development Act, Alexion Pharmaceuticals, Inc. is not likely to retain, expand, or add employment in Rhode Island; and
- (b) Alexion Pharmaceuticals, Inc. has provided reasonable evidence supporting a finding that the jobs retained, expanded, or added will generate new tax revenue for the State that is at least equivalent to the value of the incentives granted pursuant to the Rhode Island Jobs Development Act.

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, Dr. Dooley and Mr. Nee.

Voting against the foregoing were: None.

4. TO CONSIDER AS MAY BE APPROPRIATE, MATTERS COVERED IN THE EXECUTIVE DIRECTOR'S REPORT

The Governor asked whether anyone had any questions for Mr. Parson's regarding his Executive Director's report. See Exhibit B. No questions were asked regarding the report.

5. TO CONSIDER AND APPROVE THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION AUDIT CONDUCTED BY BRAVER, PC

Mr. Earl Queenan indicated that he had attended two audit subcommittee meetings with Ms. Snead, Mr. Wadensten and Mr. Parsons. He indicated that the Corporation had received a clean opinion.

Mr. Wadensten commented that the report is very detailed. He also noted that Ms. Snead had made a great point regarding 38 Studios during the meetings. Ms. Mitchell responded that Ms. Snead had asked Braver to highlight the information on page 37 regarding the Corporation's responsibilities concerning 38 Studios and how to request the money from the General Assembly once 38 Studios defaults on its payments.

Mr. Adams asked Mr. Queenan if the Corporation is able to renegotiate the interest rates on some of the outstanding bonds. Mr. Queenan responded that is possible but the Corporation would need to speak with the Refunding Bond Authority and then someone would need to purchase the bonds. He indicated that this has been brought to the attention of the Refunding Bond Authority.

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

VOTED: To approve the Rhode Island Economic Development Corporation audit completed by Braver, PC.

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, Dr. Dooley and Mr. Nee.

Voting against the foregoing were: None.

6. TO DISCUSS AND CONSIDER FOR APPROVAL LITIGATION AND RELATED MATTERS IN CONNECTION WITH 38 STUDIOS, LLC

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

VOTED: Motion is made pursuant to the Open Meetings Act, Rhode Island General Laws §§ 42-46-5(a)(2) or 42-46-5(a)(4), to go into closed

session in order to discuss and consider for approval litigation and related matters in connection with 38 Studios, LLC.

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, Dr. Dooley and Mr. Nee.

Voting against the foregoing were: None.

Members of the Board, counsel and staff entered into closed session at 5:34 P.M.

The public session was reconvened at 8:59 P.M.

Upon a motion duly made by Mr. Wadensten and seconded by Mr. Adams, 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: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, Dr. Dooley and Mr. Nee.

Voting against the foregoing were: None

Mr. Carlotto stated that during executive session the Board unanimously voted pursuant to Rhode Island General Laws § 42-46-4(b) to keep the vote taken during closed session sealed.

Governor Chafee indicated that he would entertain a motion to adjourn.

There being no further business in public session, the meeting was adjourned at 9:02 P.M., upon motion made by Mr. Nee and seconded by Mr. Weiss, which was unanimously approved.


Secretary