

approved January 25, 2007

RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION

November 16, 2006

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation ("RIIFC") was held in public session at the offices of RIIFC, One West Exchange Street, 5th Floor, Providence, Rhode Island, on Thursday, November 16, 2006 beginning at approximately 9:00 a.m., pursuant to a notice and agenda duly posted and sent to all members.

Members present at the meeting were Mr. William Parsons, Mr. David Piacitelli and Mr. Andrew Lyon, III. Mr. Ronald Renaud and Mr. Edward Rendine were absent from the meeting. Also present and participating at the meeting were Mr. Earl Queenan, Jr., Treasurer of RIIFC, Mr. Anthony Scolavino, Secretary of RIIFC, and Antonio Afonso, Jr., Esquire, counsel to RIIFC, Jay Gowell of Burns & Levinson LLP, bond counsel with respect to the Goetz bonds and a member of the Senate Fiscal staff. In the absence of Mr. Rendine as

Chair and in the absence of an elected Vice Chair, Mr. Queenan as Treasurer called the meeting to order.

Following the call of the meeting by Mr. Queenan, Mr. Parsons moved to ratify the actions of Mr. Queenan with respect to calling the meeting to order, Mr. Piacitelli seconded such motion and the motion was adopted as follows: Mr. Parsons – yes, Mr. Piacitelli – yes and Mr. Lyon – yes.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE OCTOBER 26, 2006 BOARD MEETING

The next item to come before the Board in public session was consideration of the Minutes for the Board Meeting held on October 26, 2006 (the “October 26 Minutes”). Mr. Parsons made a motion to accept the October 26 Minutes as presented and to make the Executive Session Minutes of the October 26 meeting public. Mr. Lyon seconded the motion which motion was adopted as follows: Mr. Parsons – yes, Mr. Piacitelli – yes and Mr. Lyon – yes.

FINAL AUTHORIZING RESOLUTION FOR THE ISSUANCE OF ERIC GOETZ CUSTOM SAILBOATS, INC. PROJECT BONDS

The next item to come before the board was the consideration of a Resolution authorizing the issuance of \$5,000,000 in industrial development revenue bonds (Eric Goetz Custom Sailboats, Inc. Project – 2006 Series) and authorizing and approving the execution and delivery of the lease and trust agreement and other documents and matters in connection therewith.

Mr. Scolavino outlined the proposed project on Broad Common Road

in Bristol, Rhode Island which had been previously subject to an inducement resolution adopted by the Board of Directors in Executive Session on October 26, 2006. The proposed project involves the financing of construction of a manufacturing facility and the equipping of said facility covering approximately 37,000 square feet of manufacturing space, 4,000 square feet of office space, 4,000 square feet of storage space, 1,000 square feet of employee use space and 2,000 square feet of outside storage space for manufacturing and ancillary purposes, including boat and boat part manufacturing, which will be leased to VC Land, LLC, pursuant to a lease and trust agreement dated as of December 1, 2006 among the issuer, the lessee and Wells Fargo Bank, N.A. as trustee.

Following a motion by Mr. Piacitelli and a second thereof by Mr. Parsons, discussion ensued among the Board members relative to the project and the financing. Following the foregoing discussion, the Board voted to adopt the resolution attached hereto as Exhibit A and hereby made a part of these Minutes as follows: Mr. Parsons – yes, Mr. Piacitelli – yes and Mr. Lyon – yes.

ADJOURNMENT

Following the above, Mr. Parsons made a motion to adjourn the meeting, which motion was seconded by Mr. Piacitelli and was adopted as follows: Mr. Piacitelli – yes, Mr. Parsons – yes and Mr. Lyon – yes.

EXHIBIT A

**RESOLUTION AUTHORIZING THE ISSUANCE OF \$5,000,000
INDUSTRIAL DEVELOPMENT REVENUE BONDS
(ERIC GOETZ CUSTOM SAILBOATS, INC. PROJECT – 2006 SERIES)
OF THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION
AND AUTHORIZING AND APPROVING THE
EXECUTION AND DELIVERY OF A LEASE AND TRUST AGREEMENT,
AND OTHER DOCUMENTS AND MATTERS IN CONNECTION
THEREWITH**

WHEREAS, the Rhode Island Industrial Facilities Corporation (the “Issuer”) was constituted a public corporation and public instrumentality of the State of Rhode Island (the “State”) pursuant to the provisions of Chapter 37.1 of Title 45 of the General Laws of Rhode Island, 1956, as amended (the “Act”) and is authorized pursuant to the Act (i) to finance the acquisition, construction, reconstruction, improvement, maintenance, equipping and furnishing of one or more projects, including all real and personal properties in connection therewith, (ii) to execute agreements of lease, conditional sales contracts, installment sales contracts, loan agreements, mortgages, construction contracts, operation contracts and other contracts and instrument entered into to finance its projects, (iii) to sell, exchange, mortgage, donate and convey any and all of its properties whenever such action is found to be in furtherance of the purposes for which the Issuer was established, and (iv) to issue its bonds and notes for the purpose of carrying out any of its corporate

purposes and to mortgage and pledge any of its projects or parts thereof as security for such bonds; and

WHEREAS, the Issuer proposes to finance the construction of a manufacturing facility (the “Facility”) on Broad Common Road in Bristol, Rhode Island (the “Premises”) and the equipping of the facility (the “Equipment”), covering approximately 37,000 square feet of manufacturing space, 4000 square feet of office space, 4,000 square feet of storage space, 1,000 square feet of employee use space and 2000 square feet of outside storage space, for manufacturing and ancillary purposes, including boat and boat part manufacturing, which will be leased to VC Land, LLC (the “Lessee”), pursuant to a Lease and Trust Agreement dated as of December 1, 2006 (the “Agreement”) among the Issuer, the Lessee and Wells Fargo Bank, N.A. as trustee (the “Trustee”). The construction and equipping of the Facility and the Equipment is herein referred to as the “Project;” and

WHEREAS, pursuant to a sublease, the Project will be leased to Eric Goetz Custom Sailboats, Inc., an affiliate of the Lessee (“Goetz Sailboats”) to manufacture boats, boat parts and other related and lawful manufacturing (the “Sublease”); and

WHEREAS, the financing of the Project is authorized, under the Act; and

WHEREAS, in order to finance the cost of such Project, the Issuer intends to issue its Industrial Development Revenue Bonds (Eric Goetz Custom Sailboats, Inc. Project – 2006 Series) in the principal amount of \$5,000,000 (the “Bonds”) pursuant to the Agreement; and

WHEREAS, the Lessee will transfer title to the Facility, the Premises and the Equipment to the Issuer through a Warranty Deed (the “Warranty Deed”) and Bill of Sale (the “Bill of Sale”) both dated as of the date of delivery of the Bonds; and

WHEREAS, to further secure the payment of the Bonds, Citizens Bank of Rhode Island (together with any subsequent Issuer of a Letter of Credit, hereinafter defined, the “LC Bank”) will deliver to the Trustee its irrevocable direct pay letter of credit (the “Letter of Credit”) which will be issued for the account of the Lessee and will be secured in part by a Mortgage and Security Agreement dated as of December 1, 2006 from the Issuer and the Lessee to the LC Bank (the “LC Bank Mortgage”) and a Collateral Assignment of Leases and Rents dated as of December 1, 2006 from the Issuer to the LC Bank (the “Collateral Assignment”) conveying to the LC Bank a mortgage on the Premises, an assignment of leases and rents, and a security interest in certain personal property and fixtures constituting a portion of the Facility; and

WHEREAS, Eric Goetz, an individual, will guaranty the obligations of the Lessee to the LC Bank; and

WHEREAS, the Lessee and Goetz Sailboats have submitted to the Issuer financial and various other materials in order to enable the Issuer to make the findings set forth in Section 13 of the Act prior to the issuance of Bonds; and

WHEREAS, the Issuer is now desirous of proceeding with the financing of the acquisition, rehabilitation, construction and equipping of the Project; and

WHEREAS, First Southwest Company (the “Underwriter”) has submitted to the Issuer a proposal to purchase the Bonds for resale pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”) to be by and among the Issuer, the Lessee and the Underwriter; and

WHEREAS, the Bonds will be sold by the Underwriter pursuant to an Official Statement (the “Official Statement”); and

WHEREAS, a Tax Regulatory Agreement is being delivered by and between the Lessee, the Issuer, and the Trustee which sets forth the expectations, restrictions and other requirements of the Internal Revenue Code of 1986, as amended, and of the regulations promulgated thereto, with respect to the Bonds; and

WHEREAS, the following documents will be prepared in the standard format:

- (a) the Warranty Deed;**
- (b) the Bill of Sale;**
- (c) the Agreement;**
- (d) the Bond Purchase Agreement;**
- (e) the LC Bank Mortgage;**
- (f) the Collateral Assignment of Rentals and Leases;**
- (g) the Sublease**
- (h) the Official Statement; and**
- (i) the Tax Regulatory Agreement.**

NOW, THEREFORE, BE IT RESOLVED BY THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION AS FOLLOWS:

SECTION 1. It is hereby found and determined that (a) the acquisition, rehabilitation, construction and equipping of the Project will eliminate or prevent unemployment, either in whole or in part, in the area in which the Project is to be located; and

(b) The Project will consist of a building or buildings which are suitable for industrial, manufacturing, commercial or warehousing purposes and is consistent with the definition of "Project" as defined in Section 45-37.1-3 of the Rhode Island General Laws; and

(c) The Project will be leased by the Lessee and Goetz Sailboats, financially responsible corporations; and

(d) Adequate provision has been or will be made in the Agreement, when executed, for the payment of the cost of the acquisition, rehabilitation, construction and equipping of the Project and that, under no circumstances, will the State or any municipality or any political subdivision of the State be obligated, directly or indirectly, for the payment of the principal of, premium, if any, or interest on, any obligation issued to finance such as acquisition, rehabilitation, construction and equipping; and

(e) Adequate provision has been or will be made in the Agreement and other financing agreements related to the Project when executed, for the payment of all costs of operation, maintenance, and upkeep of the Project by the Lessee so that under no circumstances will the State or any municipality or any political subdivision of the State be obligated, directly or indirectly, for the payment of such costs; and

(f) The rehabilitation, construction and equipping of the Project and the proposed financing, operation and use of the Project will aid in

the development, growth and prosperity of the State and the municipality in which the Project is located.

SECTION 2. To accomplish the purposes of the Act, the Issuer hereby determined that the Project shall be rehabilitated, constructed, and equipped in the Town of Bristol, Rhode Island.

SECTION 3. To accomplish the purposes of the Act and to provide for the financing of the cost of the Project, the issuance of the Bonds is hereby authorized, subject to the provisions of this Resolution and the Agreement. The Bonds shall be dated as provided in the Agreement, shall be in a principal amount not to exceed \$5,000,000 and shall be issued as fully registered bonds. The Bonds shall mature, bear interest (not to exceed 12%) be subject to redemption prior to maturity and bear such other terms as set forth in the Agreement. The form of the Bonds and the provisions for signatures, authentication, payment, prepayment and number shall be as set forth in the Agreement.

SECTION 4. The Bonds shall be special obligations of the Issuer payable solely from the revenues or other receipts, funds or moneys of the Issuer pledged therefor under the Agreement and the Issuer's faith and credit is pledged only to such extent. The payment of the principal of, interest and premium, if any, on the Bonds, shall be secured by an assignment of certain rights, title and interest of the Issuer in and to the Agreement and by the Letter of Credit. The Letter of Credit shall further be secured by the LC Bank Mortgage and the Collateral Assignment.

Neither the State nor the municipality thereof (other than the Issuer

as hereinabove set forth) shall be obligated to pay the principal of, premium, if any, or interest on the Bonds.

Neither the faith and credit nor the taxing power of the State or any municipality thereof shall be pledged to the payment of the principal or, premium, if any, or interest on the Bonds.

SECTION 5. The execution and delivery of the Agreement are hereby authorized. The Agreement shall be in substantially the form presented at this meeting. The Executive Director or the Treasurer of the Issuer are each, acting singly, hereby authorized to execute, acknowledge and deliver the Agreement with such changes, insertions and omissions as may be approved by said Executive Director or Treasurer and the Secretary or the Assistant Secretary of the Issuer are each, acting singly, hereby authorized to affix the seal of the Issuer on the Agreement and to attest the same. The execution of the Agreement by said Executive Director or Treasurer shall be conclusive evidence of such approval.

SECTION 6. The Issuer is hereby authorized to accept the conveyance of the land constituting the site of the Project in accordance with the terms of the Agreement hereinafter authorized and the Warranty Deed and to accept the transfer of certain personal property and fixtures related thereto pursuant to the Bill of Sale in accordance with the Agreement.

SECTION 7. The execution and delivery of the LC Bank Mortgage and the Collateral Assignment are hereby authorized. The LC Bank Mortgage and Collateral Assignment shall be in the customary forms. The Executive Director and the Treasurer of the Issuer are each,

acting singly, hereby authorized to execute, acknowledge and deliver the LC Bank Mortgage and the Collateral Assignment with such changes, insertions and omissions as may be approved by said Executive Director or Treasurer, and the Secretary or the Assistant Secretary of the Issuer are each hereby authorized to affix the seal of the Issuer on the LC Bank Mortgage and the Collateral Assignment and attest the same. The execution of the LC Bank Mortgage and the Collateral Assignment by said Executive Director or Treasurer shall be conclusive evidence of such approval.

SECTION 8. The Bonds are hereby authorized to be sold as provided in the Bond Purchase Agreement. The Executive Director and the Treasurer of the Issuer are each hereby authorized to reduce the principal amount of the Bonds to be sold and to alter the maturity dates and prepayment provisions and to alter terms of the Bonds to make the Bonds conform to the Agreement as the same may be amended by the parties thereto and to alter amounts of the Bonds for individual maturities of serial Bonds or term Bonds without exceeding the \$5,000,000 principal amount in the aggregate.

SECTION 9. The execution and delivery of the Bond Purchase Agreement are hereby authorized. The Bond Purchase Agreement shall be in the customary form. The Executive Director or the Treasurer of the Issuer are each, acting singly, hereby authorized to execute, acknowledge, and deliver the Bond Purchase Agreement with such changes, insertions, and omissions as may be approved by said Executive Director or Treasurer, and the Secretary or the Assistant Secretary of the Issuer are each, acting singly, hereby

authorized to affix the seal of the Issuer on said Bond Purchase Agreement, if necessary, and attest the same. The execution of the Bond Purchase Agreement by said Executive Director or Treasurer shall be conclusive evidence of such approval.

SECTION 10. The execution and delivery of the Tax Regulatory Agreement are hereby authorized. The Tax Regulatory Agreement shall be in substantially the form presented at the meeting. The Executive Director or the Treasurer of the Issuer are each, acting singly, hereby authorized to execute, acknowledge, and deliver the Tax Regulatory Agreement with such changes and omissions as may be approved by the Executive Director or Treasurer. The execution of the Tax Regulatory Agreement shall be conclusive evidence of such approval.

SECTION 11. The Bonds shall be executed in the manner provided in the Agreement and the same shall be delivered to the Trustee for proper authentication and delivery to the Underwriter upon instructions to that effect.

SECTION 12. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution, the Agreement, the Bond Purchase Agreement, the LC Bank Mortgage and the Collateral Assignment shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be

transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution, the Agreement, the Bond Purchase Agreement, the LC Bank Mortgage and the Collateral Assignment shall be exercised or performed by the Issuer or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

SECTION 13. The proper officers of the Issuer are hereby further directed to proceed to cause the proceeds of the sale of the Bonds to be disbursed as provided in the Agreement for the rehabilitation, construction and equipping of the Project.

SECTION 14. The Issuer hereby consents to the use and distribution of an Official Statement in the customary form and the use and distribution of the Official Statement with such changes, insertions, and omissions as may be necessary for use by the Underwriter for sale of the Bonds. The Issuer will not be responsible for any information set forth therein, except as specifically set forth in the Bond Purchase Agreement.

SECTION 15. The Issuer hereby consents to the execution and delivery of such other documents and instruments necessary or desirable for the implementation of the purposes of this resolution. The Issuer hereby consents to revisions and amendments to the documents referenced herein to the extent such do not substantially alter any of the foregoing and such would not be adverse to the interests of the Issuer and provided further that the Executive

Director or the Treasurer, acting singly, be and each hereby is authorized and empowered to execute and deliver such documents or instruments in accordance with this Section.

SECTION 16. This Resolution shall take effect upon passage.

DATED: November 16, 2006

SECRETARY'S CERTIFICATE

I, Anthony Scolavino, Secretary of the Rhode Island Industrial Facilities Corporation, hereby certify that attached hereto is a true and accurate copy of the minutes of the meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation held on November 16, 2006. These minutes were approved by the Board of Directors at a meeting held on January 25, 2007.

Anthony Scolavino, Secretary