

**MEETING OF THE
RHODE ISLAND COMMERCE CORPORATION**

AGENDA

MONDAY, FEBRUARY 23, 2015

PUBLIC SESSION

Call to Order: Chairperson Gina Raimondo

1. Welcome by Chairperson Gina Raimondo.
2. To introduce Secretary of Commerce Stefan Pryor.
3. To consider for approval the Public Session Minutes for the meeting held on December 15, 2014 (See **Tab 1**).
4. To consider, as may be appropriate, matters covered in the Executive Director's Report: Stefan Pryor.
5. To consider for approval the issuance of Rhode Island Commerce Corporation, Airport Revenue Refunding Bonds, 2015 Series A, in the approximate amount of \$45,000,000 (See **Tab 2**): Brian Schattle.
6. To consider for approval a contract with BW Research and a Memorandum of Understanding with the Office of Energy Resources in connection with a Clean Energy Industry Report (See **Tab 3**): Marion Gold.
7. To consider for approval the following Renewable Energy Fund matters (See **Tab 4**): Hannah Morini.
 - a. A grant to Knight Farm, LLC, in the amount of \$75,100.00;
 - b. A grant to Fox Hill Farm, LLC, in the amount of \$22,137.50;
 - c. A grant to Greenley Horizon Realty, LLC, in the amount of \$12,017.50;
 - d. A grant to Supreme Mid-Atlantic Corporation, in the amount of \$152,100.00;
 - e. A grant to Rhode Island Turnpike and Bridge Authority, in the amount of \$314,100.00;
 - f. A grant to West Greenwich Animal Hospital, Inc., in the amount of \$12,558.00;
 - g. A grant to The Bazar Group, Inc., in the amount of \$227,868.00; and
 - h. A grant to NATCO Home Furnishing, Inc., in the amount of \$321,300.00.
8. To consider for approval the Executive Session Minutes for the meeting held on December 15, 2014 (See **Tab 5**).*
9. To consider issues related to the litigation pending before the Providence Superior Court known as Rhode Island Economic Development Corporation v. Wells Fargo Securities, LLC, et al.: Max Wistow.*

10. Vote to Adjourn.

* Board members may seek to convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(2) to discuss this Agenda item.

TAB 1

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

PUBLIC SESSION MINUTES
OF THE MEETING HELD ON
DECEMBER 15, 2014

VOTED: To approve the Public Session Minutes for the meeting held on December 15, 2014, as submitted to the Board of Directors.

Dated: February 23, 2015

RHODE ISLAND COMMERCE CORPORATION

**MEETING OF DIRECTORS
PUBLIC SESSION
DECEMBER 15, 2014**

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on Monday, December 15, 2014, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the notice of meeting to all Directors, and the public notice of 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. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Maeve Donohue, Mr. Tim Hebert, Ms. Elizabeth Francis, Mr. Jason Kelly, Dr. Nancy Carriuolo, Mr. Stanley Weiss, Mr. Roland Fiore, and Ms. Shannon Brawley.

Directors absent were: None.

Also present were: Marcel Valois and Thomas Carlotto.

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. **TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETING HELD ON NOVEMBER 17, 2014**

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

VOTED: To approve the Public Session Minutes for the meeting held on November 17, 2014, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Maeve Donohue, Mr. Tim Hebert, Ms. Elizabeth Francis, Mr. Jason Kelly, Dr. Nancy Carriuolo, Mr. Stanley Weiss, Mr. Roland Fiore, and Ms. Shannon Brawley

Voting against the foregoing were: None.

3. **EXECUTIVE DIRECTOR'S REPORT**

Governor Chafee introduced Marcel Valois to discuss the Executive Director's Report. See **Exhibit B**. Mr. Valois stated that a detailed report was available in the Board Members' packages for review. He added that a micro lending report, completed by the Corporation, was also included in his report for the Board Member's to review and a subsequent vote to approve the same in January 2015. Mr. Valois then explained that upon approval, the Corporation's micro lending report will be conveyed to the Rhode Island General Assembly.

4. **TO RECEIVE A PRESENTATION REGARDING A TOURISM INVESTMENT PLAN**

Governor Chafee again called on Marcel Valois to discuss a tourism investment plan. See **Exhibit C**. Mr. Valois provided a background regarding the Corporation's retention of the Nichols Tourism Group and the Radcliffe Company to complete a tourism study (the "Study"), which was focused on the return on investment in the tourism industry. He then introduced Mitch Nichols, of the Nichols Tourism Group, to discuss the findings of the Study. Mr. Nichols provided a summary of the Nichols Tourism Group and its experience in the tourism industry. He then discussed the parameters of the Study, indicating that it focused on five (5) distinct areas. Mr. Nichols then moved on to explain the key findings of the Study, which led to the conclusion that over the last twenty (20) years, the State of Rhode Island has disinvested in its state-wide marketing and branding efforts and that it must reinvest in the domestic visitor market if it hopes to regain the market share that it has lost to other states over that time. Mr. Nichols indicated that a \$4 Million tourism investment is necessary for Rhode Island and explained that the Study breaks down that amount into certain deployment recommendations. He concluded his presentation by fielding questions from the Board Members regarding the specifics of the Study, his recommendations and the timeline and methodology used in the Study.

5. **TO RECEIVE A STATUS UPDATED REGARDING THE RHODE ISLAND AIRPORT CORPORATION**

Governor Chafee introduced Kelly Fredericks to give a presentation regarding the Rhode Island Airport Corporation ("RIAC"). See **Exhibit D**. Mr. Fredericks thanked the Governor and the Board Members for the opportunity to provide an update regarding RIAC. He began his presentation by noting that the T.F. Green's \$250,000,000.00 runway expansion program is currently on schedule and on budget. Mr. Fredericks next discussed air service development out of T.F. Green Airport and a recent article published in the Providence Journal regarding the downward trend in T.F. Green travel numbers. Mr. Fredericks then explained the changes in the air travel industry over the last ten (10) years and how that has affected not only T.F. Green, but rather airports nationwide. He continued on to provide the Board Members with RIAC's plan to combat the changes in the air travel industry and the specific means that T.F.

Green is employing to do so. Ultimately, Mr. Fredericks provided a positive outlook on RIAC and T.F. Green in general, despite the downturn in the air travel industry.

6. **TO CONSIDER FOR APPROVAL AN INDUCEMENT RESOLUTION IN CONNECTION WITH THE INTERNATIONAL YACHT RESTORATION SCHOOL**

Governor Chafee called on Tom Carlotto to give the Board of Directors a presentation with regard to an Inducement Resolution in connection with the International Yacht Restoration School (the "IYRS"). Mr. Carlotto explained that the IYRS is looking to build a 20,000 square foot school in Newport, on land that the IYRS has already purchased, which is adjacent to the current IYRS campus. He then explained the specifics of the Inducement Resolution and the purpose and effect thereof, and that the matter would come back before the Board for final approval.

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

VOTED: To approve the Inducement Resolution in connection with the International Yacht Restoration School submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, Ms. Elizabeth Francis, Mr. Jason Kelly, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Shannon Brawley.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as **Exhibit E**.

7. **TO CONSIDER ISSUES RELATED TO THE LITIGATION PENDING BEFORE THE PROVIDENCE SUPERIOR COURT KNOWN AS RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION V. WELLS FARGO SECURITIES, LLC, ET AL**

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

VOTED: That, pursuant to Rhode Island General Law Section 42-46-5(a)(2) to enter into executive session to consider issues related to the litigation pending before the providence superior court known as *Rhode Island Economic Development Corporation v. Wells Fargo Securities, LLC, et al.*

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Maeve Donohue, Mr. Tim Hebert, Ms. Elizabeth

Francis, Mr. Jason Kelly, Dr. Nancy Carriuolo, Mr. Stanley Weiss, Mr. Roland Fiore, and Ms. Shannon Brawley.

Voting against the foregoing were: None.

Members of the board, counsel and staff entered into closed session at 5:59 p.m.

The public session reconvened at 6:33 p.m.

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

VOTED: That the minutes of the Executive 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. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Tim Hebert, Ms. Elizabeth Francis, Mr. Jason Kelly, Dr. Nancy Carriuolo, Mr. Stanley Weiss, Mr. Roland Fiore, and Ms. Shannon Brawley.

Voting against the foregoing were: None.

Mr. Carlotto stated that during the Executive Session a unanimous vote of the Board was taken in accordance with Rhode Island General Law Section 42-46-4(b)(2) to keep all votes taken in the Executive Session confidential so as not to jeopardize any strategy, negotiation, or investigation undertaken with respect to the litigation.

Vote to Adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:35 p.m., upon motion made by Mr. Adams and seconded by Ms. Brawley.

Thomas Carlotto, Secretary

Exhibit A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **Monday, December 15, 2014**, beginning at **5:00 p.m.** for the following purposes:

PUBLIC SESSION

1. To consider for approval the Public Session Minutes for the meeting held on November 17, 2014.
 2. To consider, as may be appropriate, matters covered in the Executive Director's Report.
 3. To receive a status update regarding the Rhode Island Airport Corporation.
 4. To receive a presentation regarding a tourism investment plan.
 5. To approve an Inducement Resolution in connection with the International Yacht Restoration School.
 6. To consider issues related to the litigation pending before the Providence Superior Court known as Rhode Island Economic Development Corporation v. Wells Fargo Securities, LLC, et al.*
- * Board members may seek to convene in Executive Session pursuant to R.I. Gen. Laws §§ 42-46-5(a)(2) or (4) to discuss this Agenda item.

This notice shall be posted no later than 5:00 p.m. on Thursday December 11, 2014, at the Office of the Rhode Island Commerce Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP, Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Commerce Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: December 11, 2014

Exhibit B

EXECUTIVE DIRECTOR'S REPORT
R.I. COMMERCE CORPORATION BOARD MEETING

December 15, 2014

The following report highlights Commerce RI activities since the last board meeting on November 17, 2014.

Hot Topics:

- *Dassault Systèmes moves into new headquarters in Johnston*
- *Quonset Business Park Celebrates 10,000 Job Milestone*
- *U.S. Small Business Administration, Commerce RI Partner to Provide Free Counseling and Training to Enhance Small Businesses Government Contracting*

Dassault Systèmes moves into new headquarters in Johnston

The ribbon-cutting ceremony was held on December 9 for Dassault Systèmes' new Rhode Island offices located at the former FM Global headquarters, called Northwoods, a site that Commerce RI staff assisted the company in locating. The new facility at the Northwoods campus consists of 23.85 acres with pond and hiking trails. The company leases approximately 100,000 square feet of space and employs 345 people and contractors, with the capacity to expand to more than 425 people. Dassault Systèmes now has the necessary space for continued expansion in Rhode Island. Dassault continues to expand its workforce to meet customer demand for the SIMULIA 3D simulation software product through the recruitment of local talent.

Quonset Business Park Celebrates 10,000 Job Milestone

The Quonset Development Corporation (QDC) announced that more than 10,000 people are now working at Quonset Business Park and its Port of Davisville. A major milestone for the state and former naval air station and construction battalion base, the celebratory event was attended by the state's highest elected officeholders, including Governor Lincoln D. Chafee, Governor-Elect Gina M. Raimondo, U.S. Senator Jack Reed, U.S. Senator Sheldon Whitehouse, U.S. Representative Jim Langevin, U.S. Representative David Cicilline, Speaker Nicholas Mattiello and Senate President Teresa Paiva Weed.

Quonset is now home to almost 200 companies employing people in every sector of the economy. Since 2005, when the QDC was established, the business park has added more than 4,000 new jobs. Quonset is also home to the Port of Davisville, one of the top ten auto importing sites in North America.

U.S. Small Business Administration, Commerce RI Partner to Provide Free Counseling and Training to Enhance Small Businesses Government Contracting

The U.S. Small Business Administration (SBA) is partnering with the Commerce RI and its Procurement Technical Assistance Center (PTAC) to provide free counseling and training programs to the Rhode Island small business community on various aspects of federal, state and local procurement.

Fifteen workshops are included in the series and will cover topics ranging from marketing to the government, GSA schedules and construction contracting for the federal government. The workshops will be held around the state to encourage more small business owners to get involved in government contracting.

Additional Economic Development Updates

Business Development

General Business Development

- **Dassault Systèmes:** The ribbon-cutting ceremony was held on December 9 for Dassault Systèmes' new Rhode Island offices located at the former FM Global headquarters in Johnston, called Northwoods. The new facility at the Northwoods campus consists of 23.85 acres with pond and hiking trails. The company leases approximately 100,000 square feet of space and employs 345 people and contractors, with the capacity to expand to more than 425 people. Dassault Systèmes now has the necessary space for continued expansion in Rhode Island. Dassault continues to expand its workforce to meet customer demand for the SIMULIA 3D simulation software product through the recruitment of local talent.
- **Quick Fitting:** The company announced on December 8 that it received approval to establish an EB-5 Regional Center from the U.S. Citizenship and Immigration Services to be the first-ever program in the U.S. for funding "Made In the United States", manufacturing projects. The company plans to seek \$20 million in foreign investment through the EB-5 program that will be used for machinery and equipment in manufacturing its patented solderless copper pipe connection system.
- **RI Manufacturing Renaissance Collaborative (MRC):** The MRC Team is coordinating a marketing event with Rhode Island textile manufacturers for December 19. The goal is to review U.S. military solicitations for textile products and assess which solicitations the companies would want to chase as a joint venture partnership. We will be working with Steve Katz and the PTAC program, using their network on federal solicitations.
- **City Centre Warwick:** 2'x4' banners will be installed on utility and light poles within the district within two weeks. The banners will be scattered throughout the district on Jefferson Boulevard, Post Road and Coronado Avenue.

Federal Grant Opportunities

- **U.S. EDA Investing in Manufacturing Community Partnerships:** On December 17, the grant IMCP Advisory Board members will hear a presentation from Kevin Hively of Ninigret Partners on the business plan for the Design & Manufacturing Center project. This is the last deliverable for the EDA planning grant that will allow staff and consultants to close-out the grant and generate a final report.

Initiatives and Special Projects

- **ProvPort Cranes and Barges:** The second RFP was revised and reissued on November 25 asking the three original bidders to propose a single barge quotation for either the 300-foot barge, the 240-foot barge or the alternate proposal (used barge) that is due on December 18.
- **Sheffield School in Newport:** Several RFPs were released over the past weeks seeking architectural and LEEDS certification consultants.

Client Services

- *Active Opportunities*: 20
- *Attraction Prospects*: Six
- *Client Services Business Retention Efforts*: Staff continues to outreach to Rhode Island businesses and respond to incoming requests with 50 client meetings logged during the past month.
- *Latino Business Portal*: Progress continues on this project with an anticipated launch date of January 30, 2015. Website design is being handled by Xzito, with content development by Steer Digital Media. We recently were awarded a \$20,000 grant by Statewide Planning to help support the launch of this website.
- *Salesforce CRM Update*: Client satisfaction surveys are in process. Meetings recorded in Salesforce will automatically trigger a survey. The survey will gauge the effectiveness of staff meetings with the business community. Results will be tracked and analyzed.
- *Volvo Ocean Race*:
 - Seven teams are now down to six. On Saturday, November 29, the Danish team, Vestas Wind, ran aground off the coast of Africa and had to abandon the vessel. The team and race organizers are now working on the best way to recover the non-repairable vessel.
 - November 24: Marketing meeting for VOR promotion and an interactive experience throughout the village
 - November 25: Public safety meeting with public affairs officer for the Middletown Police Department to discuss Middletown's role in VOR
 - December 3: Stakeholder meeting with Good Harbor Techmark
 - RFP status:
 - Grounds-keeping RFP closed on December 1. No responses received. Next RFP for event production will include grounds-keeping as well as procurement of lighting and equipment.
 - RFP for portable trailer-style executive restrooms was advertised in the *Providence Journal* on Friday, December 5. A pre-bid conference will be held on December 11 at SailNewport. We are using the State MPA for standard portable restrooms.
 - Additional RFPs for a private ambulance service and waste management are being drafted and will be advertised no later than the first of the year.

Communications

The communications team continues outreach to local and national media outlets on behalf of multiple departments. From November 10 through December 10, Commerce RI and related programs were covered in 27 stories across 16 print, broadcast and online media outlets.

Commerce RI continues to distribute two bi-weekly email newsletters to an audience of 8,350. These are the *Moving Rhode Island Forward* e-newsletter, which highlights the latest Commerce RI news, and *Marcel's Memo*, an e-memo from the executive director. The two emails have an average open rate of 19 percent and a click rate of 7.5 percent.

The team continues to manage development of the Latino website and Commerce RI website design and development.

International Trade

- MEDICA and METS events are completed, in the process of collecting evaluation forms and tabulating results.
- Upcoming Seminars and Events
 - Export Compliance series being planned to start in January 2015
 - World Trade Day will be held on May 20, 2015.
 - Doing Business in Korea and Taiwan webinar planned for late January in preparation for upcoming trade mission to Taiwan and Korea
 - 2015 Trade Missions (planned):
 - Korea and Taiwan in May
 - Spain and Portugal in September
 - DEFSEC Canada in September

Procurement Technical Assistance Center (PTAC)

- 51 clients counseled, 107 counseling sessions, 149 client counseling hours
- Five new clients
- Three PTAC events with a total of 148 participants:
 - 104 attended our Annual Service-Disabled and Veteran-Owned Small Business Matchmaker and Training Event at NUWC
 - Nine attended the SBA's Boots to Business at Naval Station Newport
 - 35 attended our Marketing to State and Local Governments presentation by the Division of Purchases here at Commerce RI
- Upcoming PTAC events:
 - December 5: Senator Jack Reed joins the SBA in the signing of a memorandum of understanding with Commerce RI and the Procurement Technical Assistance Center (PTAC) to promote government contracting opportunities to Rhode Island's small business community
 - January 8: PTAC Veteran's Verification Workshop at Commerce RI
 - February 12: PTAC workshop on Construction Contracting for Government Contracts at Commerce RI

Renewable Energy Fund

Solarize

The Solarize North Smithfield program was a success. Multiple events were held during the campaign such as educational workshops and a live installation demonstration. As of Sunday, November 30, there were 58 contracts signed for a total of 441.375kW. REF staff will include a program summary in the January 2015 board packet.

Round 2 of Solarize, in Tiverton and Little Compton, is just now underway. The solar installer RFPs for those two towns were due on December 9. The selected installers will be announced publically at one event in the Tiverton/Little Compton area on January 27. The sign-up period will close the first week of May.

Third Rhode Island Stakeholder Event

The Third Solar Stakeholder Meeting was held on December 3. These meetings continue to be well-attended. Topics included the an update to the Renewable Energy Professional certificate, updates to the state's online permitting process, updates to the 2015 REF programs, implementation of the new REG program, National Grid's opening of the Interconnection Tariff (revisions are open for public comment until January 15) and a question-and-answer session for Solarize Tiverton and Solarize Little Compton solar installer RFPs.

Updates to Commercial Scale program for 2015

Grant amount has decreased by \$.10/watt for 2015. There are three solicitations posted on the Commerce RI website for 2015. The REF will now accept applications on a "rolling" basis, and installers and developers can now submit projects before the solicitation due date. This will allow staff to review projects as they come in rather than waiting until the due date to review all of the projects at one time. All projects will continue to be presented to the board of directors before final approval is granted to the installer.

Science and Technology Advisory Council (STAC)

Internal Activities

- Manage Innovate RI Small Business Fund internship and Phase 0 grant applications
- Compile report of Innovate RI Small Business Fund disbursements
- Manage 2015 STAC Collaborative Research Grant review and selection process
- Manage post grant data collection for 2013 and 2014 active Collaborative Research grants

External Activities

- Attend GPCC Annual Dinner
- Attend November Bio Science Leaders Meeting to review Innovate RI Fund progress
- Host Statewide All Hands Meeting for NSF EPSCoR participants and Senators Reed and Whitehouse
- Participate in State Police Citizens Academy

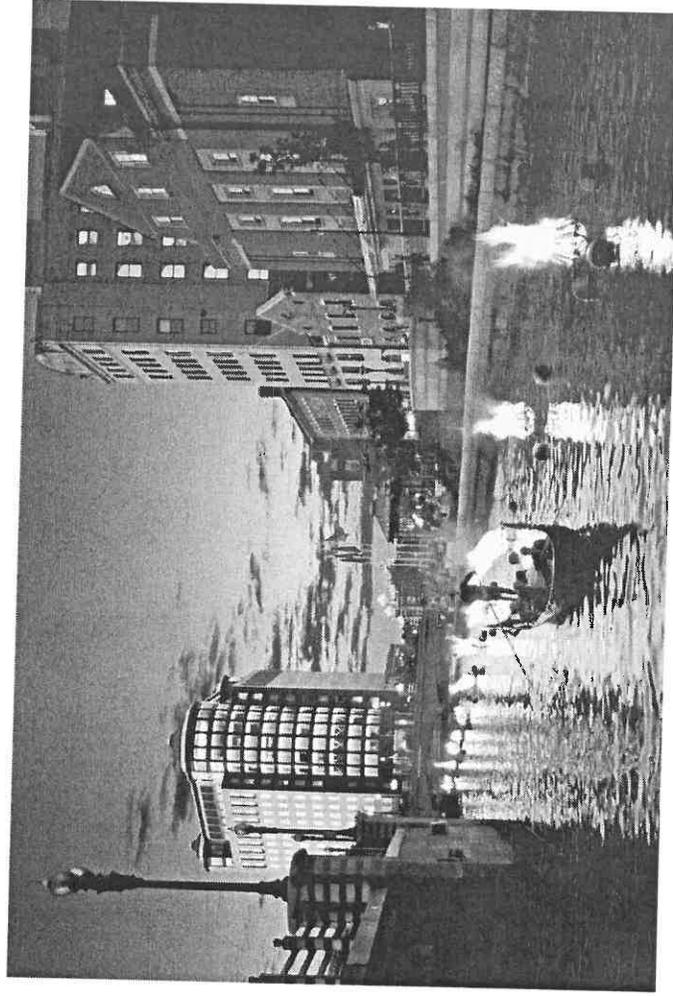
Broadband Rhode Island (BBRI)

- Received draft versions of the broadband feasibility studies for Aquidneck and Block Islands. They will be finalized the week of December 15, and Commerce RI will be briefed on December 19.
- Fourth Economy completed BBRI Final Report and Recommendations. Document provides a foundation for on-going work after the BBRI project ends as well as a set of recommendations for the incoming administration and the legislative commission.

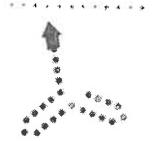
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Exhibit C

Tourism Marketing and Branding Investment Plan



Rhode Island Commerce
CORPORATION



NICHOLS TOURISM GROUP
Advisory services for an evolving tourism industry

RADCLIFFE COMPANY
Destination Solutions

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Rhode Island Commerce Corporation Tourism Marketing and Branding Investment Plan

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NICHOLS TOURISM GROUP
dedicated services for an evolving tourism industry

RADCLIFFE COMPANY
Destination Solutions

December 2, 2014

Mr. Marcel Valois
Executive Director
Rhode Island Commerce Corporation
315 Iron Horse Way, Suite 101
Providence, RI 0290

Dear Mr. Valois,

We are pleased to present our Tourism Marketing and Branding Investment Plan for your review. As discussed more fully in our report, the lack of an effective overarching state brand and marketing initiative has resulted in a loss in market share nationally and allowed other regional competitors that are investing more to increase their visitor spending.

We believe that these trends can be changed through the implementation of an aggressive new branding and marketing initiative. We have outlined recommendations for new resources and an associated deployment plan. Through effective implementation of these new efforts, we believe the state will more than recoup their expenditure with regained visitor attraction and their associated spending.

We look forward to reviewing these findings in greater detail with you.

Sincerely,

Mitch Nichols
President, Nichols Tourism Group

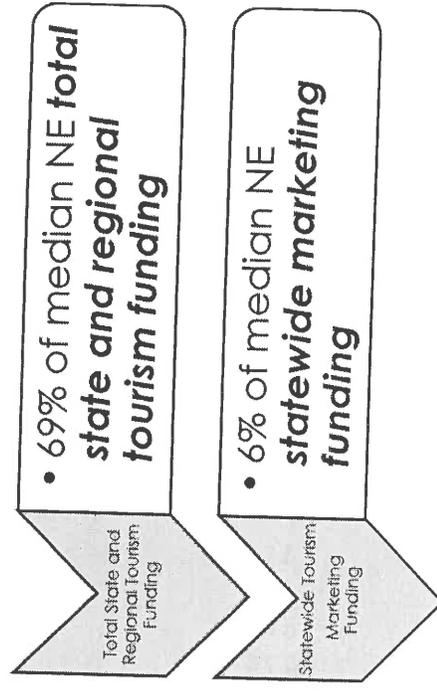
David Radcliffe
President, The Radcliffe Company

1.0 Summary of Key Findings

- ◆ For almost two decades Rhode Island has dis-invested in a statewide brand. In order to grow its market share, the State must re-invest in a statewide brand, in addition to funding regional marketing initiatives.
- ◆ The limited resources available for the state agency has been influenced by legislative decisions which began in the mid-1990s. In Fiscal Year 1996, the funds used to execute the statewide brand were redirected to the State's general fund, in turn disinvesting in a statewide brand.
- ◆ Rhode Island invests just under \$7 million annually in tourism through regional and statewide marketing efforts. Rhode Island's funding structure is unique in that limited investment is being placed on statewide marketing and branding.
- ◆ The lack of investment in a statewide brand puts Rhode Island at a competitive disadvantage when competing with neighboring states.
- ◆ Effective state destination promotion can have catalytic impacts that help raise the state destination profile, attract strategic events, build transportation networks and raise the quality of life for state residents.
- ◆ When total state funding level are considered, Rhode Island is positioned at approximately 69 percent of the median average funding level. However, its funding level is only 6 percent of the median average when resources dedicated to statewide marketing in each of these competitors is considered. This places Rhode Island at a competitive disadvantage in its ability to develop and execute on an effective statewide brand.



Source: Oxford Economics



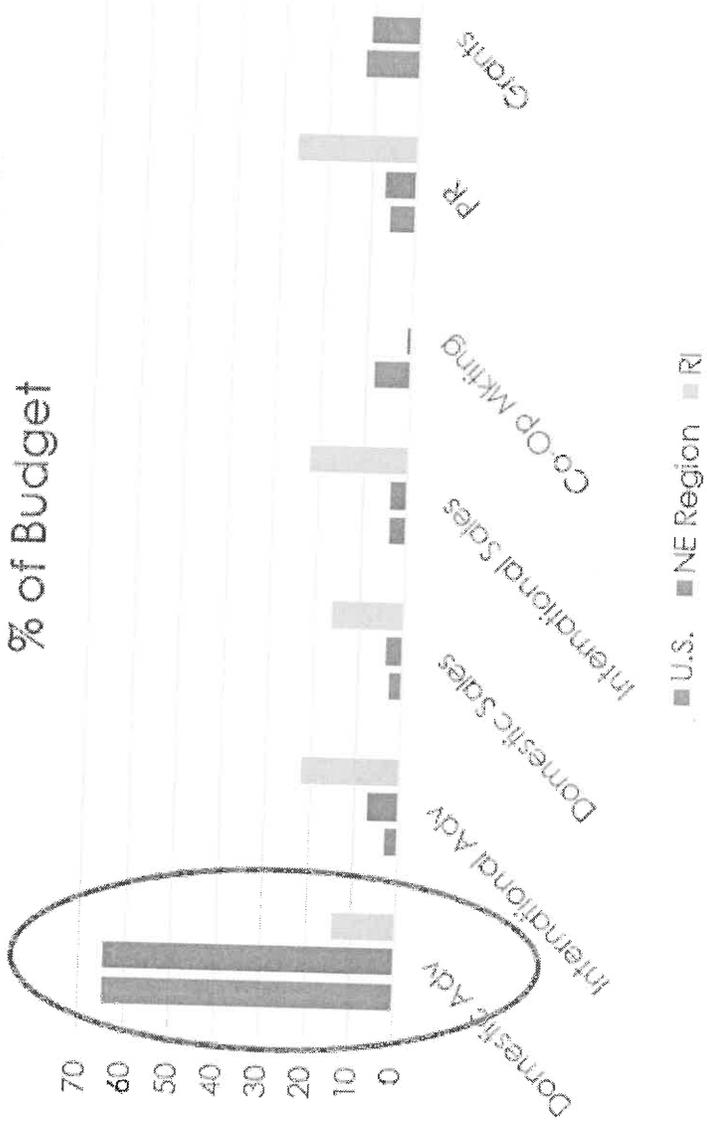
Source: NCTMRC based on USTA data

◆ At a time when Rhode Island has limited resources to develop and build a statewide brand, other regional competitors are increasing their investments to engage prospective visitors. Connecticut reversed its \$1 state tourism allocation in 2012 by committing \$24 million to regain momentum. Similarly, Massachusetts increased its FY13/14 budget to \$16 million from levels of \$6 to \$8 million in the past three years and Maine has maintained a commitment of \$7.5 to 9 million in their mission to “Become the Premiere Four Season Destination in New England.”

◆ Most statewide tourism investments deploy their promotional resources among seven main categories: Domestic Advertising, International Advertising, International Sales, Domestic Sales, Co-Op Marketing, PR and Grants. Rhode Island’s current deployment of resources is primarily allocated to international, domestic sales and public relations efforts. Most similar organizations deploy much more to domestic advertising initiatives, but the lack of Commerce Rhode Island/Tourism resources does not allow it to significantly address this area.

◆ This lack of proactive state-wide marketing is having a detrimental impact to the state. In past image studies conducted for the state, other regional competitors rank significantly higher on many attributes that are key in connecting and engaging visitors.

Statewide Investment Allocation % of Budget

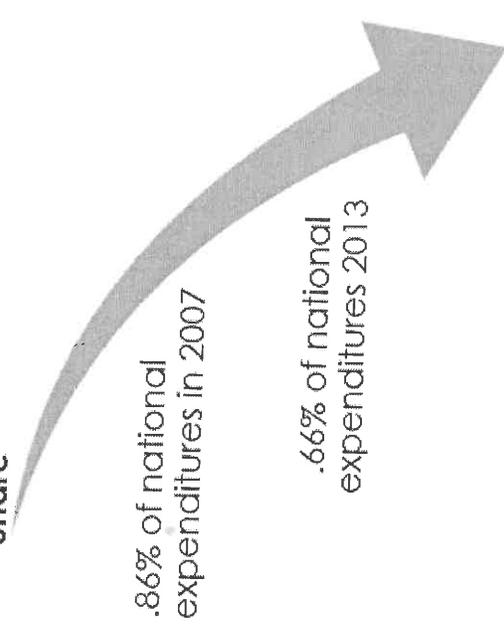


Source: USTA and NIG/IRC

- ◆ Other regional competitors have undertaken advertising effectiveness studies that demonstrate their expanded branding and marketing efforts are connecting and engaging prospective visitors. Given the ongoing funding commitment of these competitors, these trends can be expected to continue in future years.

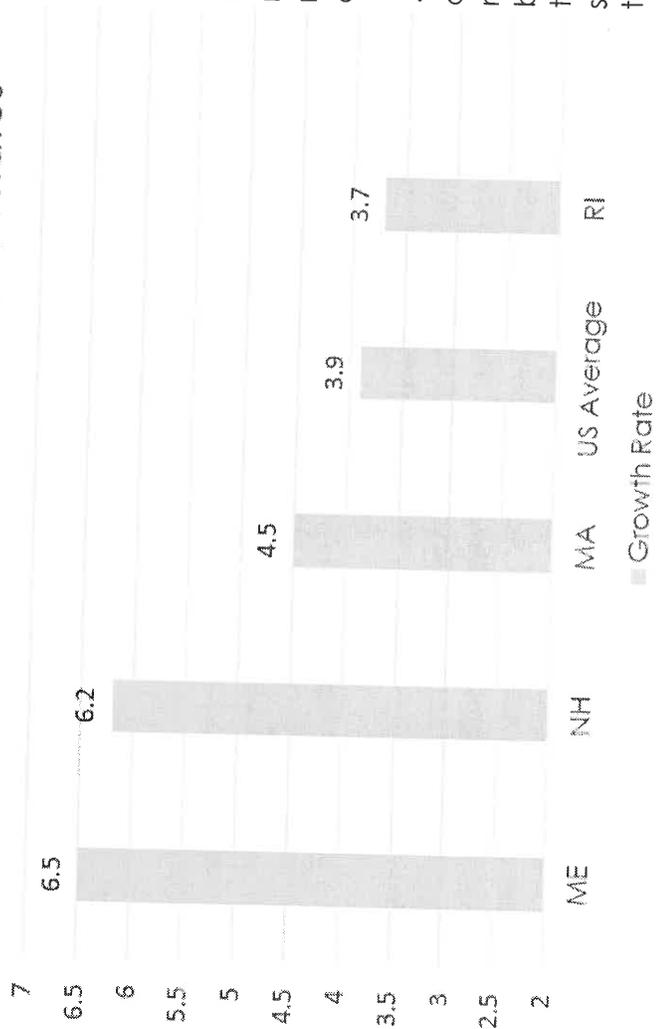
- ◆ This lack of marketing and brand presence is also an influencing factor on the state's declining market share of national tourism expenditures. Its share of national tourism expenditures has declined consistently since 2007. If the state had maintained a market share similar to what it had achieved in 2007, an additional \$1.78 billion of additional visitor spending would have been attracted to the state in 2013 alone.

Declining Market Share



Source: NTG/TRC based on data from IHS and USTA

2013 Visitor Expenditure Growth Rates



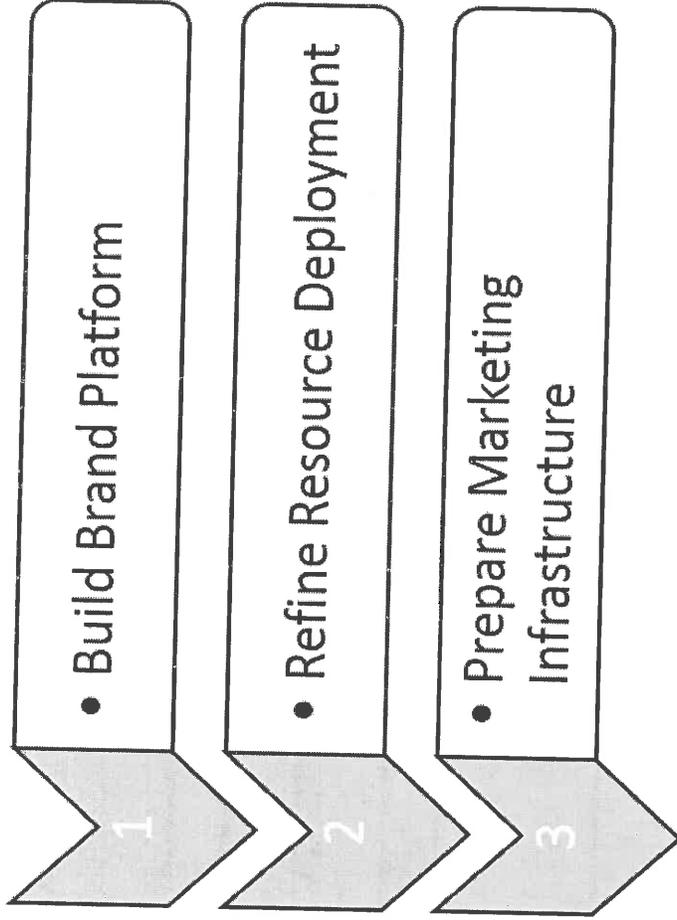
Source: NTG/TRC based on individual state visitor expenditure estimates 2013 over 2012

- ◆ These more aggressive branding, marketing and funding actions are also allowing regional competitors to achieve growth rates at levels of visitor expenditures significantly higher than Rhode Island.
- ◆ In order to reverse these trends, a new commitment to funding at a state-wide level needs to be made. A stabilized \$4 million budget would position the state just above the median levels nationally when the state's population base or hotel room inventory is considered.

- ◆ These new resources would be directed towards three primary objectives: 1) Build a new Rhode Island statewide brand platform and associated marketing campaign, 2) Refine statewide marketing resource deployment, focusing much more on domestic advertising initiatives and aligning more closely with national norms, and 3) Prepare marketing infrastructure to support the more aggressive statewide position of the efforts.

- ◆ With these new resources and brand/marketing initiatives, the loss of market share trends can be reversed. Considering performance of a wide range of other state tourism marketing campaigns, NTG/TRC believes new visitor attraction and their spending should allow Rhode Island to be able to achieve between a 3 to 4 times return on investment when state sales and occupancy tax generation is considered.

- ◆ Considering performance ratios of IHS, an effective statewide campaign with these levels of return would result in approximately 500,000 to 670,000 new visits to the state. When the spending of these new visitors are considered, approximately \$210 to \$280 million of expenditures would be attracted to the state generating \$9 to \$12 million in state sales and occupancy tax. Importantly, this new spending could be expected to support an additional 2,500 to 3,300 additional jobs for the state.



Potential 3 to 4 times return on new tourism branding and marketing investment

New Visitors to RI

New branding and marketing potentially generating 500,000 to 670,000 new RI visitors

New Spending

New visitors potentially spending \$210 to \$280 million in new expenditures

New Tax Generation

These new expenditures potentially generate \$9 to \$12 million of state sales and occupancy taxes

New Jobs

The new spending could be expected to support an additional 2,500 to 3,300 jobs

- ◆ If the state continues with a “status quo” approach to a statewide branding and marketing presence, continuation of the past loss of market share can be expected. Based on tourism expenditure estimates from IHS Consulting and the US Travel Association, NTG/TRC estimates that for each one-tenth of a percentage point loss in market share, Rhode Island will lose approximately \$900 million to other more aggressive competitors.

- ◆ A variety of new metrics should be tracked as new initiatives are launched to track and evaluate effectiveness.

“Status Quo”

=

**Likely Continued
Loss in Market
Share**

2.0 Rhode Island in a Competitive Context

2.1 Funding of State Tourism Organizations

One of the most important factors influencing the successful attraction of both domestic and international visitors is the level to which a state competes and works to convince prospective visitors that their destinations should be at the top of the list. That is why every state in the nation operates and/or assists in funding a destination marketing organization (DMO,) most often a state tourism agency.

A recent study by Oxford Economics helps place the role of the visitor industry and its impacts to other economic elements of a destination's economy into perspective.

They demonstrated that the visitor industry has outpaced other industry sectors in terms of rebounding employment since the depths of the 2009 recession.

In the report, they also noted that destination marketing plays an integral and indispensable role in the competitiveness of the visitor economy by addressing the unique challenges and opportunities that each possess.

Destination marketing plays an integral and indispensable role in the competitiveness of the visitor economy by addressing its unique challenges.

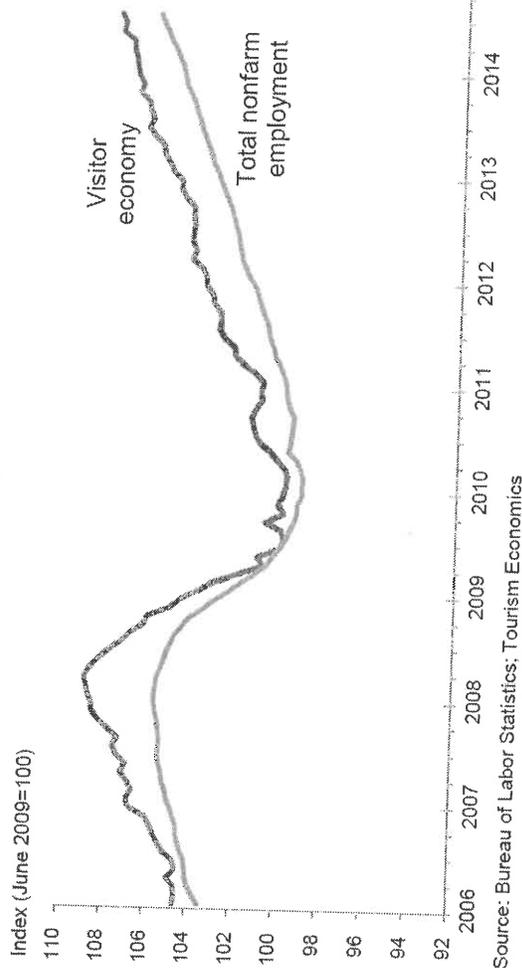
That is why so many states have not only

maintained, but increased their investments in statewide tourism marketing efforts. They recognized the healthy orientation of this economic cluster and recognize that much of the spending by external visitors can be directed to a certain destination with effective marketing and promotional activities.

This study also recognized that the impacts of successful destination marketing and promotion not only raises the profile of a destination and the likelihood of attracting additional visitors, it also can be a key factor in helping to stimulate new events and meetings

Visitor economy employment trends

Compared to total nonfarm employment



that can often provide exposure to prospects that are sought by other statewide economic development efforts.

Improvements to air and road transportation accessibility can also evolve as a state's visitor industry expands, providing improved access and supply logistics to other non-related industries.

Finally, Oxford Economics recognizes that the amenities and experiences enjoyed by visitors are also important quality of life elements for residents. The additional spending that is attracted generated by outside visitors helps expand these amenities beyond what local resident expenditures alone could support.

Given this background, Rhode Island and its statewide tourism marketing can be evaluated. Most applicable to Rhode Island is the scale and orientation of funding within its regional New England competitors.

The table on the following page outlines the level of funding for each of the six New England states for FY13/14 from the United States Tourism Association (USTA). The table reflects the level of funding to the state tourism agency, as well as that directed towards other regional destination marketing organizations within the individual states.

As shown in the table, Vermont, Maine, New Hampshire and Connecticut provides resources to grants or other regional organizational marketing purposes as part of the state's overall tourism budget and ranges from 3 to 13 percent of the total budget amounts. In the case of both Massachusetts and Rhode Island, the regional funding is in addition to the funds directed to the state agency. In the case of Massachusetts, the regional resources account for 38 percent of the total state agency and regional funding, while 93 percent is directed to the six tourism regions in Rhode Island.



Source: Oxford Economics

New England State Tourism Funding FY13/14

State	State Agency Funding	State Agency Grants/Regional Funding *	External Grants/Regional Funding	Total Tourism Funding	Regional % of Funding
Maine	\$9,271,000	\$1,250,000	\$0	\$9,271,000	13%
New Hampshire	\$6,891,425	\$500,000	\$0	\$6,891,425	7%
Vermont	\$3,137,885	\$143,500	\$0	\$3,137,885	5%
Massachusetts	\$15,900,000	\$2,270,000	\$6,000,000	\$21,900,000	38%
Connecticut	\$12,795,901	\$350,000	\$0	\$12,795,901	3%
Rhode Island	\$468,230	\$0	\$6,500,000	\$6,968,230	93%
Average	\$8,077,407			\$10,160,740	
RI % of Average	6%			69%	

Source: USTA Survey of State Tourism Office Budgets and NTG/TRC

* Included in overall State Agency Funding amount

The table also reflects that while the \$6.9 million of Rhode Island's total state tourism funding is approximately 69% of the average total funding commitment of the New England states, the \$468,230 that was available for statewide marketing and building a statewide brand was only 6% of the New England regional average.

These regional resources are directed towards five DMOs located throughout the state: Blackstone Valley Tourism, the Providence/Warwick Convention and Visitor's Bureau, the Warwick Economic Development Council, Discover Newport, the South County Tourism Council, and the Block Island Tourism Council.

These resources are utilized to help market and promote the unique regional assets and experiences that are located in varying areas throughout the state and play an important role in connecting these regions with external visitors. While these additional regional resources play an important role

Blackstone Valley Tourism	\$348,852
Providence /Warwick CVB	\$1,890,617
Warwick EDA	\$644,900
Discover Newport	\$2,531,155
South County Tourism Council	\$857,081
Block Island Tourism Council	\$264,825
Total Tourism Regions	\$6,537,433

Source: RICC

in the overall marketing of the state, it allows only limited resources to be directed and focused on building a statewide brand and identity.

In the case of Rhode Island, the limited resources available for statewide branding have been influenced by legislative decisions which began in the mid-1990s. In Fiscal Year 1996 the funds used to execute the statewide brand were redirected to the State's general fund, in turn disinvesting in a statewide brand. It was at that time that the Economic Development Corporation became responsible for funding the activities that support statewide branding through its appropriation. Over the years, the agencies appropriation has significantly declined and therefore it has not received additional resources that can be invested.

The challenge of these agency resources can also be considered in relation to the broader array of funding for states across the country.

When Rhode Island is considered within a national context, the \$468,230 level of funding positioned the state at the bottom of the list. This level of funding is low even given the small size of the state. When Rhode Island's budget is considered in relation to their population base, the state funds invested in statewide branding are at a level of \$.45 per capita. When population levels of the states noted in the previous table are contrasted to their budgets, a national

US State Tourism Office Budget FY 2013/14

Hawaii	\$82,000,000	15.5	South Dakota	\$12,665,000	1.5
Florida	\$69,556,042	22.1	Alabama	\$11,632,431	16.5
California	\$60,379,016	-3.0	Wyoming	\$11,626,134	-9.1
New York	\$60,000,000	215.8	Maryland	\$11,426,332	7.8
Illinois	\$51,477,609	1.2	Kentucky	\$10,588,000	-7.9
Texas	\$42,503,619	4.2	New Mexico	\$10,332,300	24.5
Michigan	\$31,440,000	14.6	North Carolina	\$9,914,457	-1.6
Arizona	\$24,733,353	22.8	Maine	\$9,271,000	4.6
Virginia	\$20,814,380	19.7	New Jersey	\$9,000,000	0.0
Tennessee	\$19,200,400	79.6	Pennsylvania	\$7,435,000	28.0
Louisiana	\$18,768,245	-18.0	New Hampshire	\$6,891,425	-0.1
Alaska	\$18,700,000	0.0	Georgia	\$6,707,699	-1.4
South	\$17,337,043	38.2	Mississippi	\$6,420,243	1.8
Arkansas	\$16,919,142	-0.4	North Dakota	\$5,537,331	15.7
Massachusetts	\$15,900,000	24.2	Nebraska	\$4,888,931	10.8
Nevada	\$15,340,702	7.5	Iowa	\$4,822,132	19.2
Wisconsin	\$15,232,200	2.0	Vermont	\$3,137,885	-2.1
Colorado	\$15,000,000	10.0	Indiana	\$2,400,000	0.0
Oklahoma	\$14,286,994	7.4	Delaware	\$2,200,000	0.0
Montana	\$14,243,528	-2.4	Rhode Island	\$468,230	NA
Minnesota	\$13,928,000	62.8	Total	\$837,593,580	15.5
Oregon	\$13,725,000	7.5	Average	\$19,036,218	15.5
Utah	\$13,401,150	27.3	Median	\$13,563,075	12.9
Missouri	\$13,024,956	12.9			
Connecticut	\$12,755,901	24.5			

Source: United States Travel Association - Survey of State Tourism Office Budgets and RICC

median of \$2.77 per capita is derived, thus Rhode Island is 85% below this national median. This funding level can also be considered in terms of the number of hotel rooms in the state. With just over 10,000 rooms in the state, Rhode Island statewide marketing funding translates to \$45 per room, a level approximately 85% below the \$272 average for the six state New England region.

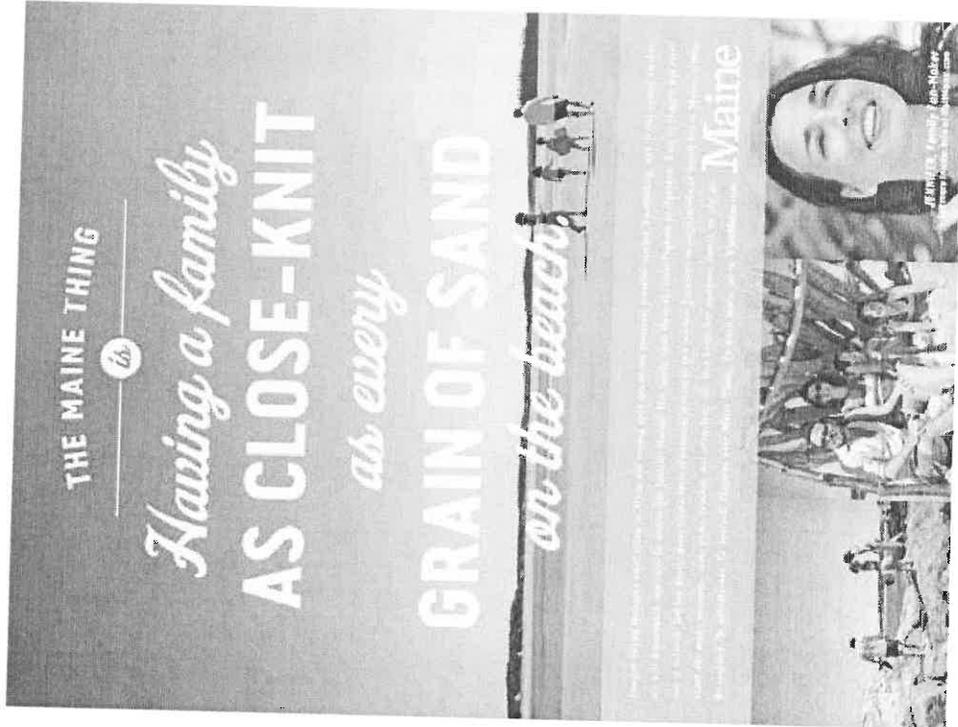
A closer examination of some of Rhode Island's more aggressive competitors also puts these competitive realities into perspective.

Maine - Since 2005, this state has consistently funded its tourism industry at annual levels of between \$7.5 and \$9 million dollars. The funding is provided through a dedicated 5% allocation of the state's 7% meals and room sales tax. The Maine Office of Tourism commits approximately 10% of their annual budget to 8 regions throughout the state for cooperative marketing initiatives through their Maine Tourism Marketing Partnership Program.

This has allowed the state to maintain an aggressive marketing campaign designed around "The Maine Thing." A mix of paid media, public relations, email marketing, social media, fulfillment, international marketing and trade shows are incorporated to build new visitor interest and demand in the state.

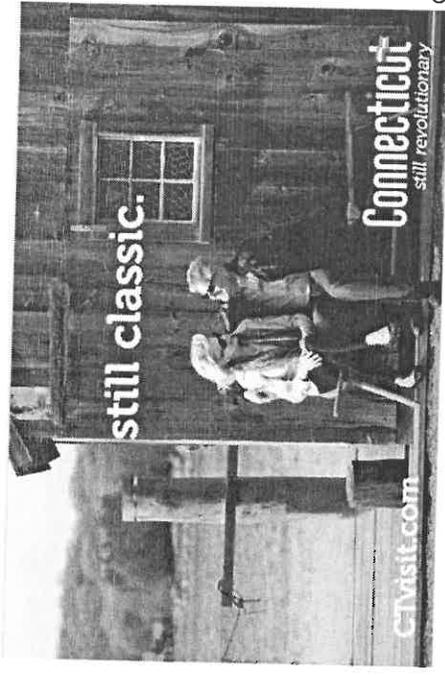
The campaign works to "evoke emotional connections" with prospective visitors and incorporates a range of themes and targets, all around "The Maine Thing" brand. This level of fiscal commitment and aggressive initiatives is targeted to help them fulfill their mission to "Become the Premiere Four Season Destination in New England."

Connecticut - After two years of committing no resources to tourism marketing, in 2012 the Governor announced a two year, \$24 million marketing initiative to develop, foster and stimulate the state's brand identity and bolster its reputation as a business and tourism destination. Governor Malloy has recognized the power and potential of using the visitor industry for broader economic development purposes.



"For the last two years, Connecticut has been the only state in the region to have allocated no marketing money for stimulating business development and tourism. As we looked at competing states' branding plans, we knew we needed to advertise the state aggressively as a great place to do business and visit. This smart new strategy, leveraging the state's investment in tourism to further economic development goals for attracting new business and recruiting new talent, will help us get there."

Governor Dannel P. Malloy



Approximately \$13 million was expended in FY13/14 and focused on new branding initiative and rollout built around a "Connecticut Still Revolutionary" theme. These recent investments are estimated to have generated \$219 million of tourism spending, with the associated tax generation more than paying for the state's investment.

The state is supported in its marketing efforts with 3 tourism regions, representing the eastern, central and western regions of the state. Connecticut has refined these regional operations a number of times in the past. In the 1990s the state possessed 11 regions, but this was reduced to 5 regions in 2003. The state reduced these further in 2009 to the current 3 regional operations. There have been discussions of refining the regional allocation further, in favor of a broader grant program in which the regional entities, as well as other organizations, would compete for the funds. While these revisions were discussed in relation to the state's new funding commitment, the current regional allocation has been maintained.

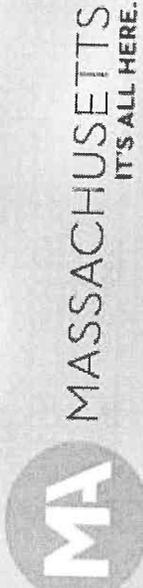
Massachusetts

In FY2009, the state dropped its commitment to the Massachusetts Office of Travel and Tourism (MOTT) from approximately \$12 million, to between \$6 and \$8 million in each of the next 3 years. It reversed this trend in FY2013/14, increasing funding to approximately \$16 million.

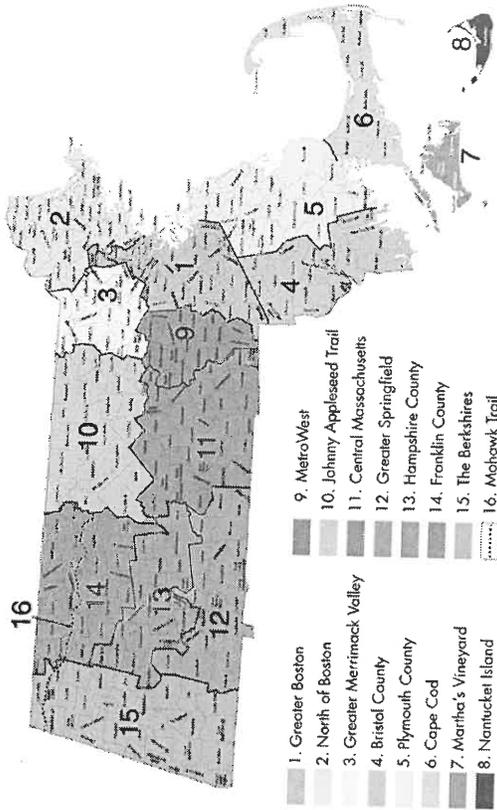
Massachusetts' current campaign is focused around a tagline "Its All here" and is directed towards positioning Massachusetts as a place to study, live, work, vacation, or grow a business. While the campaign had previously been used for broader economic development purposes, the tourism industry has now embraced it and is leveraging the visitor industry to build interest in Massachusetts.

In addition to the state directed funds, an additional \$6 million is allocated to the state's 16 tourism regions and their

associated Regional Tourism Councils through a Regional Grant program. The grant program is administered by MOTT and requires a one to one match of non-governmental resources.



MASSACHUSETTS TOURISM REGIONS



2.2 Deployment of Tourism Resources

In addition to the overall level of resources the Rhode Island state tourism office possesses, it is also important to consider how the resources are deployed. Typically, state resources are directed to one of the following seven main promotional categories:

1. Domestic Advertising (including media and production)
2. International Advertising (including media and production)
3. Domestic Sales Promotion
4. International Sales Promotion
5. Cooperative Marketing (Including Domestic and International)
6. Press and Public Relations
7. Grants (including matching and direct grants)

The following table identifies the average percentage allocation of promotional resources across the seven categories and further explanation within each area follows.

Percentages and Amounts of Total Budgets Allocated by Deployment Categories

	Domestic Advertising	Int'l Advertising	Dom. Sales	Int'l Sales	Coop. Marketing	Public Relations	Grants
US Average	65%	3%	3%	4%	8%	6%	12%
New England Regional Average	65%	7%	4%	4%	1%	7%	14%
Rhode Island	14%	22%	16%	22%	0%	27%	0% **

Source: United States Travel Association - Survey of State Tourism Office Budgets
 **Does not include the \$6.5 million in regional grants made outside of RI state agency

Domestic Advertising

Expenses in this category reflect all expenses associated with any advertising within either regional feeder or US national consumer markets. Print, broadcast and digital media advertising expenses for space or air time, plus all production expenses are included in this category.

As shown in the previous table, this is where most states dedicate the bulk of their promotional resources, with approximately two thirds of the promotional resources dedicated to these uses by both national and regional groups. By comparison, Rhode Island has undertaken very little domestic advertising, and that has occurred and been refocused in digital marketing initiatives. With the very limited funds available, the state has relied on regional organizations to develop awareness and brand positioning in external visitors' minds.

International Advertising

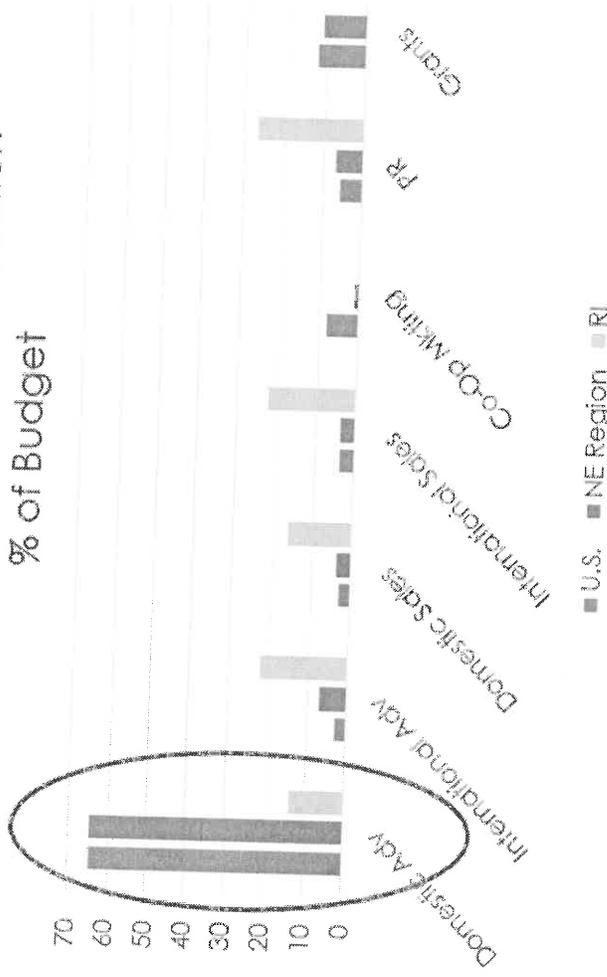
Media expenses in this category are associated solely with placements that reach markets outside of the US. In some states, a significant portion of this advertising is often part of a broader co-op advertising program often led by the state or, in some cases, a regional partnership like "Discover New England."

On a national basis, approximately 3% of promotional resources are directed to this category. Given the more prominent position of the northeast portions of the U.S. in international markets, a larger 7% is dedicated in the New England states. Rhode Island has participated in these international efforts primarily through its efforts with Discover New England. While a higher percentage at 22%, this is primarily a function of the smaller overall budget the state possesses, the minimum funding required for Discover New England and its lack of a significant domestic advertising initiative.

Domestic Sales Promotions

Domestic sales promotions are most often associated with specific venues or trade shows that put local sales agents

Statewide Investment Allocation
% of Budget



Source: USTA and NIG/IRC

in direct contact with third party booking agents. Usually, these domestic customers are either package tour wholesalers and/or bus tour operators. Some states would classify direct sales contacts with "receptive travel agents" domiciled and working in gateway destinations in the U.S. as domestic promotions. These agents represent foreign group travel segments to U.S. destinations and travel operators/wholesalers.

Both on a national and regional basis, only 3 to 4% of the overall promotional budget is allocated to these efforts. Rhode Island has participated with entities like Star Destination Family Tour, National Tour Association, American Bus Association and Group Tour Media. These are reasonable deployments and reputable entities, but again because of the small overall budget of the state, this translates into approximately 16% of the total resources being dedicated to these sales initiatives.

International Sales Promotions

Expenses that are classified in this way are most often associated with two primary marketing elements or disciplines. Commonly, many states retain in-market overseas representation to support access to target consumers. These travel professionals act as a day to day contact and information source to overseas travel consumers and tour operators. Secondly, several large, well established trade shows and hosted buyer exhibitions are produced throughout Europe and Asia. Expenses associated with maintaining a direct sales presence at these venues are included and classified within this category.

On both a national and regional basis, 4% of total resources are directed to these sales related efforts. The larger 22% for Rhode Island again reflects its participation and funding of Discover New England, with approximately half of the allocation considered as international advertising and the other half as international sales.

Cooperative Marketing

These are expenses associated with the state's share of any cooperative programs they undertake in conjunction with other tourism marketing organizations located throughout their state. These resources leverage regional resources and work to reinforce statewide branding efforts. Additionally, most states classify research, inquiry fulfillment and printing and production as cooperative marketing expenses. Nationally, approximately 8% of total promotional resources are directed to these uses. It should be recognized that while Rhode Island does not have any cooperative programs, the state does fund six of the regional organizations as previously noted in Section 2.1.

Press and Public Relations

A critical marketing platform supporting brand awareness, public and press relations are important marketing executions that support and in some cases, replace advertising as the primary communications platform for state travel and tourism agencies. These initiatives may include domestic and/or overseas representation that focuses on devel-

oping and placing story material in consumer travel-oriented publications, online travel blogs and broadcast media. On both a national and regional basis, approximately 6 to 7% of promotional resources are dedicated to public relations activities. Again, Rhode Island is significantly above these averages at 27%, but this again is primarily a function of the smaller overall budget the state possesses and its lack of a significant domestic advertising initiative.

Grants

Many state tourism agencies offer cooperative matching grant funds to municipal and regional destination marketing organizations or private sector partners that develop localized promotions and direct sales initiatives most often within a broader state promotion or branding program. On average, just over 10% of the total promotional resources are dedicated to these types of grant programs. As previously noted, Rhode Island and Massachusetts both provide regional funding through a separate allocation outside of the state tourism agency.

Comparing Rhode Island to Others

Through this review a variety of key points can be made:

- ◆ Rhode Island has recently invested \$6.9 million of total tourism related resources, but only \$468,230 has been directed to state-wide branding and marketing efforts.
- ◆ While the state provides resources to a variety of regional organizations and they perform an important role in communicating unique tourism elements in each of their areas, these entities do not have the responsibility of branding or positioning the overall state in an external visitor's mind.
- ◆ Many neighboring states not only have a much larger state agency budget than Rhode Island, they also enjoy increased fiscal commitments and can thus expect to play an even greater competitive role in the near term.
- ◆ Rhode Island's variance in its deployment strategy of the promotional resources is largely a function of the small budget. As it relates to its international expenditures, the state has few options as its investment level is directed by the Discover New England organization. As will be shown later in this report, with a more reasonable state budget a deployment structure more similar to national and regional averages can be experienced.

3.0 Competitive Implications

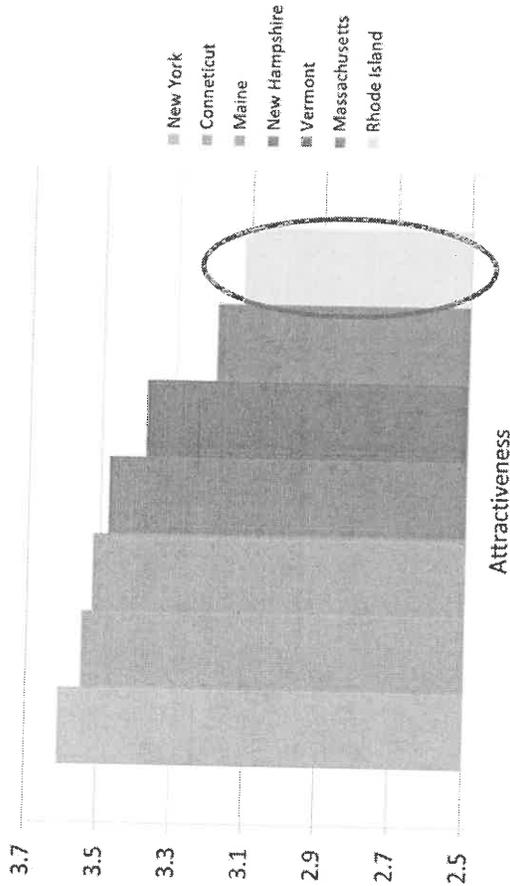
3.1 The Image and Perception of Rhode Island

The limited investment of a statewide marketing effort to position the state as a compelling visitor destination, teamed with the increasingly aggressive competitive environment, has had a clear detrimental impact to the state's visitor industry. One way to consider the state's competitive position is to evaluate how prospective visitors perceive the state, particularly in relation to other New England competitors. This type of Image and Perception study was conducted as part of a broader tourism strategic planning initiative undertaken by Rhode Island's Commerce Corporation in 2010 and 2011, a timeframe prior to the more recent increases in marketing efforts from states like Connecticut and Massachusetts.

Rhode Island's Ranking Among New England States

Feeling	RI Rank
Boring	2nd
Surprising	6th
Cultural	6th
Quaint	6th
Diverse	6th
Quiet	6th
Peaceful	7th
Hip	7th
Fun	7th
Luxurious	7th
Charming	7th
Romantic	7th
Relaxing	7th
Friendly	7th
Sophisticated	7th
Beautiful	7th

Attractiveness as a Visitor Destination



1-5 Scale Very Unattractive to Very Attractive

The findings demonstrated the general lack of identity Rhode Island possessed. When asked about the overall attractiveness of the various New England states, Rhode Island was rated the least attractive.

When more detailed questions were asked relating to the what states they associated various feelings with, Rhode Island ranked either 6th or 7th on a broad range of factors. Feelings like surprising, diverse, romantic, and beautiful play an important role in driving a destination decision. Other New England states were much more frequently associated with these attributes. The one feeling Rhode Island placed 2nd on was "Boring."

These results should not be surprising, as the state has had very limited resources to develop or build brand identity with these prospective visitors at a statewide level. While it could be argued that Rhode Island has assets that should allow it to be viewed much more positively, other competitors have been able to con-

nect more with visitors.

3.2 Rhode Island Market Share Trends

The increasingly competitive visitor marketplace and the implications to Rhode Island can also be seen when considering an all important metric, visitor spending market share. Since 2007, Rhode Island has used one of the world's most well recognized firms in estimating visitor spending and economic impact, IHS Consulting.

IHS uses a commonly applied Tourism Satellite Accounts (TSA) methodology to develop visitor spending estimates. While many destinations consider visitors must travel 50 or more miles to be considered for spending purposes, Rhode Island's small size influenced IHS to also consider those more closely located visitors in calculating spending estimates.

When these Rhode Island expenditures are contrasted to total U.S. visitor expenditures as estimated by the United States Travel Association (USTA), a disturbing trend in clear, Rhode Island is losing market share.

In 2007, the state attracted .86% of all tourism spending in the United States. While that may seem like a relatively small percentage, total expenditures are so large, that meant \$6.37 billion of visitor spending was attracted to Rhode Island.

Visitor spending market share has thus fallen from its .86% level in 2007 to only .66% in 2013. This has very clearly negatively impacted Rhode Island and its many tourism related businesses. If the state had maintained a capture rate similar to that it has demonstrated it can achieve in 2007, an additional \$1.78 billion of additional visitor spending would have been attracted to the state in 2013. Using IHS factors,

Market Share Capture Visitor Expenditures (\$Billion)

Year	IHS		USTA		TSA +under 50 miles	RI Mkt Share
	TSA +under 50	RI	US Total	US Total		
2007	\$6.37		\$738.0			0.86%
2008	\$5.27		\$772.5			0.68%
2009	\$5.07		\$699.8			0.72%
2010	\$5.22		\$747.4			0.70%
2011	\$5.52		\$812.7			0.68%
2012	\$5.67		\$854.2			0.66%
2013	\$5.88		\$887.9			0.66%

Source: IHS, USTA and NTG/TRC

Rhode Island Lost Opportunity

- ◆ \$1.78 billion visitor spending
- ◆ 20,000 + additional jobs supported

this additional spending could have potentially supported over 20,000 additional Rhode Island jobs.

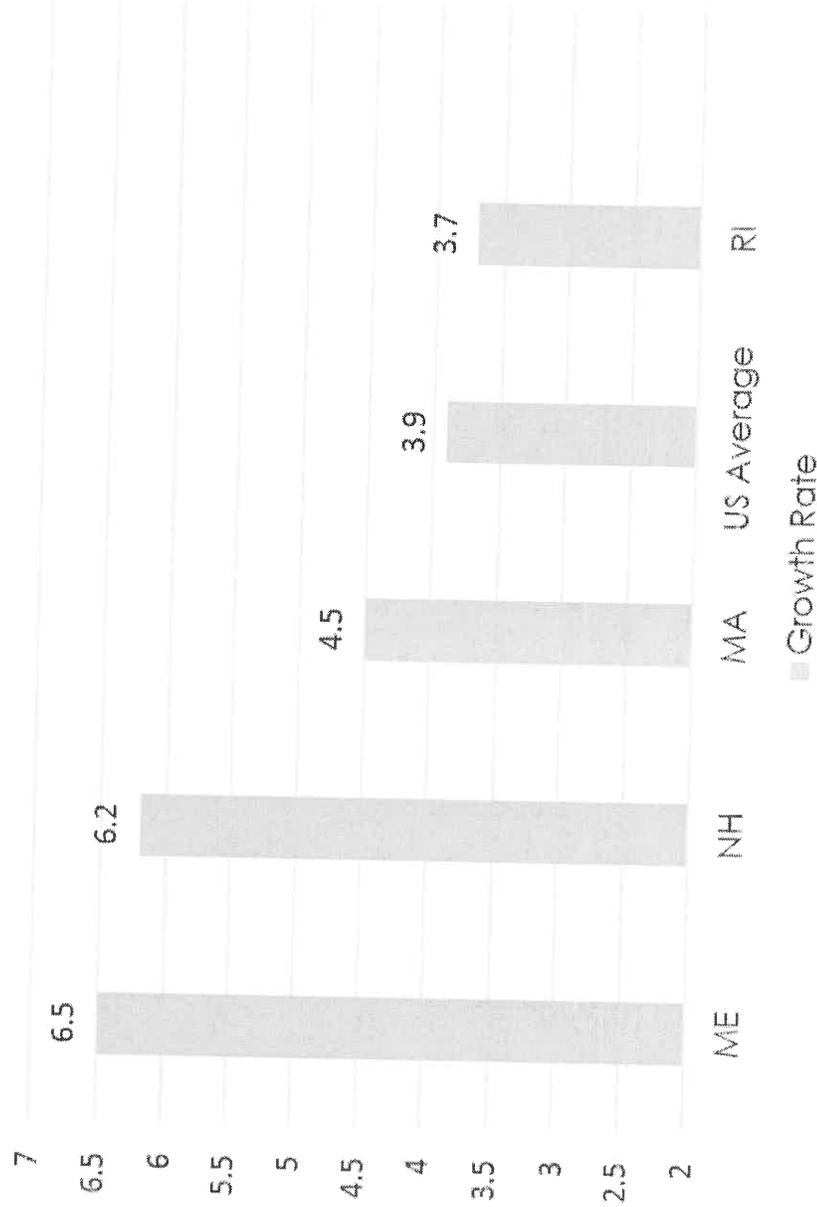
This same type of market share data cannot be developed for the New England region as the states use differing methodologies, frequencies, and contractors to estimate their level of visitor spending.

However, Rhode Island can be contrasted to the New England states that have developed estimates of 2013 visitor spending and the growth rate over 2012 levels.

As shown, Rhode Island's growth rate was similar to national averages, but other New England states have been able to outpace these national norms. When compared to these other New England states growth rates, Rhode Island is just over half that achieved by Maine and New Hampshire and is about 20 percent below that of Massachusetts.

While Vermont does not provide spending data for 2012 or 2013, one indicator they use to provide insights as to performance is bed tax collections. When these 2013 collections are compared to the previous year, Vermont shows just over a 7 percent annual increase. While not directly comparable, it does indicate that they were likely experiencing performance closer to the other

2013 Visitor Expenditure Growth Rates



Source: NTG/TRC based on individual state visitor expenditure estimates 2013 over 2012

New England competitors.

One other important New England state is Connecticut and their recent \$15 million annual expenditure in 2012. While the state does not provide estimates of total visitor spending, they did undertake new research to estimate the level of new visitation and spending their renewed marketing and branding efforts generated. Findings, as reported by the Connecticut Office of Tourism, indicated the following:

- ◆ Fully 53% of people who saw the campaign ads are interested in visiting, claim to have visited or plan to visit as a result of seeing the ads,
- ◆ A 215% increase in visits to the state's official tourism website, CTvisit.com, has been experienced,
- ◆ Approximately \$219 million has been generated in tourism spending through summer 2013 from the campaign,
- ◆ Approximately 200% of Connecticut leisure and hospitality sector jobs have recovered since the recession and is the only major industry sector to experience faster employment growth in 2012 than in 2011.

These New England regional examples indicate that Rhode Island is not only losing market share within the nation overall, their other New England competitors are achieving greater success and growing at rates above that of Rhode Island.

4.0 Marketing and Branding Deployments

4.1 Rhode Island Target State Budget and Objectives

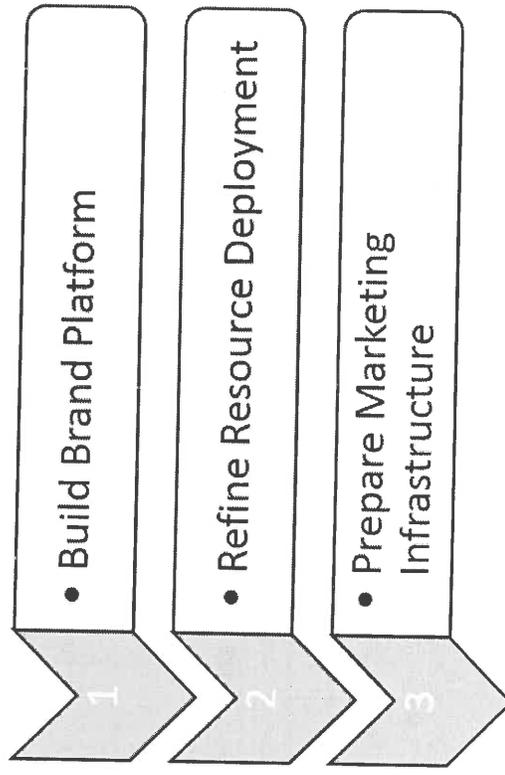
Proposed Investment in Tourism Promotion

Given the current competitive and comparable position, image and perception realities and loss of market share impacts, a much more significant statewide marketing and branding initiative is required. Considering the averages presented in Section 2.1, if Rhode Island was to commit state branding resources similar to national median levels considering both the population base and hotel room inventory of the state, a level of approximately \$3 million would be indicated. Given the lack of identity and recognition the state currently possesses, a initial year launch budget approximately 1/3rd above this stabilized level (\$4,000,000) would be recommended.

Proposed Deployment of New Resources – Initial Objectives

With these new resources, three key initial objectives would be prioritized, including:

1. Build a Brand Platform - develop a cohesive brand and marketing strategy for Rhode Island as a desirable visitor destination in America's East Coast that differentiates itself from other New England competitors.
2. Refine resource deployment - with new resources and brand, work to integrate with all direct advertising in both domestic and international markets; all direct sales promotions in both domestic and international markets; all public relations initiatives and disciplines; and all potential cooperative marketing programs that may include the state's regional promotional entities.
3. Prepare the marketing infrastructure - ensure supporting infrastructure is in place to implement new programs including: technology, leading edge web-based deployments, human resource deployments, fulfillment of new customer inquiries and programmatic support in ongoing product development initiatives that differentiate the state brand from the regional competition.



4.2 Budget Allocation

As previously noted, an initial first year budget of \$4,000,000 is recommended to allow for a more aggressive initial year launch campaign. These resources should be deployed as follows.

Building the Brand Platform – Proposed Budget \$200,000

Issue an RFP to identify and retain the appropriate third party resources to lead the brand development processes. In addition to third party expertise, the initial budget should include comprehensive consumer research, inclusive Rhode Island tourism professionals and industry leadership consultation, and state resident opinion gathering as essential foundations in the process. As detailed in IACVB's 2005 Destination Brand Science by Knapp and Sherwin, the most effective process in developing a "genuine destination brand focuses solely on strategy not promotion or visuals." Knapp describes the Destination Brand Doctrine Process that includes 5 primary action steps:

1. Assessing the destination's current situation, brand and future prospects - The situational analysis should include a thorough review of the perceptions and values current customers hold when thinking of Rhode Island in a competitive context. The array of customer segments should include a full cross-section of leisure guests, domestic and international; professional event organizers and meeting planners; travel media and tour wholesalers. The assessment should also take into account relevant economic conditions, travel industry trends, demographic and psychographic analytics influencing consumer behavior.
2. Developing the Brand Promise Commitment - This step is the foundation of the process and essentially reflects the value proposition the destination offers its customer. This promise should be tested with an array of customer segments to substantiate the factors that differentiate Rhode Island as a destination.
3. Creating the Brand Blueprint - Once the value proposition or promise is substantiated and differentiated, the blueprint can be developed. It should outline the various disciplines used to communicate the proposition including, the name and the representation (logo), bylines and tag lines and any unique stories or anecdotes which may bring the promise to life in a compelling way. Crafting the actual campaign themes and messaging strategies is usually a collaborative process that includes decision makers and stakeholders supported by creative professionals employed to serve as advisors in the process.
4. Finalizing a Brand Culturalization plan that can be used by the state and its tourism partners - This strategic action plan integrates all previous phases of the process. The written plan should include and articulate all of the research that supports and justifies the rationale serving as the foundation of the process outcomes. Equally important is the creative execution and market delivery strategy associated with a media and public relations plan. Once developed, this plan is the tool to garner stakeholder support and "buy-in" while encourages adoption and

utilization by all industry partners.

5. Establishing Brand Advantages - The advantages are effectively those elements of the essence of the brand that differentiate the destination product and the experiences it offers the current or prospective consumer or customer. The distinctive elements of the brand are the differentiators that become the essence of the unique selling propositions separating Rhode Island from its competitive set.

It is only after this strategic platform is established that creative execution of the strategy can be developed effectively by appropriate advertising executives and subsequent direct media placement strategies can be employed.

Domestic Advertising – Proposed Budget - \$2,300,000

Using the expertise of a qualified media placement professional, establish an initial media buy that begins the process of building new awareness of Rhode Island as a desirable destination. Take advantage of affordable, effective media options in print, digital and broadcast outlets that synergize the collective buy within the New England and Mid-Atlantic regions.

Significant new efforts will also be required to develop, refine and manage the electronic capabilities of the program, focusing on a new web presence that reinforces the new brand and integrates key marketing themes. Innovative ways to engage prospective visitors will be required in these efforts and should be carried through in other social media channels. While these electronic and digital initiatives

International Advertising – Proposed Budget - \$150,000

Maximize Rhode Island's position as an integral travel asset in the New England region by investing aggressively in every opportunity available through DISCOVER NEW ENGLAND. Forge partnerships with the other New England states, particularly Massachusetts and Connecticut that expand the budget's impact.

Domestic Sales – Proposed Budget \$75,000

Take advantage of every domestic sales venue that allows the state to reposition itself as a viable option for operators and wholesalers by serving up the unique travel experiences that differentiate Rhode Island and the brand promise.

International Sales Promotions – Proposed Budget - \$100,000

Expand and take advantage of all Brand USA cooperative sales and marketing promotions that introduce the brand and Rhode Island's unique product differentiators. Investigate the feasibility of co-participation in important overseas sales venues that offer an expanded New England regional presence and position. Consider co-funding overseas representation with one or more New England partner states.

Cooperative Marketing Programs – Proposed Budget – \$100,000

Encourage and expand brand placement and position by offering cooperative platforms and programs to the tourism regions and the private sector in Rhode Island. The cooperative marketing initiatives should be focused on serving up the regional product experiences within the state. Reward the regions that pursue the development of linked and integrated product experiences within and inter-regional context.

Public Relations – Proposed Budget - \$250,000

Support all domestic and international target markets with an aggressive public relations program that enhances the media placement schedule. Seek unique digital publications, blogs and social media platforms that strengthen awareness of the Rhode Island Brand and its unique travel products. Consider cooperative PR representation in key overseas feeder markets with direct air service to the New England hubs.

Administrative, Human Resources and Marketing Infrastructure – Proposed Budget - \$825,000

As these expanded branding and marketing initiatives are crafted, an evaluation of the infrastructure to support the programs should be made, particularly focusing on the electronic resources that will allow the state to maintain and expand engagement with prospective visitors. Following the initial infrastructure assessment, invest in tech and digital marketing assets designed to enhance engagement with the domestic and international consumer. Increase emphasis on multi-lingual collateral development used to serve up Rhode Island products to the international and domestic travel trade in addition to all consumer segments. Approximately \$300,000 of this line item is envisioned to support these efforts.

Administrative and Human Resources

An aggressive marketing and destination branding program requires talented professional expertise to implement initiatives that reach the targeted consumer and trade markets. Some additional staffing and support resources would be required to help ensure that the office is prepared to respond and manage the expanded scope of these efforts. Approximately \$525,000 of this line item is directed to these uses.

Through these deployments, Rhode Island would be very similar to national averages.

	Launch Budget	Budget %	US Avg %
Branding	\$200,000		
Domestic Advertising	\$2,300,000	77%	65%
International Advertising	\$150,000	5%	3%
Domestic Sales	\$75,000	3%	3%
International Sales	\$100,000	3%	4%
Co-operative	\$100,000	3%	8%
Public Relations	\$250,000	8%	6%
Administration & Mktg Infrastructure	\$825,000		
Total	\$4,000,000		
Promotional	\$2,975,000		

Source: NTG/TRC and USTA

4.0 Prospective Impacts of New Initiatives

4.1 Considering Return on Investment

As presented in Section 2.1, states across the country invest in a state tourism office and their associated marketing efforts. Recent shifts in both Massachusetts and Connecticut demonstrate how others are increasing these investments to even greater levels. They undertake these investments because they believe they will pay dividends to the state through increased visitor attraction, spending and tax generation.

States have worked to better understand the return on investment (ROI) these marketing efforts bring by estimating the simulative effects to new visitor attraction and spending relative to the investment in the marketing initiatives. Rhode Island can gain insights as to what kind of return these new investments could have by looking at results from other states.

A caveat has to be recognized in looking to these other ROI findings. The visitor industry has not developed a standard agreement on the factors and their makeup in developing an ROI factor. Different universities, private sector companies or tourism organizations will use different inputs in the process such as:

Marketing Costs - are all associated costs included considering an allocation of staff salaries, website costs, etc., or just the actual creative and placement costs of the campaign.

Stimulated Visitor Attraction - varying methodologies are used to estimate the level of new visitation stimulated by the marketing efforts and the associated spending of the new visitors.

Direct and Indirect Impacts - some will consider only the direct spending impacts when considering tax generation, while others will consider both direct and indirect impacts.

While utilizing somewhat varying inputs they most typically provide some understanding of the relate the level of state and local tax revenue generated for the costs of the initiative.

One of the most cited state tourism campaigns in recent years has been Michigan and its Pure Michigan brand. While facing one of the most challenging economic downturns in the nation, the state saw tourism as an important base industry that could attract new spending to the state.

PURE MICHIGAN®

Of the \$13 million that was expended in out of state advertising during 2013, Longwood's International estimated a ROI of \$6.66 to \$1 had been achieved. This is up from \$5.67 to \$1 in 2012 and when the campaign's full 2006-2013 time period is considered, a \$4.5 to \$1 factor is estimated to have occurred. Michigan recognizes the importance of ongoing marketing efforts and has incorporated an ROI marketing objective of \$6 to \$1 in their 2012-1017 Strategic Plan.

The logo for California's "dream big" campaign. The word "California" is written in a large, bold, sans-serif font. Below it, the words "dream big" are written in a smaller, lowercase, sans-serif font. A thin horizontal line runs through the middle of the "California" text.

California is another state that has heavily invested to drive new visitors to their state. They have consistently allocated over \$50 million annually to state tourism promotional initiatives since 2007. Their most recent ROI study was conducted in 2011 by Strategic Marketing and Research and it found an ROI of \$19 to \$1 with the campaign. Similar findings were experienced in studies conducted in 2009 (\$20 to \$1) and 2010 (\$18 to \$1)

On a more regional basis, New Hampshire and the Department of Travel and Tourism Development worked with Plymouth State University and undertook an ROI analysis in 2013 for its tourism promotion activities. The University found a \$9 to \$1 ROI was achieved by the Department. Similar to California, the University has been undertaking this analysis for the last number of years and has found similar factors since 2009.



New Hampshire

The logo for Connecticut's "still revolutionary" campaign. The word "Connecticut" is written in a large, bold, sans-serif font. Below it, the words "still revolutionary" are written in a smaller, lowercase, sans-serif font. The entire logo is set against a dark rectangular background.

As presented in Section 3, Connecticut launched their new \$24 million two-year tourism promotion initiative in 2012. The state estimates the program stimulated \$219 million in new visitor spending within the state. While a specific ROI factor is not cited, they note that the resulting visitor spending and tax generation covers the state's investment in the program.

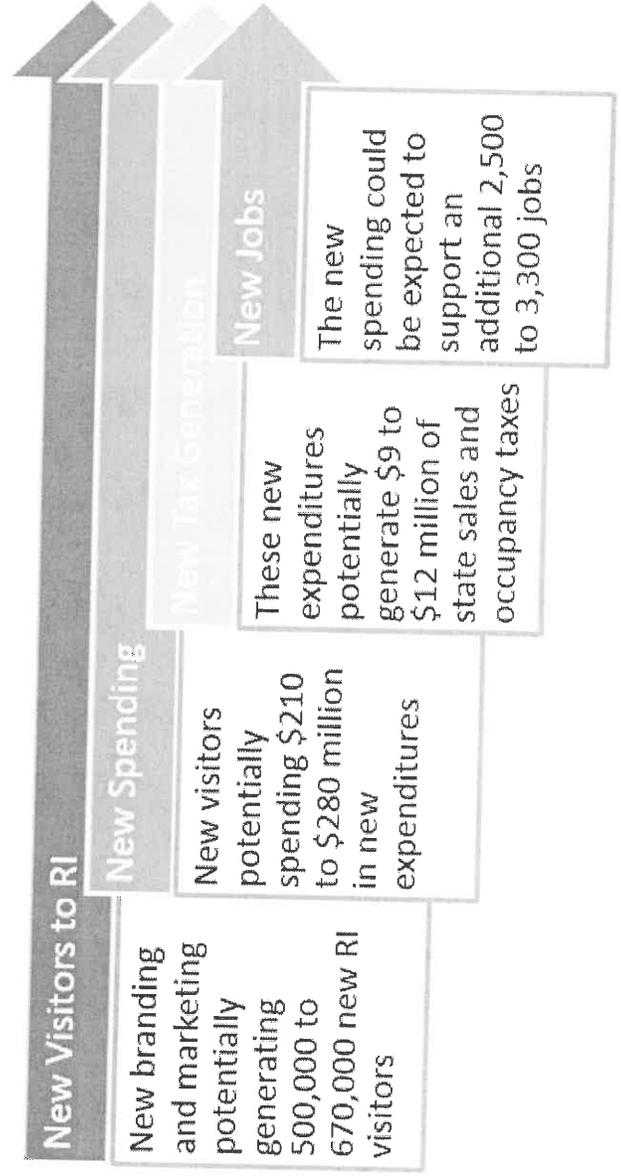
In addition to these examples, the NTG/TRC team reviewed more than 10 other analysis that demonstrated ROI factors ranging from \$2.5 to \$20 to \$1. These examples demonstrate what most other businesses across the county understand; marketing works! The expenditure to connect, engage and motivate customers can frequently far outweigh the costs of a campaign.

4.2 Rhode Island's Opportunity

As presented in Section 4.1, a \$4,000,000 initial investment launch is recommended, followed by a stabilized investment of \$3 to 4 million in future years. If these resources are deployed as outlined in Section 4 and an effective branding and marketing program is executed, Rhode Island should experience a strong ROI on these resources. This is particularly the case, because the lack of a cohesive statewide brand, limited recent state marketing resources and aggressive expanded marketing efforts of regional competitors have allowed others to gain visitation and the associated expenditures.

While results will clearly depend on the quality and effectiveness of new marketing efforts, NTG/TRC believes that the state should be able to experience returns in the 3 to 4 times their campaign expenditure level. This assumes an effective new brand is developed, a marketing campaign is crafted that effectively differentiates the state and resources deployed in an effective manner with a strong domestic advertising campaign. Considering performance ratios of IHS Consulting and their 2013 Rhode Island Tourism Report, an effective statewide campaign with these levels of return would result in approximately 500,000 to 670,000 new visits to the state. When the spending of these new visitors are considered, approximately \$210 to \$280 million of expenditures would be attracted to the state generating additional 2,500 to 3,300 additional jobs for the state.

It is important to note that any performance above a 1 to 1 factor would more than pay for the state's investment.



4.3 The Risk of Status Quo

Section 3.0 demonstrated the impacts the lack of a cohesive state brand and marketing presence has had on visitor perceptions and market share. As previously noted, this drop in market share since 2007 from .86 to .66 has cost the state \$1.78 billion in spending last year alone.

Given the aggressive nature of regional competition, these trends can be anticipated to continue into the future if the state maintains a "status quo" position in in state-wide marketing and promotion initiatives. It is critical to remember that for each tenth of a percentage point loss in market share, Rhode Island will lose an additional \$900 million in visitor spending, spending that could have supported jobs and brought new tax revenue into the state.

4.3 Monitoring Performance and Program Effectiveness

Consistent with the work of DMAI's standardized performance measurements and metrics, the team suggests a combination of approaches to measure progress in the marketing campaign moving forward.

Since calls to action from paid media will direct the consumer to a new, dynamic state tourism website, the key metrics associated with the campaign will be associated with traffic and website activity. The following metrics should be tracked on a monthly basis, considering comparisons to previous months and to previous years.

Website Statistics

- ◆ Number of unique visits
- ◆ Length of time on the site
- ◆ Bounce rates
- ◆ Intent to travel
- ◆ Visits to various pages
- ◆ Responses to specific promotions on the site

In addition to these website metrics, a mix of activity measures should also be tracked including the following direct sales and public relations metrics.

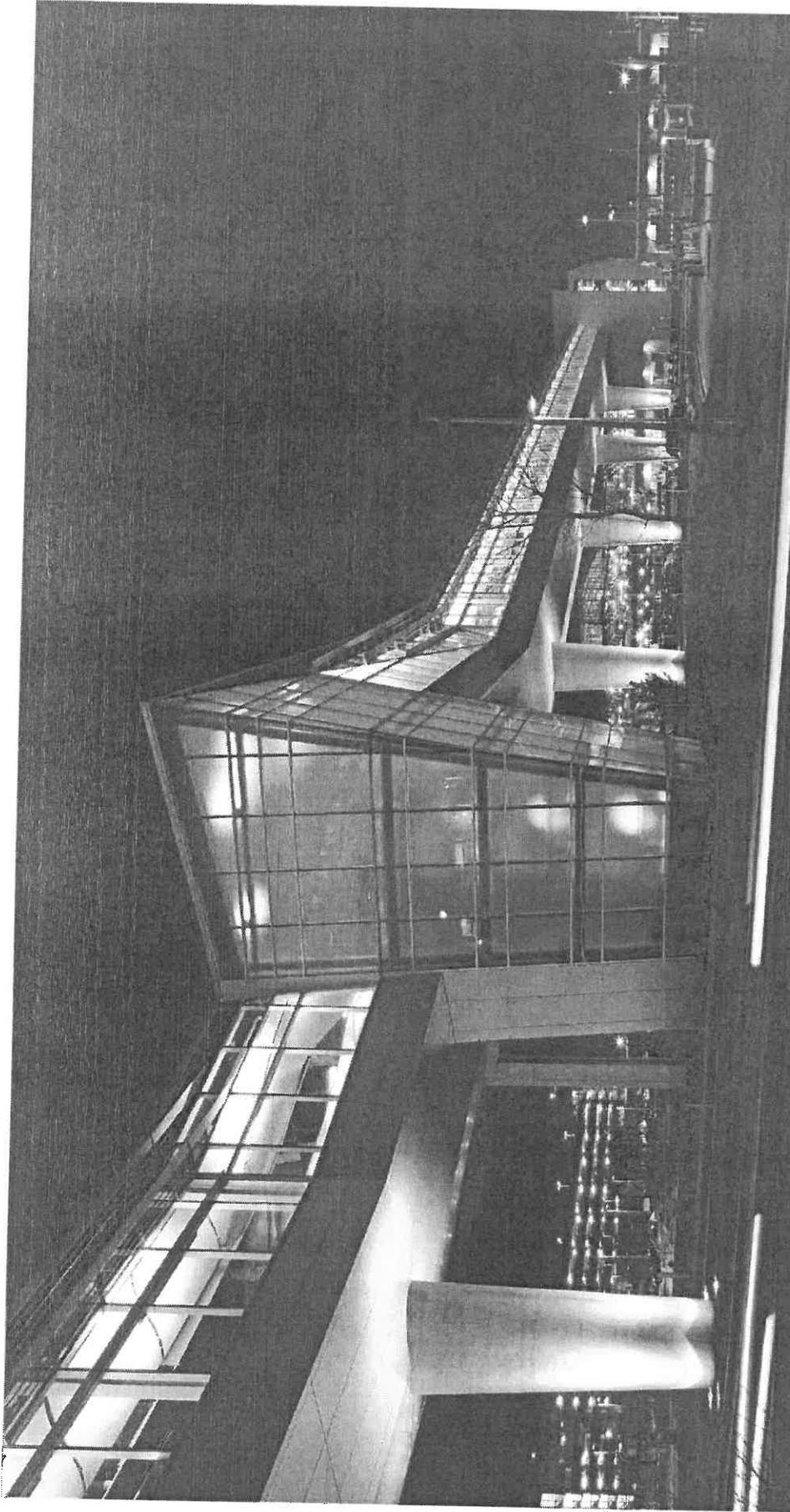
- ◆ Tradeshow Participation
- ◆ Familiarization Tours
- ◆ Sales Missions
- ◆ Lead Generation
- ◆ Sales Calls
- ◆ Prospective Client Events
- ◆ Client Site Inspections
- ◆ New Itineraries developed

- ◆ Advertising Equivalency
- ◆ Ad Impressions

This collective set of metrics can be used to in conjunction with a dedicated analysis of the actual performance and return on investment of the new developed brand and subsequent advertising campaign. An advertising effectiveness study as referenced in Section 4.1 should be undertaken within twelve months of the launch of the new branding and marketing initiative. This study would focus on key markets in which the campaign was run and would survey prospective visitors, identifying advertising recall, brand identification, intent to travel and overall destination identity. Findings from the study would then be used to estimate levels of new visitor demand and spending generated from the campaign. These revenue estimates would then be contrasted to campaign expenditures, allowing a return on investment ratio that can be used to evaluate overall effectiveness of the new invested resources.

Ongoing tracking of bed tax receipts and the overall economic impact of the tourism industry undertaken by IHS Consulting should also be maintained. While these metrics are influenced by factors that go beyond statewide branding and marketing initiatives, they are important broad measures of the industry's overall performance and will be an additional measure that can be related back to the website, sales, PR and advertising effectiveness metrics to provide industry and political leaders insights on how influencing state tourism performance.

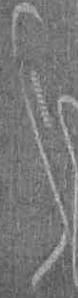
Exhibit D



PVD

Air Service Development

2014/2015

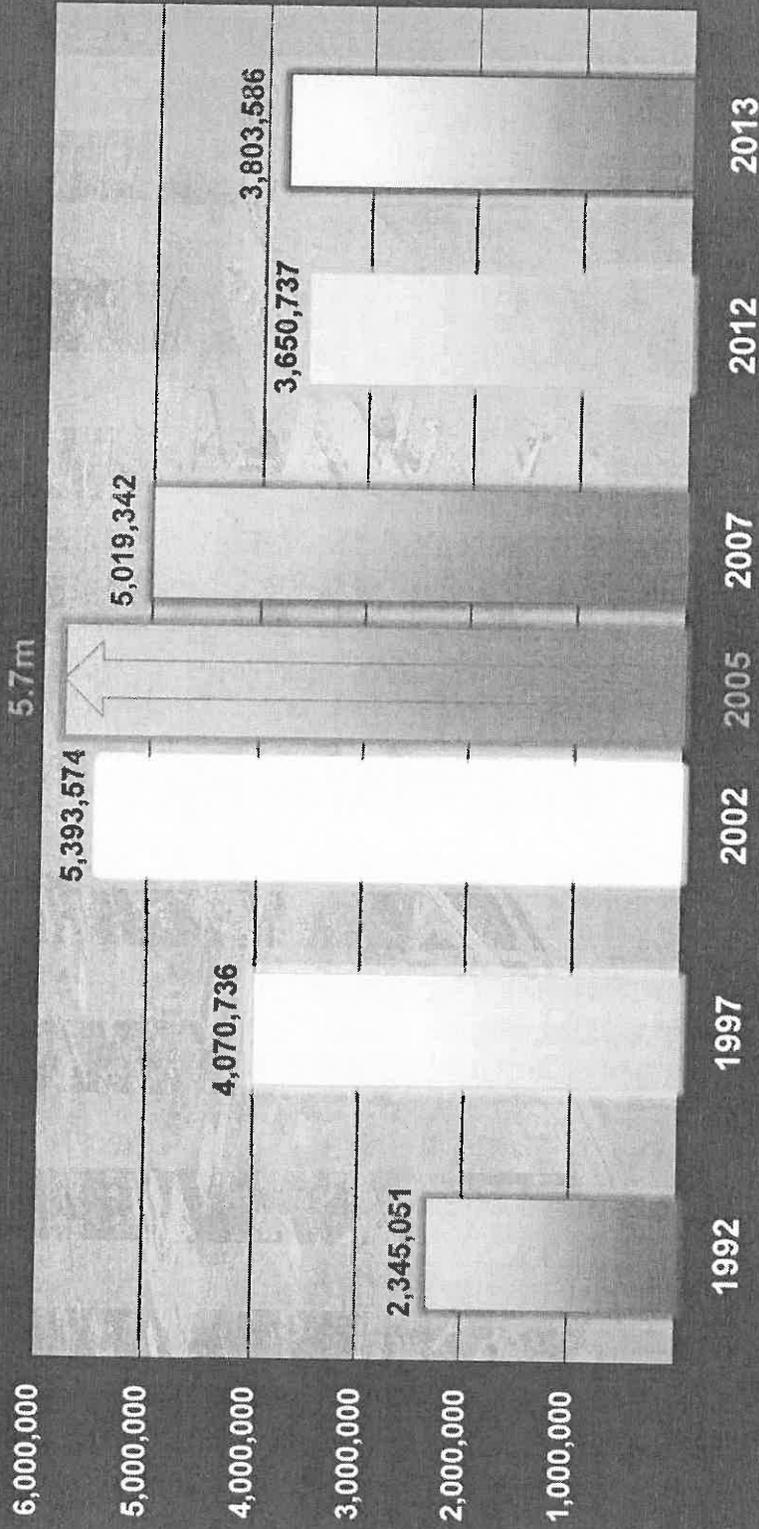


Green Airport

pvdairport.com

Air Service Development

Total Annual Passengers



Green Airport

pvdairport.com

Air Service Development

Timeline 1997 to 2000



Passengers nearly double when Southwest Airlines opens its first New England station at PVD on Oct. 27, 1996

1997

(2,483,910 passengers in 1996)



4,615,309
Passengers

1998

1999

2000

Southern New England's Business Weekly

Providence Business News

January 24 • January 30, 2000 • Providence Business News Co. • www.pbn.com • \$1.25

Travel at T.F. Green tops 5 million

Airline	1999	1998	Percent change
American	385,792	237,827	20.27%
Air Ontario	24,537	28,467	5.65%
Air Trans Canada	0	0	---
Business Express	96,144	88,608	8.50%
Cap Air	35,697	22,138	61.22%
Continental	212,795	158,024	34.24%
Comair	194,775	175,405	11.04%
Champion (Ent'l)	77,815	90,177	(13.21)%
Delta	627,727	651,551	(4.11)%
Northern Eagle(2)	32,596	47,696	10.42%
Northwest	240,887	203,289	18.25%
Southwest	1,403,694	1,178,883	22.40%
United Airlines	1,350,819	1,271,596	45.94%
US Airways	18,374	1,542,501	0.00%
Charters	18,374	25,025	(26.65)%
Total	5,141,877	4,615,309	11.30%



Air Service Development

Timeline 2005

5.7 million
passengers

111 daily
departures

11 Airlines

11,225
available
seats (daily)*

26 markets
(nonstop service)

Average
5.3 million
passengers

2001-2004

2005



* Planes flew 60-70% full

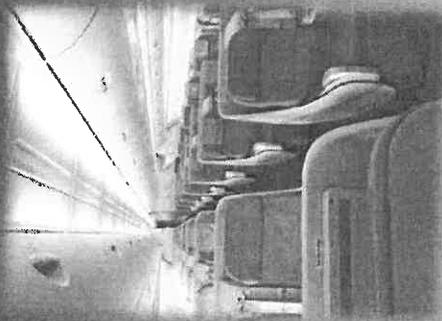
Green Airport

pvdairport.com

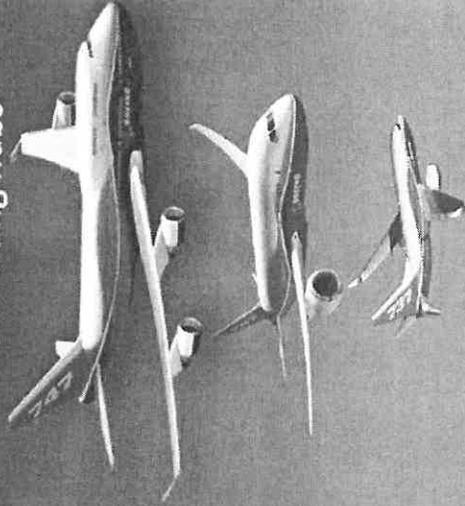
Air Service Development

Airline Industry Changed

Airlines stop flying half full planes



Smaller aircrafts used as airlines abandoned less profitable non-stop destinations in favor of more profitable connecting hubs



Less available daily flights and seating



2006

2007

2008

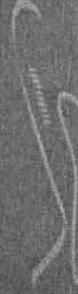
2009

2010

2011

2012

2013



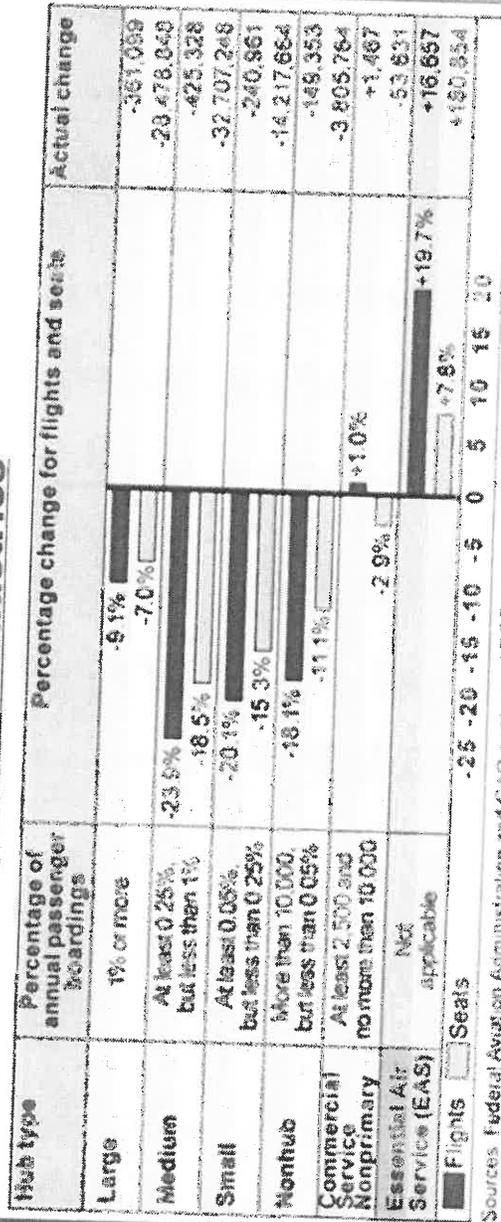
Green Airport

pvdaairport.com

Air Service Development

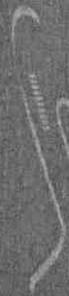
Airline Industry Changed

Bloomberg Businessweek Companies & Industries



Sources: Federal Aviation Administration and CAO analysis of DOT data

2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013

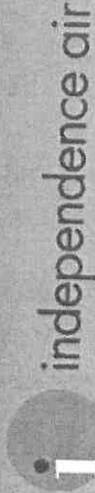


Green Airport

pvdaairport.com

Air Service Development

Airline Industry Changed PVD 2005



2006

2007

2008

2009

2010

2011

2012

2013



Green Air

pvdairport.com

Air Service Development

Airline Industry Changed

PVD 2014

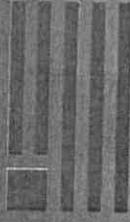
Airlines have consolidated, merged, or in some cases gone out of business



UNITED



U.S. AIRWAYS



jetBlue

2006

2007

2008

2009

2010

2011

2012

2013

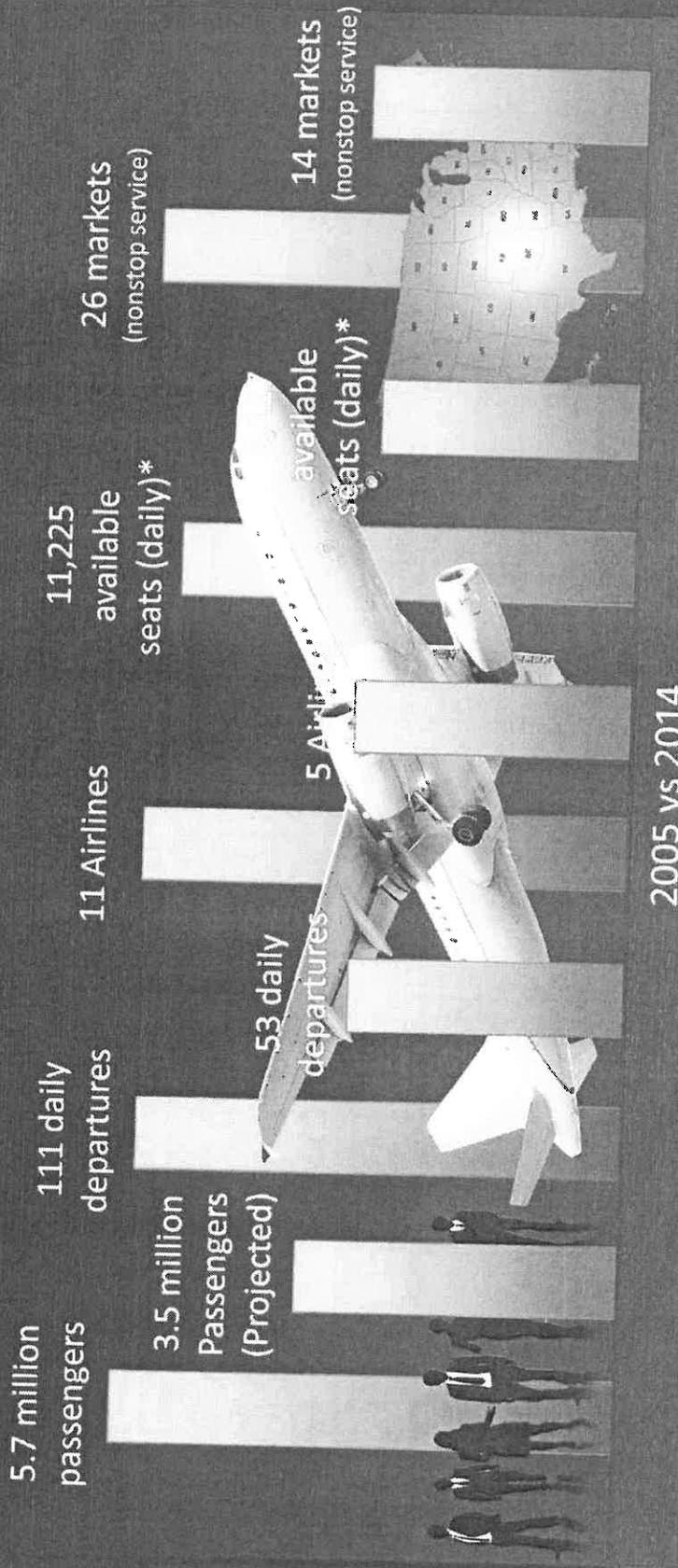


Green Airport

pvdairport.com

Air Service Development

Timeline 2005 vs 2014



2005 vs 2014

*Planes fly 90% full

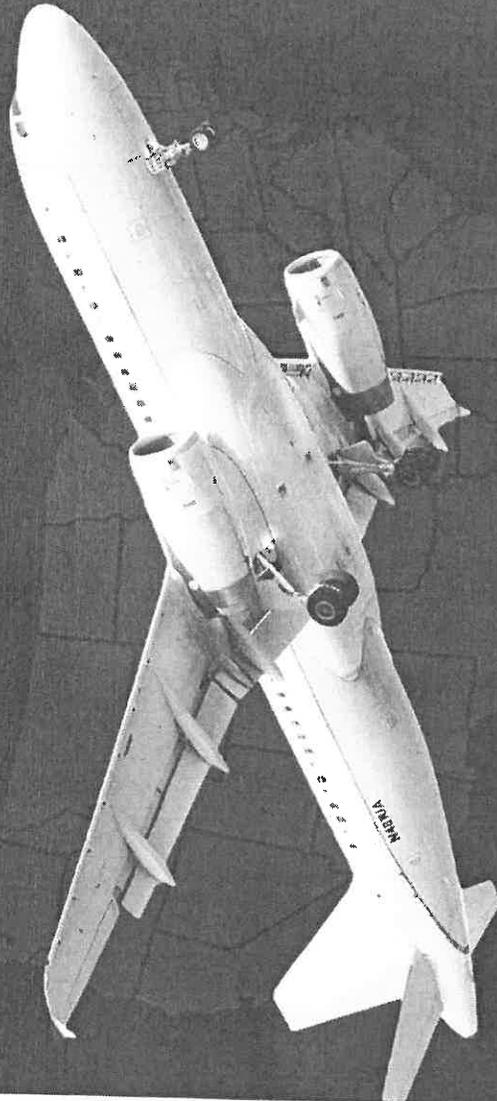


Green Airport

pvdairport.com

Air Service Development

PVD's Top 50 Markets



Source: DB1B YE 4Q 13, via Diigo Online Portal
 Y* - denotes Seasonal Service



- PVD has nonstop service to its top 13 markets.
- 11 of the 13 markets have year round service.

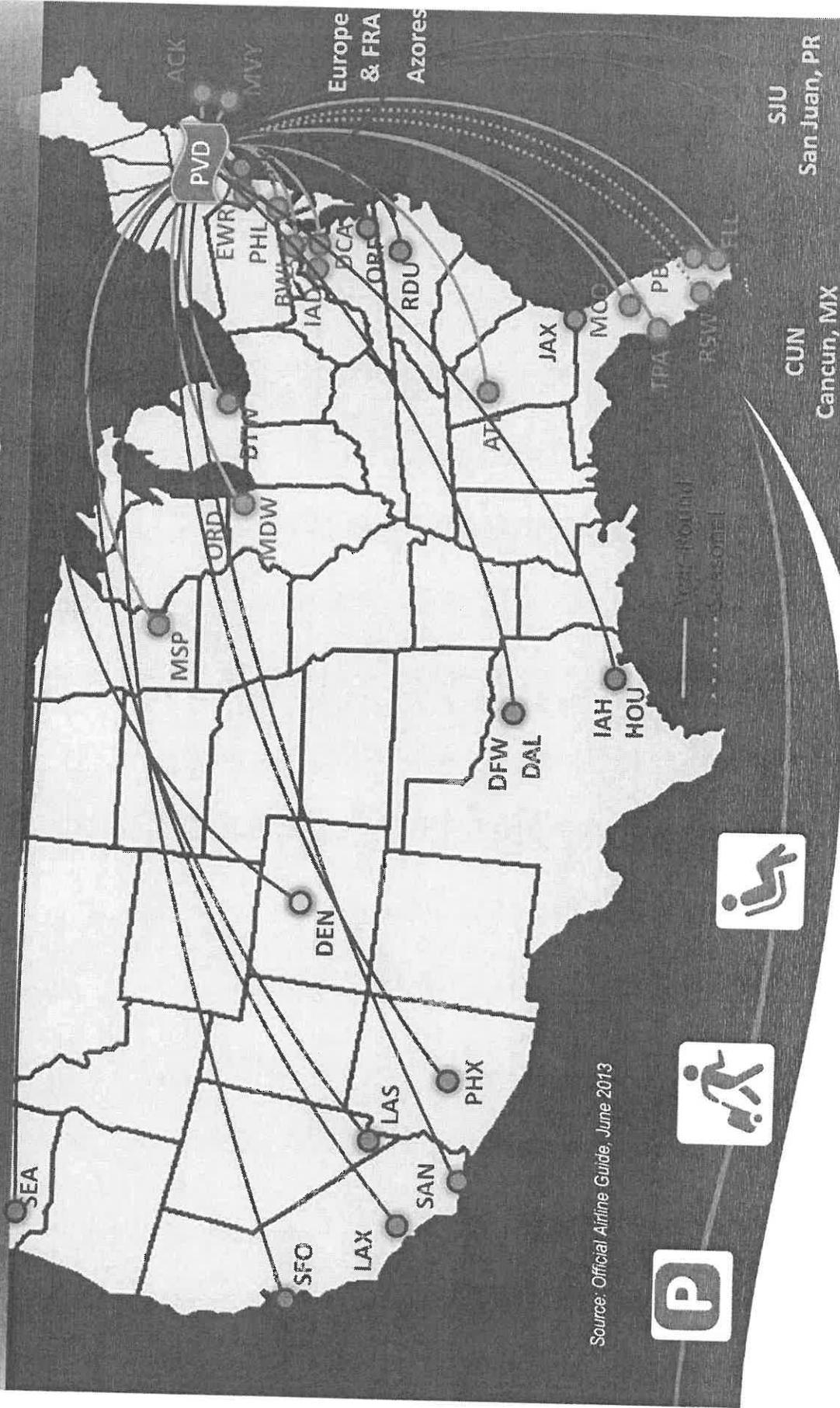
Rank	Market	Nonstop	Rank	Market	Nonstop
1	MCO	Y	26	ORF	N
2	BWI	Y	27	STL	N
3	FLL	Y	28	SEA	N
4	TPA	Y	29	PIT	N
5	CLT	Y	30	CHS	N
6	DCA	Y	31	DFW	N
7	MDW	Y	32	IND	N
8	ATL	Y	33	IAH	N
9	PHL	Y	34	CMH	N
10	RSW	Y*	35	AUS	N
11	ORD	Y	36	MCI	N
12	DEN	Y*	37	HOU	N
13	DTW	Y	38	SLC	N
14	LAS	N	39	SAT	N
15	LAX	N	40	IAD	N
16	PHX	N	41	MKE	N
17	PBI	Y*	42	SDF	N
18	SAN	N	43	SAV	N
19	RDU	N	44	PDX	N
20	JAX	N	45	DAY	N
21	SFO	N	46	ABQ	N
22	BNA	N	47	MEM	N
23	MSP	Y	48	SJU	N
24	CLE	N	49	SMF	N
25	MSY	N	50	BHM	N

Green Airport

pvdairport.com

Air Service Development

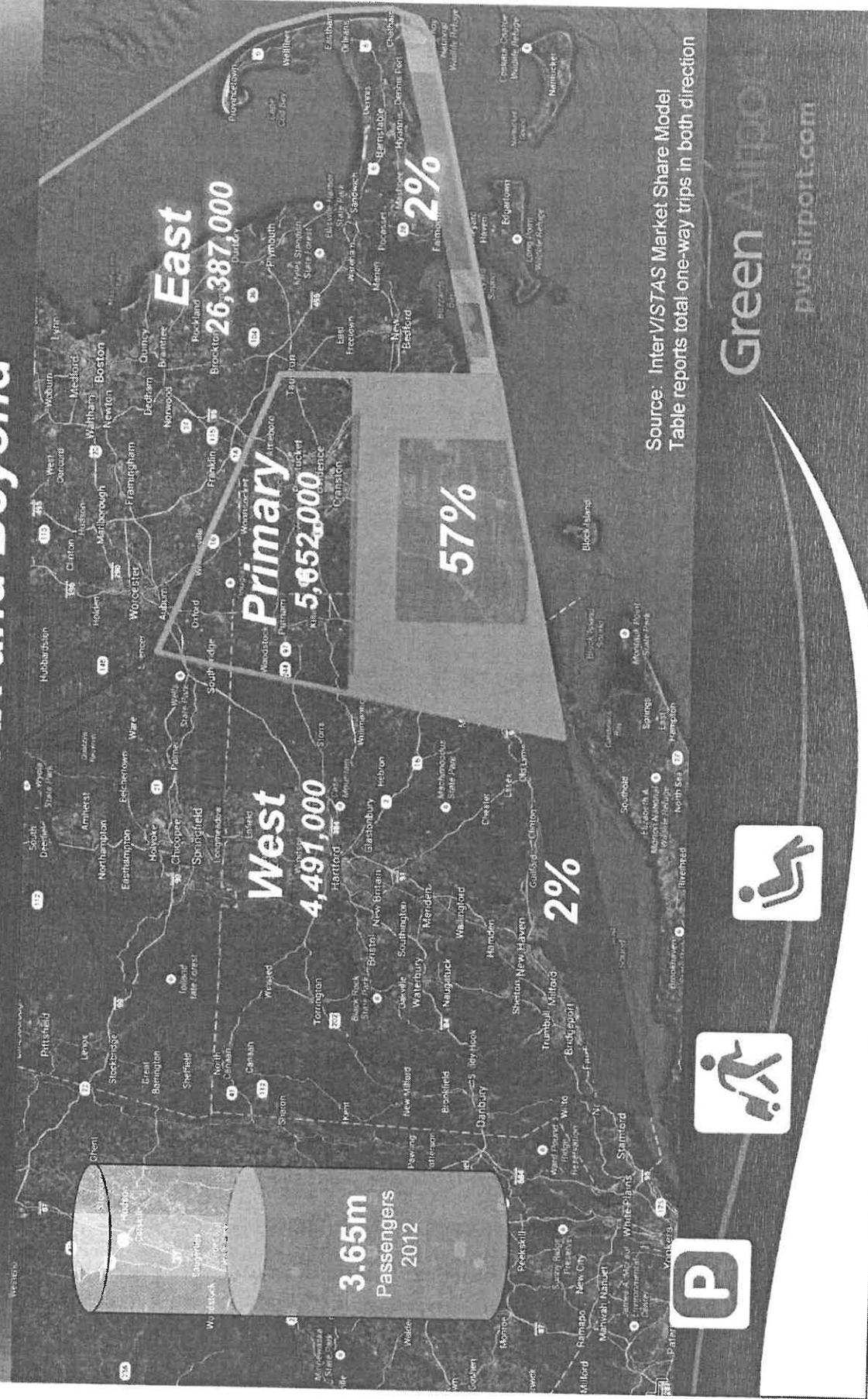
Future Air Service



Source: Official Airline Guide, June 2013

Air Service Development

5 Million PAX and Beyond



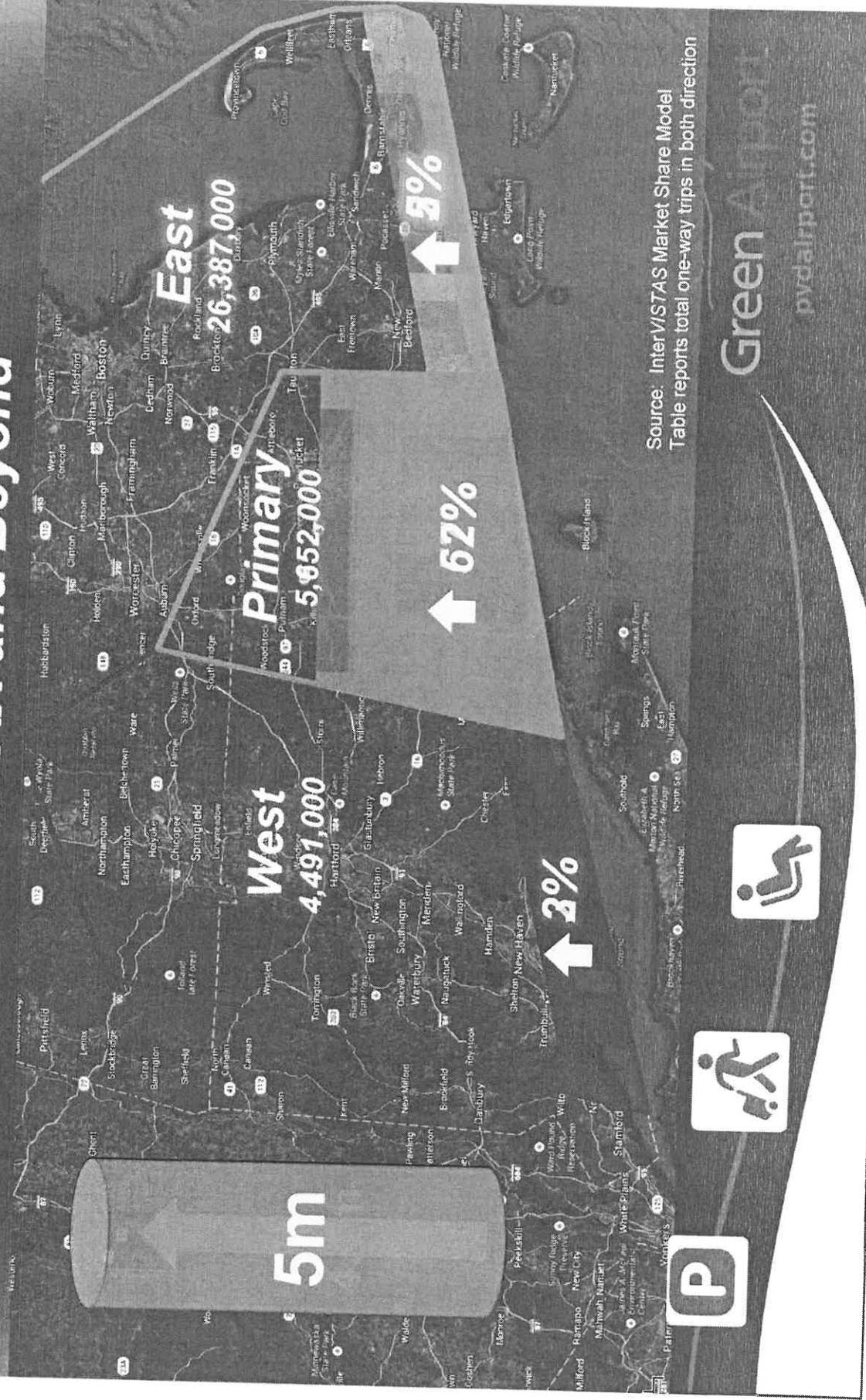
Source: InterVISTAS Market Share Model
Table reports total one-way trips in both direction

Green Airport

pvdairport.com

Air Service Development

5 Million PAX and Beyond



Source: InterVISTAS Market Share Model
Table reports total one-way trips in both direction

Green Airport

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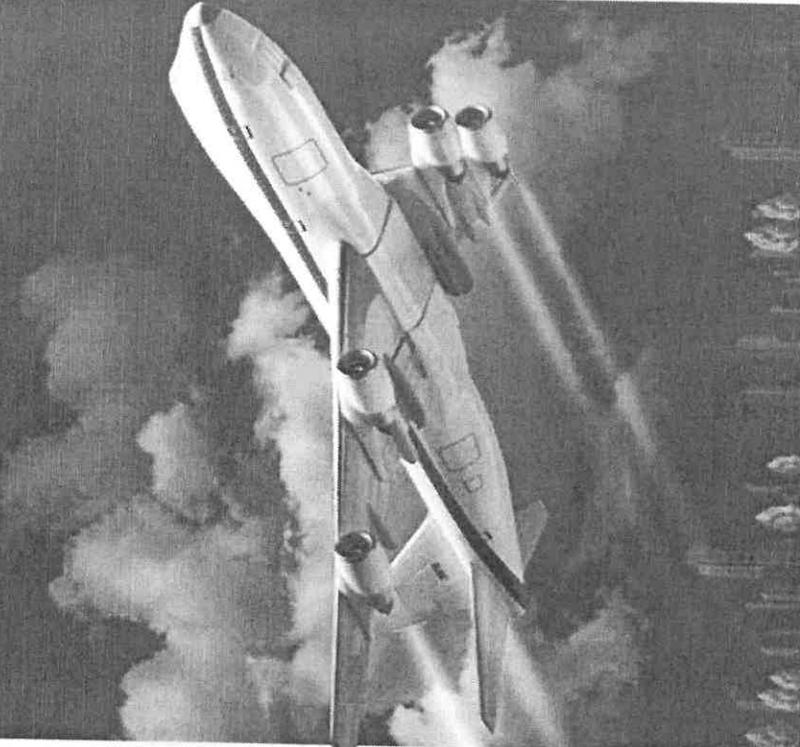
Air Service Development

Bloomberg Businessweek Companies & Industries

Airlines

U.S. Airlines Are Packing Planes and Rolling in Record Profits

By Justin Bachman October 23, 2014

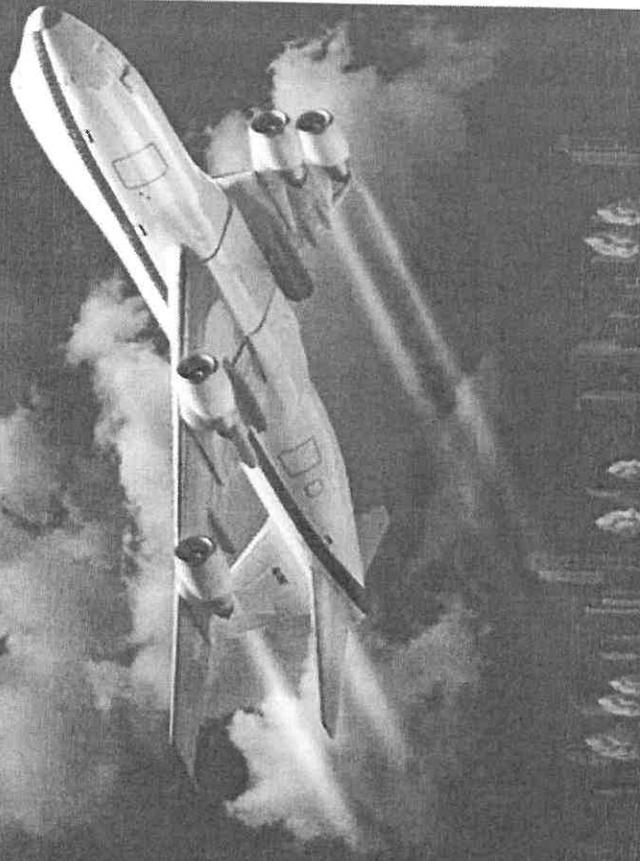


Green Airport

pvdairport.com

Air Service Development

- No "Airline Store" exists
- Focus on Route Economics
- Compelling business case supported by clear and defensible route forecasts
- Airline Incentives (when applicable)
- Air Service is a "Use it or Lose it proposition"



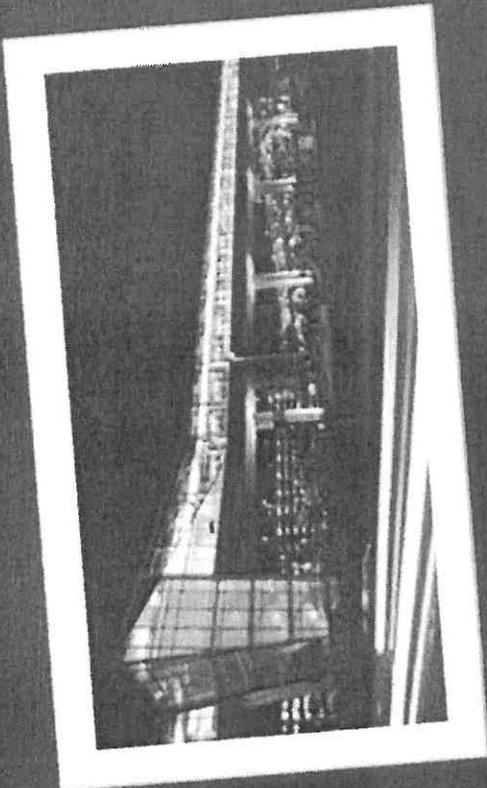
Green Airport

pvdeairport.com

Air Service Development

Next Steps

- Strategic Route Business Plans
- Targeted Business Support
- Targeted Elected Official Support



Green Airport

pydairport.com

Air Service Development

Southern New England's Business Weekly

Providence Business News

January 20??

Providence Business News Inc. • www.pbn.com • \$1.25

Travel at T.F. Green tops 5 million

Airline	Number of passengers		Percent change
	1999	1998	
American	285,792	237,627	20.27%
Air Ontario	31,191	29,467	5.86%
Allegheny(TI)	23,537	0	-
Business Express	96,144	88,609	8.50%
Cape Air	35,687	22,136	61.22%
Continental	212,795	199,024	6.92%



Green Airport

pvdairport.com

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Exhibit E

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION
(INDUCEMENT RESOLUTION)**

December 15, 2014

(With Respect to the International Yacht Restoration School)

WHEREAS, the Rhode Island Commerce Corporation (the "Corporation") was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the "State") under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the "Act"); and

WHEREAS, the International Yacht Restoration School ("Borrower") is a private non-profit corporation; and

WHEREAS, the Act authorizes the Corporation to borrow money and issue bonds for any of its corporate purposes; and

WHEREAS, Borrower has advised the Corporation that it plans to use bond proceeds to finance the acquisition of approximately 19,450 square feet of land located at 10 Spring Wharf, Newport, Rhode Island and the construction, equipping, furnishing of one or more buildings thereon of approximately 20,000 square feet to be used as a school (the "Project"); and

WHEREAS, the Project will require financing of up to \$12,000,000.00; and

WHEREAS, Borrower has requested a determination by the Corporation to issue up to \$12,000,000.00 of its revenue bonds under the Act to assist Borrower in financing the Project under some form of financing agreement, which will provide for payment sufficient to pay the principal of, interest and redemption premium, if any, on the bonds that will constitute a substantial inducement to Borrower to proceed with the Project; and

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: The Corporation finds that the financing of the Project through the issuance of its revenue bonds is in furtherance of the public purposes of the Act, and that it is in the public interest that the Corporation take such actions as it may lawfully take to the end that the financing of the Project may be undertaken.

Section 2: In order to induce Borrower to proceed with the Project, the Corporation hereby determines that: (i) it will authorize the issuance of one or more series of revenue bonds (the "Bonds") pursuant to the Act, in an aggregate principal amount not to exceed \$12,000,000.00 and the loan of the proceeds to Borrower to

finance the Project; (ii) it will adopt such further orders and resolutions, and authorize the execution and delivery of such other instruments and taking of such further action as may be necessary or advisable for the authorization, issuance and sale of the Bonds, and the financing of the Project; and (iii) it will take or cause to be taken such other actions as may be appropriate in pursuance thereof; provided that all of the foregoing as well as all of the terms and conditions and provisions of security relating to the financing of the Project and the issuance of the Bonds shall be as authorized by law (including, without limitation, Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended) and shall be acceptable to the Corporation and Borrower.

Section 3: The Corporation's discretion to accept or not to accept items relating to the Project or additional financing therefor or relating to credit, security, sale or marketing aspects of the Bonds is intended for the protection of the Corporation's interest, and any such acceptance shall not be construed to impose upon the Corporation any duties to, nor to confer any rights against the Corporation upon, any bondholders, investors or other third parties.

Section 4: The Corporation hereby declares its official intent, pursuant to Treasury Regulation § 1.150-2, or any succeeding or superseding regulation, to reimburse certain expenditures made for the Project prior to the issuance of the Bonds in the maximum amount of \$12,000,000.00.

Section 5: Any two of the Chairman, Vice Chairman, Executive Director (or successor thereto being the Secretary of Commerce), Chief Operating Officer, Chief Financial Officer and/or Managing Director of Financial Services, acting together, are authorized to take all actions which are necessary and proper, and execute any and all documents required to affect the intent of this resolution.

Section 6: This is a preliminary approval only and the Bonds contemplated by this resolution may not be issued until the Corporation adopts a final approval resolution. Nothing contained in this Resolution shall be construed as requiring the Corporation to issue the Bonds and the decision to issue the Bonds shall be in the complete discretion of the Corporation.

Section 7: No costs or expenses whether incurred by the Corporation or any other party in connection with the issuance of the Bonds or the preparation or review of any documents by any legal or financial consultants retained in connection herewith shall be borne by the Corporation. The Corporation may require such deposits or advances as it deems desirable for such fees, costs and expenses, and may require reimbursement of any such fees, costs and expenses paid by the Corporation. The Corporation shall have the right to select and retain legal, financial and other consultants in connection with the proposed financing, and all fees, costs and expenses of such consultants, along with all other such costs and expenses shall be paid from the proceeds of the Bonds or otherwise borne by the Borrower regardless of whether the Bonds are issued.

Section 8: This Resolution shall take effect upon passage and shall lapse within one year after the date of its passage unless further extended by appropriate action of the Corporation.

TAB 2

**VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION**

FEBRUARY 23, 2015

(With Respect to the Issuance of Rhode Island Commerce Corporation, Airport Revenue Refunding Bonds, 2015 Series A, in the Approximate Amount of \$45,000,000)

APPROVED

VOTED: To approve the issuance of Rhode Island Commerce Corporation, Airport Revenue Refunding Bonds, 2015 Series A, in the approximate amount of \$45,000,000, pursuant to the Resolution attached hereto.

Dated: February 23, 2015

RESOLUTION AUTHORIZING THE ISSUANCE OF
RHODE ISLAND COMMERCE CORPORATION
AIRPORT REVENUE REFUNDING BONDS, 2015 SERIES A (AMT)
(THE “2015 SERIES A BONDS”) AND AUTHORIZING AND APPROVING THE
EXECUTION AND DELIVERY OF AN ELEVENTH SUPPLEMENTAL INDENTURE OF
TRUST, LOAN AGREEMENT, BOND PURCHASE AGREEMENT AND ALL OTHER
DOCUMENTS AND MATTERS IN CONNECTION THEREWITH; PROVIDING FOR
INCIDENTAL ACTION AND APPROVING OTHER RELATED MATTERS; AND
PROVIDING FOR AN EFFECTIVE DATE

February 23, 2015

- WHEREAS: The Rhode Island Commerce Corporation, formerly known as the Rhode Island Economic Development Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and
- WHEREAS: The Rhode Island Airport Corporation (“RIAC”) is a public corporation, governmental agency and instrumentality of the State organized and existing under Chapter 64 of Title 42 of the Rhode Island General Laws, as amended (the “RIAC Act”) as a subsidiary public corporation of the Corporation; and
- WHEREAS: The Act authorizes the Corporation to borrow money and issue bonds for any of its corporate purposes; and
- WHEREAS: The Corporation has previously issued several series of Airport Revenue Bonds for the benefit of RIAC pursuant to a Master Indenture of Trust (the “Master Indenture”) among the Corporation, RIAC and U.S. Bank National Association, as trustee (the “Trustee”); and
- WHEREAS: The Board of Directors of RIAC has approved the refunding of the Refunded Bonds (as defined below) (the “Refunding”) in order to take advantage of present market interest rate conditions; and
- WHEREAS: RIAC has requested that the Corporation issue, as Additional Bonds (as this and other capitalized terms used herein and not otherwise defined are defined in the Master Indenture), its Airport Revenue Refunding Bonds, 2015 Series A (AMT) (the “2015 Series A Bonds”) in an amount, together with other available funds, necessary to (i) refund on a current basis all or a portion of the Corporation’s outstanding Airport Revenue Refunding Bonds, 2004 Series A Bonds (the “Refunded Bonds”), and (ii) pay the costs of issuing the 2015 Series A Bonds, including the premium relating to bond insurance or other credit enhancement, if applicable (collectively, the “Project”); and

WHEREAS: Based on recommendation of its financial advisor, RIAC has determined that the Refunding will provide a net benefit to the Corporation and RIAC; and

WHEREAS: Within the limitations of and in compliance with Articles II and XI of the Master Indenture, the Corporation is authorized to issue one or more Series of Bonds; and

WHEREAS: TD Bank, N.A. (“TD Bank”) has issued a Commitment Letter dated February 9, 2015 (the “Commitment Letter”) to provide financing of up to \$44,000,000 through a direct purchase of the 2015 Series A Bonds by TD Bank (the “Purchaser”), to finance the Project; and

WHEREAS: In order to maximize benefits to the Corporation and RIAC in connection with such financing, Assured Guaranty Municipal Corp., has issued a Commitment Letter dated February 6, 2015 for an amount not to exceed \$45,000,000 in connection with the 2015 Series A Bonds (the “Bond Insurance Commitment Letter”); and

WHEREAS: In connection with the issuance and sale of the 2015 Series A Bonds, the Corporation, RIAC and the Purchaser will enter into, among other things, a bond purchase agreement (the “Bond Purchase Agreement”) pursuant to which the 2015 Series A Bonds will be sold to the Purchaser to be held for its own account; and

WHEREAS: None of the 2015 Series A Bonds to be issued by the Corporation or the payment obligations of RIAC shall constitute indebtedness of the State or a debt for which the full faith and credit of the State is pledged; and

WHEREAS: There have been prepared and presented at this meeting of the Board of Directors of the Corporation (the “Board”) drafts of the following documents annexed as Exhibit A:

- (1) An Eleventh Supplemental Indenture of Trust among the Corporation, RIAC and the Trustee (the “Eleventh Supplemental Indenture”); and
- (2) A Loan Agreement between the Corporation and RIAC (the “2015 Series A Loan Agreement”); and
- (3) The Bond Purchase Agreement; and

WHEREAS: Such documents appear to be in substantially appropriate form, and the Board has determined that it is in furtherance of the public purpose of the Corporation and the best interests of RIAC and the State to proceed with the sale and delivery of the 2015 Series A Bonds; and

WHEREAS: The Master Indenture provides at Section 210 that, in connection with the issuance of a Series of Bonds, the Corporation and RIAC shall execute and

deliver to the Trustee a Supplemental Indenture governing the issuance of the Series of Bonds and setting forth the provisions thereof; and

WHEREAS: On February 4, 2015, the Access to Capital Subcommittee of the Corporation approved the Project and recommended to the Board the approval of the proposed Refunding.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

1. To accomplish the purposes of the Act and the RIAC Act, the issuance of the 2015 Series A Bonds is hereby authorized, subject to the provisions of this Resolution, to finance the Project and the terms and conditions of the purchase of the 2015 Series A Bonds as set forth in the Commitment Letter, in substantially the form attached hereto as Exhibit B, is hereby accepted, with such changes as any Authorized Officer, acting singly, and in his or her sole discretion shall approve.
2. The Board of the Corporation hereby finds and determines that: (i) the acquisition or construction and operation of the project originally financed or refinanced with proceeds of the Refunded Bonds will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (ii) adequate provision has been made or will be made for the payment of the cost of the acquisition, construction, operation, and maintenance and upkeep of the project originally financed or refinanced with proceeds of the Refunded Bonds; (iii) with respect to real property, the plans and specifications assure adequate light, air, sanitation, and fire protection; (iv) the project originally financed or refinanced with proceeds of the Refunded Bonds is in conformity with the applicable provisions of chapter 23 of title 46 of the Rhode Island General Laws; and (v) the project originally financed or refinanced with proceeds of the Refunded Bonds is in conformity with the applicable provisions of the state guide plan.
3. Pursuant to Rhode Island General Laws Section 42-64-10(a)(2) the Corporation, acting by and through an Authorized Officer, shall publicly release an economic impact analysis (the "Economic Impact Analysis") substantially in the form annexed hereto as Exhibit C. An Authorized Officer shall provide copies of the Economic Impact Analysis to the chairpersons of the house and senate finance committees, the house and senate fiscal advisors, the department of labor and training and the division of taxation.

4. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Treasurer, the Secretary of Commerce (or any Deputy Director), the Chief Operating Officer, the Director of Financial Programs, the Chief Financial Officer and the Chief of Staff (the “Authorized Officers”). Any one of the Authorized Officers of the Corporation, acting singly, are hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any of the documents authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by one of said Authorized Officers, and such Authorized Officer’s execution thereof shall be conclusive as to the authority of such Authorized Officer to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on the 2015 Series A Bonds and on any of the documents authorized herein and to attest to the same.
5. The 2015 Series A Bonds shall be issued in registered form, dated as provided in the Eleventh Supplemental Indenture and shall be in an aggregate principal amount sufficient to finance the Project and accomplish the Refunding. The specific form of the 2015 Series A Bonds, including without limitation, the principal amounts, the rates of interest, maturities, provisions for the signature, authentication, payment and redemption shall be as set forth in the Eleventh Supplemental Indenture. The acceptance of a rate or rates of interest per annum to be borne by the 2015 Series A Bonds shall be determined pursuant to a certificate to be delivered by any one of the Authorized Officers at or immediately prior to closing.
6. The 2015 Series A Bonds shall be sold as a private placement with the Purchaser pursuant to the terms of the Bond Purchase Agreement.
7. The Authorized Officers are hereby authorized and directed to negotiate with bond insurance companies, and if determined to be in the best interest of the Corporation and RIAC, to commit to purchase bond insurance for one or more maturities of the 2015 Series A Bonds on such terms as such Authorized Officers determine are appropriate.
8. The 2015 Series A Bonds shall be secured by a first lien on, and a security interest in, the Trust Estate, including (i) Net Revenues, (ii) monies and investments in certain Funds and Accounts pledged under the Eleventh Supplemental Indenture, including (a) primarily, the accounts in the Bond Fund, and (iii) the Corporation’s interest in the 2015 Series A Loan Agreement, including the right to receive Loan Payments from RIAC. The 2015 Series A Bonds shall be equally and ratably secured with all other Outstanding Bonds issued under the Master Indenture.

9. The 2015 Series A Bonds shall be special obligations of the Corporation payable solely from the revenues, funds, or monies pledged therefore under the Eleventh Supplemental Indenture. None of the State or any municipality thereof, shall be obligated to pay the principal of, premium, if any, or interest on the 2015 Series A Bonds. Neither the full faith and credit nor the taxing power of the State, the Corporation or any municipality thereof shall be pledged to the payment of the principal, premium, if any, or interest on the 2015 Series A Bonds.
10. The Board hereby appoints U.S. Bank National Association, as Trustee, Paying Agent and Registrar for the 2015 Series A Bonds. Such appointments shall be effective upon the issuance of the 2015 Series A Bonds and shall remain in effect until the Board shall, by supplemental agreement or by resolution, name substitutes or successors thereto.
11. The following agreements and documents are hereby authorized, each to contain such provisions and to be in such final form as an Authorized Officer shall determine to be necessary or appropriate (including any additional provisions required of the bond insurer, if applicable), and the execution, acknowledgement and delivery of each such agreement or document by an Authorized Officer shall be conclusive evidence as to authorization by these resolutions: (i) the 2015 Series A Bonds, (ii) the Eleventh Supplemental Indenture; (iii) the 2015 Series A Loan Agreement; (iv) the Bond Purchase Agreement, (v) such other agreements, instruments, certificates or documents, including, but not limited to, a Tax Regulatory Agreement, as may be deemed necessary or appropriate by an Authorized Officer for the implementation of this Resolution.
12. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and 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 Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
13. Any two of the Authorized Officers of the Corporation, acting together, are hereby further directed to proceed to cause the net proceeds of the sale

of the 2015 Series A Bonds to be disbursed to RIAC as provided in the documents authorized by this Resolution.

14. Any Authorized Officer, acting singly, is hereby authorized: (i) to approve the definitive terms of the 2015 Series A Bonds, including the principal amount thereof, the maturity and the interest rates; and (ii) to take such further action or to cause such further action to be taken as may be necessary or appropriate to effectuate the issuance of the 2015 Series A Bonds and to carry out the transactions contemplated by these resolutions.
15. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and in furtherance of the Refunding and the purposes of the Act and the RIAC Act, and the execution, delivery and approval and performance of the documents, certificates, instruments and agreements hereinabove authorized are, including, without limitation, the Commitment Letter and the Bond Insurance Commitment Letter, in all respects, and all prior actions taken in connection herewith are, ratified, approved and confirmed.
16. From and after the execution and delivery of the documents, certificates, instruments and agreements hereinabove authorized, any of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, certificates, instruments and agreements, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the 2015 Series A Bonds or the Refunding, or to carry out and comply with the provisions of the documents, certificates, instruments and agreements hereinabove authorized.
17. The 2015 Series A Bonds may be issued on a tax-exempt basis, such that interest on the 2015 Series A Bonds will be excluded from gross income for Federal income tax purposes. To facilitate the issuance of the 2015 Series A Bonds on a tax-exempt basis, any Authorized Officers, acting singly on behalf of the Corporation, shall covenant that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the 2015 Series A Bonds, the Corporation will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Internal Revenue Code of 1986, as amended (the "Code"), necessary to maintain such exclusion. In furtherance of the covenant contained in the preceding sentence, any Authorized Officers, acting singly on behalf of the Corporation, shall agree to continually comply with the provisions of a Tax Regulatory Agreement to be

executed by the Corporation in connection with the execution and delivery of the 2015 Series A Bonds, as amended from time to time.

18. This Resolution shall take effect upon passage, however, the issuance of the 2015 Series A Bonds by the Corporation is subject to the certifications required pursuant to Rhode Island General Laws Section 35-18-3(C)(5).

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ELEVENTH SUPPLEMENTAL INDENTURE OF TRUST

among

RHODE ISLAND COMMERCE CORPORATION

and

RHODE ISLAND AIRPORT CORPORATION

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Governing the Issuance of and Securing \$ _____
Airport Revenue Refunding Bonds
2015 Series A (AMT)

Dated _____, 2015

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Exhibit A - Form of 2015 Series A Bond

Exhibit B - Form of Requisition from 2015 Series A Cost of Issuance Account

THIS ELEVENTH SUPPLEMENTAL INDENTURE OF TRUST dated _____, 2015, by and among the RHODE ISLAND COMMERCE CORPORATION, successor to the Rhode Island Economic Development Corporation, a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the "State") ("CommerceRI" or "Issuer"), the RHODE ISLAND AIRPORT CORPORATION, a corporation organized as a subsidiary corporation to CommerceRI pursuant to R.I. General Laws § 42-64-7.1 ("RIAC" or "Borrower"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the banking laws of the United States of America, as successor to State Street Bank and Trust Company, as successor to Rhode Island Hospital Trust National Bank, acting as trustee under the Indenture defined below (the "Trustee"),

W I T N E S S E T H:

WHEREAS, CommerceRI, RIAC, and the Trustee have entered into a Master Indenture of Trust dated as of October 1, 1993 (the "Master Indenture"); and

WHEREAS, CommerceRI has issued its \$78,100,000 Airport Revenue Bonds, 1993 Series A, dated as of October 1, 1993 (the "1993 Series A Bonds") to finance a portion of the cost of the 1993 Airport Bonds Project pursuant to the Master Indenture and a First Supplemental Indenture of Trust dated as of October 1, 1993 (the "First Supplemental Indenture"); and

WHEREAS, CommerceRI has also issued its \$30,000,000 Airport Revenue Bonds, 1994 Series A, dated as of May 1, 1994 (the "1994 Series A Bonds") to finance a portion of the cost of the 1994 Airport Bonds Project pursuant to the Master Indenture and a Second Supplemental Indenture of Trust dated as of May 1, 1994; and

WHEREAS, CommerceRI has also issued its \$61,175,000 Airport Revenue Bonds, 1998 Series, dated as of June 1, 1998, consisting of \$8,035,000 1998 Series A (AMT) (the "1998 Series A Bonds") and \$53,140,000 1998 Series B (Non-AMT) (the "1998 Series B Bonds" and together with the 1998 Series A Bonds, collectively, the "1998 Series Bonds") to finance a portion of the cost of the 1998 Airport Bonds Project pursuant to the Master Indenture and a Third Supplemental Indenture of Trust dated as of June 1, 1998; and

WHEREAS, CommerceRI has also issued its \$50,545,000 Airport Revenue Bonds, 2000 Series, dated as of May 1, 2000, consisting of \$8,380,000 2000 Series A (AMT) (the "2000 Series A Bonds") and \$42,165,000 2000 Series B (Non-AMT) (the "2000 Series B Bonds" and together with the 2000 Series A Bonds, collectively, the "2000 Series Bonds"), to finance a portion of the cost of the 2000 Airport Bonds Project pursuant to the Master Indenture and a Fourth Supplemental Indenture of Trust dated as of May 1, 2000; and

WHEREAS, CommerceRI has also issued its \$31,725,000 Airport Revenue Refunding Bonds, 2003 Series A dated October 9, 2003 (the "2003 Series A Bonds") to refund a portion of the 1993 Series A Bonds pursuant to the Master Indenture and a Fifth Supplemental Indenture of Trust dated October 9, 2003; and

WHEREAS, CommerceRI has also issued its \$52,665,000 Airport Revenue Refunding Bonds, 2004 Series A dated April 15, 2004 (the “2004 Series A Bonds”) to refund a portion of the 1993 Series A Bonds and a portion of the 1994 Series A Bonds pursuant to the Master Indenture and a Sixth Supplemental Indenture of Trust dated April 15, 2004; and

WHEREAS, CommerceRI has also issued \$115,255,000 Airport Revenue Bonds, 2005 Series dated June 28, 2005, consisting of \$43,545,000 2005 Series A (AMT) (the “2005 Series A Bonds”), \$27,245,000 2005 Series B (Non-AMT) (the “2005 Series B Bonds”) and \$44,465,000 2005 Series C (Non-AMT) (the “2005 Series C Bonds” and together with the 2005 Series A Bonds and 2005 Series B Bonds, collectively, the “2005 Series Bonds”), to provide additional funds to RIAC, to finance, among other things, the cost of the 2005 Airport Bonds Project, to refund a portion of the 2000 Series B Bonds, to finance capitalized interest, to pay the premium for a surety bond for the 2005 Series Debt Service Reserve Account, and to finance the costs of issuing the 2005 Series Bonds, pursuant to the Master Indenture and a Seventh Supplemental Indenture of Trust dated as of June 1, 2005;

WHEREAS, CommerceRI has also issued its \$51,165,000 Airport Revenue Bonds, 2008 Series dated June 12, 2008, consisting of \$17,645,000 2008 Series A (AMT) (the “2008 Series A Bonds”), \$15,490,000 2008 Series B (Non-AMT) (the “2008 Series B Bonds”) and \$18,030,000 2008 Series C (Non-AMT) (the “2008 Series C Bonds” and together with the 2008 Series A Bonds and 2008 Series B Bonds, collectively, the “2008 Series Bonds”), to provide additional funds to RIAC, to finance, among other things, the cost of the 2008 Airport Bonds Project, to refund a portion of the 1998 Series B Bonds, to finance capitalized interest, to fund the 2003 & 2008 Series Debt Service Reserve Account or pay the premium for a surety bond, and to finance the costs of issuing the 2008 Series Bonds, pursuant to the Master Indenture and an Eighth Supplemental Indenture of Trust dated June 1, 2008;

WHEREAS, CommerceRI has also issued its \$33,500,000 Airport Revenue Bonds, 2013 Series A dated June 6, 2013 (the “2013 Series A Bonds”) to provide additional funds to RIAC, to finance a Deicer Management System, to finance capitalized interest, to fund the 2013 Series Debt Service Reserve Account, and to finance the costs of issuing the 2013 Series A Bonds pursuant to the Master Indenture and a Ninth Supplemental Indenture of Trust dated June 6, 2013;

WHEREAS, CommerceRI has also issued its \$32,755,000 Airport Revenue Refunding Bonds, dated December 4, 2013, consisting of \$30,700,000 2013 Series B (Non-AMT) (the “2013 Series B Bonds”) and \$2,055,000 2013 Series C (AMT) (the “2013 Series C Bonds” and together with the 2013 Series B Bonds, collectively, the “2013 Series B/C Bonds”) to provide funds to RIAC to refund on a current basis the outstanding 1998 Series B Bonds and the outstanding 2003 Series A Bonds, to fund the debt service reserve fund for the 2013 Series C Bonds and to pay the costs of issuing the 2013 Series B/C Bonds pursuant to the Master Indenture and a Tenth Supplemental Indenture of Trust dated December 4, 2013;

WHEREAS, within the limitations of and in compliance with Articles II and XI of the Master Indenture, CommerceRI is authorized to issue one or more Series of Bonds; and

WHEREAS, CommerceRI has determined to issue the 2015 Series A Bonds as Additional Bonds (as this and other capitalized terms used herein which are not otherwise defined are defined in the Master Indenture) under the Master Indenture in the aggregate principal amount of \$_____ (AMT) (the “2015 Series A Bonds”), the proceeds of which shall be used, together with other available moneys, to provide funds to RIAC refund on a current basis all or a portion of the outstanding 2004 Series A Bonds and to pay the costs of issuing the 2015 Series A Bonds, including, without limitation, payment of a bond insurance premium (collectively, the “2015 Series A Project”); and

WHEREAS, the Master Indenture provides at Section 210 that, in connection with the issuance of a Series of Bonds, CommerceRI and RIAC shall execute and deliver to the Trustee a Supplemental Indenture governing the issuance of the Series of Bonds and setting forth the provisions thereof; and

WHEREAS, CommerceRI has taken all necessary action to make the 2015 Series A Bonds, when authenticated by the Authenticating Agent and issued by CommerceRI, valid and binding obligations of CommerceRI, and CommerceRI and RIAC have taken all necessary action to constitute this Eleventh Supplemental Indenture a valid and binding instrument for the authorization of and security for the 2015 Series A Bonds.

NOW, THEREFORE, THIS ELEVENTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH: That CommerceRI and RIAC do hereby covenant and agree with the Trustee and with the respective Holders, from time to time, of the Outstanding 2015 Series A Bonds, as follows:

ARTICLE I

ELEVENTH SUPPLEMENTAL INDENTURE

Section 101. Eleventh Supplemental Indenture. This Eleventh Supplemental Indenture is authorized and executed by CommerceRI and RIAC and delivered to the Trustee pursuant to and in accordance with Articles II and XI of the Master Indenture. All covenants, conditions, definitions and agreements contained in the Master Indenture shall apply with full force and effect to the 2015 Series A Bonds and to the Holders thereof, except as otherwise provided herein.

Section 102. Definitions. In addition to the definitions given in Article I of the Master Indenture, the following terms shall have the following meanings unless a different meaning clearly applies from the context:

“2015 Series A Bonds” shall mean the \$_____ Airport Revenue Refunding Bonds, 2015 Series A (AMT), authorized to be issued by Article II hereof.

“2015 Series A Loan Agreement” shall mean that certain Loan Agreement dated _____, 2015, by and between CommerceRI and RIAC, pursuant to which CommerceRI will loan the proceeds of the 2015 Series A Bonds to RIAC.

“2015 Series A Project” shall have the meaning ascribed to such term in the recitals hereto.

“Authenticating Agent” shall mean the Trustee.

“Bank Purchase Rate” means the fixed rate of interest determined by the Purchaser and accepted by CommerceRI and RIAC

“Bond Insurance Policy” shall mean the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the 2015 Series A Bonds when due. The Bond Insurance Policy shall constitute a “Credit Facility” as that term is defined in the Master Indenture.

“Bond Insurer” shall mean Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof. The Bond Insurer shall be a “Credit Provider” as that term is defined in the Master Indenture.

“Bond Purchase Agreement” shall mean the Bond Purchase Agreement dated _____, 2015, by and among CommerceRI, RIAC and the Purchaser pursuant to which the Purchaser will purchase from CommerceRI the 2015 Series A Bonds;

“CommerceRI” or “Issuer” shall mean the Rhode Island Commerce Corporation or any successor thereto.

“Corporation” or “RIAC” or “Borrower” shall mean the Rhode Island Airport Corporation, a public corporation organized as a subsidiary of CommerceRI pursuant to Rhode Island General Laws § 42-64-1.

“Determination of Taxability” means the first to occur of: (i) receipt by the CommerceRI or the Purchaser of a written opinion of nationally recognized bond counsel to the effect that the interest on the 2015 Series Bonds is not exempt from gross income for federal tax purposes (or to the effect that such bond counsel cannot conclude that such interest is so exempt), unless within sixty (60) days of such receipt RIAC delivers to the Purchaser a written opinion of Bond Counsel to the effect that the interest on the 2015 Series A Bonds is so exempt or (ii) notification by the Internal Revenue Service (either by the Commissioner of Internal Revenue or by any district director of the Internal Revenue Service) or a court of competent jurisdiction as a result of proceedings in which RIAC has participated or has been given notice and opportunity to participate at its expense, either directly or through the Purchaser, and from which proceedings for appellate review have been concluded or the period for applying for appellate review has expired, to the effect that the interest on the 2015 Series A Bonds is not exempt from gross income for federal tax purposes.

“Eleventh Supplemental Indenture” shall mean this Eleventh Supplemental Indenture of Trust dated _____, 2015, by and among CommerceRI, RIAC and the Trustee which supplements and amends the Master Indenture.

“Exempt Facilities” shall mean airports and functionally related and subordinate facilities within the meaning of and qualifying under Section 142 of the Code.

“FAA” shall mean the Federal Aviation Administration.

“Governmental Facilities” shall mean facilities no part of which is used for a “private business use” as defined in Section 141 of the Code.

“Interest Payment Date” shall mean each January 1 and July 1, commencing on July 1, 2015.

“Master Indenture” shall mean the Master Indenture of Trust dated as of October 1, 1993, by and among CommerceRI, RIAC, and the Trustee, as supplemented and amended.

“Paying Agent” shall mean, for all purposes of the Master Indenture, with respect to the 2015 Series A Bonds, the Trustee or such other paying agent appointed by the Trustee.

“PFC Covenants” shall mean the covenants of RIAC set forth in Section 602 hereof.

“PFC Eligible Projects” shall mean projects of RIAC which have been approved as eligible to be paid with PFC Revenues.

“PFC Supported Bonds” shall mean (i) the portions of the 1994 Series A Bonds, the 2005 Series C Bonds, the 2013 Series C Bonds and the 2015 Series A Bonds that are PFC eligible and are to be repaid with PFC Revenues and (ii) any other Additional Bonds designated as PFC Supported Bonds.

“Pledged PFC Account” shall mean the Account of that name established pursuant to Section 401 of the First Supplemental Indenture.

“Principal Payment Date” shall mean each July 1 from July 1, 2015 through July 1, 2024, inclusive.

“Proceeds” means the principal amount of the 2015 Series A Bonds.

“Purchaser” shall mean TD Bank, N.A., as initial purchaser of the 2015 Series A Bonds.

“Rebate Requirement” shall mean the amount, if any, determined pursuant to Section 148(f) of the Code to be paid to the United States of America with respect to the 2015 Series A Bonds as described in Section 602 hereof.

“Record Date” shall mean the fifteenth day (regardless of whether a Business Day) of the calendar month immediately preceding an Interest Payment Date.

“Registrar” shall mean the keeper of the Register, which shall be the Trustee.

“Tax Regulatory Agreement” shall mean the Tax Regulatory Agreement dated as of the date of delivery of the 2015 Series A Bonds, by and between CommerceRI and RIAC.

“Taxable Rate” means an interest rate equal to the interest stated for the 2015 Series A Bonds plus a rate sufficient that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any federal, state or local income tax (including any interest or penalties) actually payable thereon, be equal to the amount of interest due with respect to the 2015 Series A Bonds.

Section 103. Reference to Articles and Sections. Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Eleventh Supplemental Indenture.

ARTICLE II

DETAILS AND FORM OF 2015 SERIES A BONDS

Section 201. 2015 Series A Bonds. There shall be issued one Series of Bonds designated “Rhode Island Commerce Corporation Airport Revenue Refunding Bonds, 2015 Series A” issued pursuant to Articles II and XI of the Master Indenture. The 2015 Series A Bonds will be PFC Supported Bonds. The proceeds of the 2015 Series A Bonds will be used to finance the 2015 Series A Project in accordance with the terms hereof.

Section 202. Details of the 2015 Series A Bonds.

(a) The 2015 Series A Bonds shall be issued in fully registered form in the aggregate principal amount of \$[_____]. The 2015 Series A Bonds shall be numbered R-1 and shall be issued in the name of the Purchaser as one bond in the aggregate principal amount of \$[_____]. The 2015 Series A Bonds shall be authenticated prior to delivery by the Trustee, who is hereby appointed Authenticating Agent for the 2015 Series A Bonds. The Trustee is also hereby appointed registrar for the 2015 Series A Bonds.

(b) The 2015 Series A Bonds shall be dated the date of delivery thereof and shall mature on July 1, 2024. The 2015 Series A Bonds shall bear interest at a fixed rate equal to the Bank Purchase Rate calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the 2015 Series A Bonds shall be payable semi-annually on each January 1 and July 1, commencing on July 1, 2015 (each an “Interest Payment Date”), until the date on which the 2015 Series A Bonds become due whether at maturity or otherwise, subject to adjustment as described below. Principal shall be paid annually on each July 1 in the years 2015 through 2024, inclusive (each, a “Principal Payment Date”). If any Interest Payment Date or Principal Payment Date is not a Business Day, interest or principal shall be paid on the next succeeding Business Day as defined in the Master Indenture, and any interest payable thereon shall be payable for such extended time at the specified rate.

In case any Event of Default occurs and is continuing, the principal amount of the 2015 Series A Bonds together with accrued interest may be declared due and payable in the manner and with the effect provided herein. After the occurrence and during the continuance of any such Event of Default, the 2015 Series A Bonds will, at the option of the Purchaser, bear interest at a rate per annum which at all times shall be equal to _____ (but in no event exceed the maximum interest rate permitted by then applicable law).

(c) The 2015 Series A Bonds are subject to prepayment as set forth in Section 203 and to special mandatory redemption as provided in the Master Indenture and in the Form of Bond attached hereto as Exhibit A.

[Section 203. Prepayment; Yield Maintenance Fee. The 2015 Series A Bonds may be prepaid in whole or in part at any time, at the option of RIAC, upon thirty (30) days prior written notice to the Purchaser. In the event of any prepayment, whether by voluntary prepayment, acceleration or otherwise, the RIAC shall, at the option of the Purchaser, pay a “fixed rate prepayment charge” equal to the greater of (i) 1.00% of the principal balance being prepaid multiplied by the “Remaining Term” (hereinafter defined), in years or (ii) a “Yield Maintenance Fee” in an amount computed by the Purchaser as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the “Remaining Term”, shall be subtracted from the “Bank Purchase Rate”. If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the “Remaining Term” and divided by 360. The resulting amount is the “fixed prepayment charge” due to the Purchaser upon prepayment of the principal of this bond plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

Yield Maintenance Fee = [Amount Being Prepaid x (Stated Interest Rate - Current Cost of Funds) x Days in the Remaining Term/360 days] + any accrued interest due.

“Remaining Term” as used herein shall mean the shorter of (i) the remaining term of the 2015 Series A Bonds, or (ii) the remaining term of the then current fixed interest rate period.

“Stated Interest Rate” as used herein means the rate at which interest is accruing on the outstanding principal balance of this bond at the time of the calculation.

Notwithstanding the foregoing, no Yield Maintenance Fee shall be due on any amount prepaid: (i) through a refinancing by the Purchaser; or (ii) within thirty (30) days of the Maturity Date (provided the same has not been accelerated).]

Section 204. Medium and Place of Payment. The principal of, and interest on the 2015 Series A Bonds are payable as provided in the Form of Bond attached hereto as Exhibit A.

Section 205. Form of 2015 Series A Bonds. The 2015 Series A Bonds shall be in substantially the form set forth in Exhibit A hereto.

Section 206. Delivery of 2015 Series A Bonds. The Authenticating Agent shall authenticate and deliver the Series 2013 Bonds when there have been filed with or delivered to the Trustee all items required by Section 210 of the Master Indenture.

Section 207. Taxability of Interest on the 2015 Series A Bonds.

(a) Taxability of Interest.

(i) Additional Interest. In the event of a Determination of Taxability that the interest on any principal amount of the 2015 Series A Bonds is not exempt from gross income for any period, the outstanding principal amount of the 2015 Series A Bonds shall bear interest for such period (other than for a period for which the collection of the applicable federal income tax is barred) and thereafter at a per annum rate equal to the Taxable Rate. Following a Determination of Taxability, the Purchaser shall promptly give written notice of such determination and the date on which the Taxable Rate commenced (the "Taxability Date") to CommerceRI and RIAC, and shall make a notation of the taxability of interest on the 2015 Series A Bonds. The 2015 Series A Bonds shall bear interest at the Taxable Rate from and after the Taxability Date until the final payment of the 2015 Series A Bonds, regardless of whether such payment occurs before or after a Determination of Taxability is made. The additional interest shall be payable on the same dates as the interest stated on the 2015 Series A Bonds, except that additional interest for any period ending on or before the Interest Payment Date next preceding the Determination of Taxability shall be payable within thirty (30) days after the Purchaser gives notice of a Determination of Taxability. Although a claim for additional interest on a 2015 Series A Bond that accrued during the period from the Taxability Date until the Interest Payment Date immediately following the Determination of Taxability may be assigned with written notice to the Purchaser, it shall not be transferable by a transfer of the 2015 Series A Bond, and such additional interest shall be payable to that person or those persons who were owners of said 2015 Series A Bond for the applicable periods, or their assigns.

(ii) Reimbursement. RIAC will promptly reimburse each owner of the 2015 Series A Bonds to whom additional interest is payable hereunder an amount that (after deduction of all federal, state and local taxes required to be paid by such owner of the 2015 Series A Bonds in respect of the receipt of such amount less any tax benefit resulting from the deductibility of such amount for purposes of such taxes) is equal to all interest and penalties, if any, paid to the United States (including attorneys' fees, court costs and other out-of-pocket costs incurred by such owner of the 2015 Series A Bonds) as a consequence of the failure to include the interest on the 2015 Series A Bonds in the federal gross income of such owner of the 2015 Series A Bonds prior to notice of the determination.

(iii) No Damages. The payments provided for in this section are in lieu of any damages that might otherwise be payable to the owner of the 2015 Series A Bonds by reason of

the taxability of interest on the 2015 Series A Bonds, and the obligations of RIAC under this section shall survive the termination of the lien of this Eleventh Supplemental Indenture and the payment of the 2015 Series A Bonds.

(iv) Determination of Taxability. The Purchaser shall not be responsible to CommerceRI or RIAC for or be liable for any damages as a consequence of any failure to notify the CommerceRI or RIAC of the change in interest rate on the 2015 Series A Bonds as provided in Section 207(a)(i), nor shall the failure of the Purchaser to determine that interest is taxable after examining the facts creating the possibility of taxability preclude it from subsequently reexamining the same facts or other facts and making a Determination of Taxability. In the event of a correction to a Determination of Taxability that provides for an earlier Taxability Date, RIAC shall pay to the Purchaser all additional amounts due as a result of such earlier Taxability Date. In the event of a correction to a Determination of Taxability that provides for a later Taxability Date, the Purchaser shall return any amounts paid by RIAC on account of such earlier Taxability Date that were not properly due.

The Purchaser shall not be required to appeal or resort to further administrative or judicial proceedings seeking to reverse any governmental assertion or conclusion that interest is taxable, provided that if CommerceRI and RIAC provide indemnity satisfactory to the Purchaser for its costs and expenses, the Purchaser shall cooperate with RIAC in any administrative or judicial proceeding RIAC may initiate for the purpose of reversing any such assertion or conclusion, but nothing in this Section or in this Eleventh Supplemental Indenture will be deemed to require the Purchaser to disclose its tax returns or other confidential information nor to prevent the Purchaser from closing any tax year by agreement with the relevant taxing authority. A Determination of Taxability under Section 207(a)(i) shall be conclusive as to CommerceRI and RIAC for the purposes of this Eleventh Supplemental Indenture and the 2015 Series A Bonds, but neither that determination nor this sentence shall be construed as an admission or waiver of any kind in any governmental proceeding relating to any federal tax liability of any person.

(v) Additional Provisions.

(A) If the Purchaser receives notice from the Internal Revenue Service of a claim or assessment that interest on the 2015 Series A Bonds is taxable, such Purchaser shall provide notice thereof to CommerceRI and RIAC within ten (10) business days after receipt.

(B) The Purchaser shall have the right to obtain a written opinion of a nationally recognized bond counsel pursuant to Section 207(a)(i) hereof, at the expense of RIAC, upon delivery by the Purchaser to RIAC of a letter from the Purchaser's accountant stating that, in his, her or its reasonable opinion, interest on the 2015 Series A Bonds is includable in the gross income of such Purchaser for federal income tax purposes and stating the reasons for such determination.

(C) Notwithstanding any provision of this Eleventh Supplemental Indenture to the contrary, a determination that interest on the 2015 Series A Bonds is taxable as set

forth in this Section 207 shall not constitute an Event of Default under this Eleventh Supplemental Indenture.

Section 208. Increased Costs; Capital Adequacy.

(a) Increased Costs; Capital Adequacy.

(i) If the adoption, effectiveness or phase-in, after the date hereof, of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Purchaser with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (each, a “Regulatory Change”):

(A) shall subject the Purchaser to any imposition or other charge with respect to any amounts due under this Eleventh Supplemental Indenture or the 2015 Series A Bonds (except for changes in the rate of tax on the overall net income of the Purchaser); or

(B) shall impose, modify or deem applicable any reserve, special deposit, deposit insurance or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, the Purchaser or shall impose on the Purchaser any other condition affecting payments under this Eleventh Supplemental Indenture or the 2015 Series A Bonds or the Purchaser’s rights to receive such payment;

and the result of any of the foregoing is to increase the cost to the Purchaser of making or maintaining the investment evidenced by the 2015 Series A Bonds or to reduce the amount of any sum received or receivable by the Purchaser under this Eleventh Supplemental Indenture or under the 2015 Series A Bonds by an amount deemed by the Purchaser to be material, then, upon demand by the Purchaser and receipt by CommerceRI and RIAC of a certificate from the Purchaser setting forth its calculation of the amount owed, CommerceRI shall forthwith pay to the Purchaser such additional amount or amounts as will compensate the Purchaser for such increased costs or reduction in receipts.

(ii) If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by the Purchaser, or any person controlling the Purchaser, and the Purchaser determines (in its reasonable discretion) that the rate of return on its or such controlling person’s capital as a consequence of the Purchaser’s ownership of the 2015 Series A Bonds is reduced to a level below that which the

Purchaser or such controlling person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by the Purchaser to CommerceRI and RIAC, CommerceRI shall immediately pay directly to the Purchaser additional amounts sufficient to compensate the Purchaser or such controlling person for such reduction in rate of return.

(iii) A certificate of the Purchaser claiming compensation under this Section 208(a) shall be conclusive and binding upon CommerceRI in the absence of manifest error. Such certificate shall set forth the nature of the occurrence giving rise to such compensation, the additional amount or amounts to be paid to the Purchaser hereunder and the method by which such amounts were determined. In determining such amounts, the Purchaser may use any reasonable averaging and attribution methods. Payment of all such amounts shall be made within 15 days of demand by the Purchaser.

(iv) No failure on the part of the Purchaser to demand compensation on any one occasion shall constitute a waiver of its right to demand such compensation on any other occasion and no failure on the part of the Purchaser to deliver any certificate in a timely manner shall in any way reduce any obligation of CommerceRI to the Purchaser under this Section 208(a); provided that CommerceRI shall not be required to compensate the Purchaser or any participant pursuant to this Section 208(a) for any increased costs incurred or reductions suffered more than 90 days prior to the date that the Purchaser or any participant, as the case may be, notifies CommerceRI and RIAC of the Regulatory Change giving rise to such increased costs or reductions, and the Purchaser's or any participants' intention to claim compensation therefor (except that, if the Regulatory Change giving rise to such increased costs or reductions is retroactive, then the 90-day period referred to above shall be extended to include the period retroactive to include the period of retroactive effect thereof). If the Purchaser has granted a participation in the 2015 Series A Bonds, CommerceRI's obligations to the Purchaser under this Section 208(a) will be computed as if such participation had not taken place, with the Purchaser to be responsible for payments to the participants in accordance with the relevant participation agreements.

(v) The protection of this Section 208(a) shall be available to the Purchaser regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; provided, however, that if it shall be later determined by the Purchaser that any amount so paid by CommerceRI pursuant to this Section 208(a) is in excess of the amount payable under the provisions hereof, the Purchaser shall refund such excess amount to CommerceRI. Notwithstanding the foregoing, for purposes of this Eleventh Supplemental Indenture (a) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a Regulatory Change, regardless of the date enacted, adopted or issued, and (b) all requests, rules, guidelines or directives promulgated by the Purchaser for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or any Governmental Authority shall be deemed a Regulatory Change regardless of the date enacted, adopted or issued.

(vi) Notwithstanding the foregoing, the Purchaser, CommerceRI and RIAC agree as follows:

(A) No compensation shall be due from CommerceRI to the Purchaser under paragraph (i) or paragraph (ii) above unless the Purchaser is generally seeking similar compensation from other borrowers similarly situated and unless similarly situated borrowers have loan documentation containing provisions similar to those set forth in paragraphs (i) through (v) above.

(B) No compensation shall be due from CommerceRI to the Purchaser under paragraph (i) or paragraph (ii) above in connection with any claim of expense or loss of return relating to any period of time more than 90 days prior to the date on which CommerceRI and RIAC receives written notice from the Purchaser of the facts or circumstances giving rise to such claim for compensation; and

(C) No compensation shall be due from CommerceRI to the Purchaser under paragraph (i) or paragraph (ii) above if CommerceRI prepays the 2015 Series A Bonds in full within 180 days following the date of receipt of any written demand from the Purchaser for such additional compensation.

Notwithstanding the foregoing, the “Regulatory Changes” to which Section 208(a)(i) applies will not be deemed to include any change the result of which is a Determination of Taxability.

ARTICLE III

RESERVED

ARTICLE IV

APPLICATION OF PROCEEDS AND OTHER FUNDS

Section 401. Creation of Accounts. In addition to the funds and accounts established by the Master Indenture there are hereby created and established the following Accounts:

(a) In accordance with Section 401 of the Master Indenture, a 2015 Series A Cost of Issuance Account in the Construction Fund, to be held by the Trustee.

(b) In accordance with Section 601 of the Master Indenture, a 2015 Series A Redemption Account in the Bond Fund, to be held by the Trustee.

(c) In accordance with Section 601 of the Master Indenture, a 2015 Series A Rebate Account in the Rebate Fund, to be held by the Trustee.

Section 402. Application of 2015 Series A Bond Proceeds. Upon receipt by CommerceRI, all Proceeds of the 2015 Series A Bonds shall be loaned to RIAC and applied by the Purchaser as hereby directed by RIAC:

(a) an amount equal to \$_____ shall be wired directly to the Bond Insurer to pay the insurance premium on the Bond Insurance Policy;

(b) an amount equal to \$_____ shall be deposited with the Trustee in the 2004 Series A Redemption Account in the Bond Fund and used to redeem all of the outstanding 2004 Series A Bonds on _____, 2015; and

(c) an amount equal to \$_____ shall be deposited with the Trustee in the 2015 Series A Costs of Issuance Account in the Construction Fund to pay costs of issuance of the 2015 Series A Bonds.

Section 403. Application of Monies in the 2015 Series A Cost of Issuance Account. Payments should be made by the Trustee from the 2015 Series A Cost of Issuance Account upon receipt of a properly executed requisition in the form attached hereto as Exhibit B.

ARTICLE V

SECURITY FOR 2015 SERIES A BONDS; PROVISIONS RELATING TO BOND INSURANCE

Section 501. Security for 2015 Series A Bonds. The 2015 Series A Bonds shall be issued pursuant to the Master Indenture and this Eleventh Supplemental Indenture and shall be equally and ratably secured under the Master Indenture and this Eleventh Supplemental Indenture with any other Series of Bonds issued pursuant to the Master Indenture, without preference, priority or distinction of any 2015 Series A Bond over any other Series of Bonds, with respect to the Trust Estate, including (i) Net Revenues, (ii) moneys and investments in certain Funds and Accounts pledged under the Indenture, including the accounts established pursuant to Section 402 hereof, and the Pledged PFC Account, and (iii) CommerceRI's interest in the 2015 Series A Loan Agreement, including the right to receive Loan Payments from RIAC. The 2015 Series A Bonds along with the 1994 Series A Bonds, the 2005 Series C Bonds and the 2013 Series C Bonds are hereby designated as PFC Supported Bonds and shall have the benefit of the PFC Covenants.

Section 502. Faith and Credit of State Not Pledged. The 2015 Series A Bonds do not now and shall never constitute a general obligation of CommerceRI or a debt or pledge of the faith and credit of the State, and all covenants and undertakings by CommerceRI hereunder and under the 2015 Series A Bonds and the 2015 Series A Loan Agreement to make payments are special obligations of CommerceRI payable solely from the Net Revenues, Trust Estate and funds pledged hereunder and under the 2015 Series A Loan Agreement.

Section 503. Provisions Relating to Bond Insurance Notwithstanding anything to the contrary set forth in the Master Indenture:

(a) The Bond Insurer shall be deemed to be the sole holder of the 2015 Series A Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the 2015 Series A Bonds insured by it are entitled to take pursuant to Article IX (pertaining to defaults and remedies) and Article X (pertaining to the Trustee) of the Master Indenture. In furtherance thereof, the Trustee and Purchaser appoint the Bond Insurer as their agent and attorney-in-fact and agree that the Bond Insurer may at any time during the continuation of any proceeding by or against CommerceRI or RIAC under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedes or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and the Purchaser delegate and assign to the Bond Insurer, to the fullest extent permitted by law, the rights of the Trustee and the Purchaser in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

(b) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.

(c) The Bond Insurer shall be deemed a third party beneficiary of this Eleventh Supplemental Indenture.

(d) Any amendment, supplement, modification to, or waiver of, the Master Indenture, this Eleventh Supplemental Indenture, the Loan Agreement or any other transaction document, including any underlying security agreement (each a “Related Document”), that requires the consent of Bondholders or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(e) Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund, if any, shall not be disbursed, but shall instead be applied to the payment of debt service or prepayment price of the 2015 Series A Bonds.

(f) The rights granted to the Bond Insurer under this Eleventh Supplemental Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer’s contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Purchaser and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Bondholders or any other person is required in addition to the consent of the Bond Insurer.

(g) Only (1) cash, (2) non-callable direct obligations of the United States of America (“Treasures”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasures held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasures are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) subject to the prior written consent of the Bond Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the 2015 Series A Bonds unless the Bond Insurer otherwise approves.

To accomplish defeasance, the RIAC shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Bond Insurer (“Accountant”) verifying the sufficiency of the escrow established to pay the 2015 Series A Bonds in full on the maturity or prepayment date (“Verification”), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the 2015 Series A Bonds are no longer “Outstanding” under the Master Indenture and (iv) a certificate of discharge of the Trustee with respect to the 2015 Series A Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to CommerceRI, RIAC, the Trustee, the Purchaser and the Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) business days prior to the funding of the escrow. 2015 Series A Bonds shall be deemed “Outstanding” under the Master Indenture unless and until they are in fact paid and retired or the above criteria are met.

(h) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Master Indenture and this Eleventh Supplemental Indenture and the 2015 Series A Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by CommerceRI in accordance with the Master Indenture or this Eleventh Supplemental Indenture. The Master Indenture or this Eleventh Supplemental Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(i) Each of CommerceRI, RIAC and the Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(j) Claims Upon the Bond Insurance Policy and Payments by and to the Bond Insurer.

(i) If, on the third Business Day prior to the related scheduled Interest Payment Date or Principal Payment Date (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Master Indenture

and this Eleventh Supplemental Indenture, moneys sufficient to pay the principal of and interest on the 2015 Series A Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the 2015 Series A Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the 2015 Series A Bonds and the amount required to pay principal of the 2015 Series A Bonds, confirmed in writing to the Bond Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(ii) The Trustee shall notify, or cause CommerceRI to notify, within two Business Days of making a claim on the Bond Insurance Policy, each rating agency then rating CommerceRI’s outstanding bonds issued on behalf of RIAC of the making of such a claim to pay the 2015 Series A Bonds. In addition, the Trustee shall post, or cause to be posted, on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) System notice of the making a claim on the Bond Insurance Policy to pay the 2015 Series A Bonds.

(iii) The Trustee shall designate any portion of payment of principal on the 2015 Series A Bonds paid by the Bond Insurer on its books as a reduction in the principal amount of 2015 Series A Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement 2015 Series A Bond to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement 2015 Series A Bond shall have no effect on the amount of principal or interest payable by CommerceRI on any 2015 Series A Bond or the subrogation rights of the Bond Insurer.

(iv) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any 2015 Series A Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(v) Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the “Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount

only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of 2015 Series A Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, RIAC agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the 2015 Series A Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. CommerceRI hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the 2015 Series A Bonds.

(vi) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

(k) The Bond Insurer shall, to the extent it makes any payment of principal or interest on the 2015 Series A Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of RIAC to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(l) RIAC shall pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Master Indenture, this Eleventh Supplemental Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Master Indenture, this Eleventh Supplemental Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Master Indenture, this Eleventh Supplemental Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a

reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Master Indenture, this Eleventh Supplemental Indenture or any other Related Document.

(m) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of CommerceRI or RIAC or rebate only after the payment of past due and current debt service on the 2015 Series A Bonds.

(n) The Bond Insurer shall be entitled to pay principal or interest on the 2015 Series A Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by CommerceRI (as such terms are defined in the Bond Insurance Policy) and any amounts due on the 2015 Series A Bonds as a result of the maturity thereof in accordance with the this Eleventh Supplemental Indenture, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(o) The notice address of the Bond Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. _____, Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(p) The Bond Insurer shall, except as otherwise provided below, be provided with the following information:

- (i) Annual audited financial statements within 150 days after the end of RIAC’s fiscal year (together with a certification of RIAC that it is not aware of any default or Event of Default under the Master Indenture), and RIAC’s annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;
- (ii) Notice of any default known to the Trustee, the Purchaser or CommerceRI within five (5) Business Days after knowledge thereof;
- (iii) Prior notice of the advance refunding or prepayment of any of the 2015 Series A Bonds;
- (iv) Notice of the resignation or removal of the Trustee, Paying Agent, Authenticating Agent and Registrar and the appointment of, and acceptance of duties by, any successor thereto;
- (v) Notice of the commencement of any proceeding by or against CommerceRI or RIAC commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency,

receivership, rehabilitation or similar law (an “Insolvency Proceeding”);

- (vi) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the 2015 Series A Bonds;
 - (vii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Master Indenture, the Eleventh Supplemental Indenture or the Related Documents, except the Airline Agreements; and
 - (viii) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Master Indenture, the Eleventh Supplemental Indenture or the Loan Agreement.
- (q) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.
- (r) CommerceRI and RIAC will permit the Bond Insurer to discuss the affairs, finances and accounts of CommerceRI and RIAC or any information the Bond Insurer may reasonably request regarding the security for the 2015 Series A Bonds with appropriate officers of the CommerceRI and RIAC and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the CommerceRI and RIAC on any business day upon reasonable prior notice.
- (s) The Trustee shall notify the Bond Insurer of any failure of CommerceRI or RIAC to provide notices, certificates and other information under the transaction documents.
- (t) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Master Indenture, no such issuance may occur if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance, unless otherwise permitted by the Bond Insurer.
- (u) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Master Indenture would adversely affect the security for the 2015 Series A Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy.
- (v) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the 2015 Series A Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(w) RIAC shall not enter into any swap agreement secured by and payable from the Trust Estate without the prior written consent of the Bond Insurer.

ARTICLE VI

COVENANTS

Section 601. General Tax Covenant. CommerceRI and RIAC covenant to take all actions necessary to comply with the Tax Regulatory Agreement. Notwithstanding any provision in the Master Indenture or this Eleventh Supplemental Indenture, CommerceRI and RIAC shall take all lawful action necessary under the Code to ensure that interest on the 2015 Series A Bonds will remain exempt from federal income taxation to the extent provided in Section 103 of said Code and will refrain from taking any action which will cause interest on the 2015 Series A Bonds to lose the benefit of the exclusion from gross income provided by Section 103(a) of the Code. Neither CommerceRI nor RIAC shall not use or permit the use of any moneys held by CommerceRI, RIAC or the Trustee under this Eleventh Supplemental Indenture in any manner which would result in the 2015 Series A Bonds being classified as private activity bonds within the meaning of Section 141 of the Code or as arbitrage bonds within the meaning of Section 148 of the Code.

The provisions of this Section 601 shall be complied with by CommerceRI and RIAC in order to meet the requirements of the Code such that interest on the 2015 Series A Bonds shall be and remain exempt from federal income taxes to the extent provided in Section 103 of the Code; provided, however, that CommerceRI and RIAC shall not be required to comply with any such provision with respect to the 2015 Series A Bonds in the event CommerceRI and RIAC receive an opinion of nationally recognized bond counsel that compliance with such provision is no longer required to satisfy the requirements of the Code or that compliance with some other provision in lieu of a provision specified in this Section 601 will satisfy said requirements, in which case compliance with such other provision specified in the opinion of nationally recognized bond counsel shall constitute compliance with the provisions specified in this Section 601. The Issuer shall adopt a Supplemental Indenture of Trust reflecting the deletion or substitution of any such provision of this Section 601 in the same manner as provided for Supplemental Indentures authorized in accordance with Section 1101 of the Master Indenture.

Section 602. Covenants of RIAC Regarding PFC's. (a) RIAC covenants that it will comply with the PFC Act, the PFC Regulations, including the assurances thereunder and the terms and conditions of the PFC approval. RIAC will not take any action or omit to take any action with respect to PFC Revenue, approved PFC projects, or otherwise if such action or omission would, pursuant to the PFC Regulations, cause the termination of RIAC's authority to impose PFCs or prevent the use of the PFC Revenue as contemplated hereunder.

(b) RIAC covenants that it will not impose any notice restriction which does not comply with the Airport Noise and Capacity Act of 1990 Publ. L. 101-508 title IX Subtitle D (the "Noise Act"). In the case of a dispute with the FAA, RIAC will suspend any restriction until

the legality of the restriction is determined and will withdraw any restriction if necessary to avoid a termination of the right to impose a PFC.

(c) RIAC covenants that it will impose the PFC to the full extent authorized.

(d) RIAC covenants that it will increase total PFC Revenues by the appropriate amount up to fifteen (15%) percent as provided under section 158.37(a) of the PFC Regulations, if needed and eligible to be used to pay the Principal Amount of, Redemption Premium, if any, or Interest on the PFC Supported Bonds.

(e) RIAC covenants that it will, pursuant to section 158.37(b) of the PFC Regulations, seek an increase in total PFC Revenue beyond that which it may unilaterally implement, if needed and eligible to be used to pay the Principal Amount of, Redemption Premium, if any, or Interest on the Outstanding PFC Supported Bonds.

(f) RIAC covenants that it will not decrease the total amount of PFC Revenue to be collected as long as debt service remains to be paid on Outstanding PFC Supported Bonds issued to carry out approved PFC projects.

(g) RIAC covenants that it will take all action reasonably necessary to cause all collecting carriers to collect and remit to RIAC all PFC Revenue required by the PFC Regulations to be so collected and remitted to RIAC.

(h) In the event that the FAA begins proceedings to terminate RIAC's authority to impose a PFC, pursuant to section 158.85 of the PFC Regulations, through a notice of proposed termination in the Federal Register, RIAC will use its best efforts to avoid termination by (1) complying with FAA-prescribed corrective action contained in the notices; (2) contesting the FAA's proposed termination action; (3) reaching an accommodation with the FAA; or (4) any combination of the foregoing.

(i) In the event that RIAC's authority to impose a Passenger Facility Charge is ever terminated, in whole or in part, by the Federal Aviation Administration and after such termination RIAC projects that the Amounts Available to Pay Debt Service will be less than 125% of Annual Debt Service, RIAC will exercise its right under Article VI, Section (E)(1) of the Airline Agreements to increase the airline landing fees by an amount sufficient to enable Amounts Available to Pay Debt Service to equal at least 125% of Annual Debt Service.

ARTICLE VII

MISCELLANEOUS

Section 701. Notices Unless otherwise expressly provided, all notices to CommerceRI, RIAC, the Purchaser, the Trustee and the Paying Agent shall be in writing and shall be sent by registered or certified mail, postage prepaid, or delivered during business hours as follows: (i) to CommerceRI at its office at 315 Iron Horse Way, Suite 101, Providence, Rhode Island 02908, attention of Executive Director, with a copy to general counsel to CommerceRI, Thomas E.

Carlotto, Esquire, Shechtman Halperin Savage, LLP, 1080 Main Street, Pawtucket, RI 02860, (ii) to RIAC at its office at 2000 Post Road, Warwick, Rhode Island 02886, attention of President and CEO, with a copy to Peter A. Frazier, Esquire, General Counsel to RIAC, (iii) to the Trustee and Paying Agent, U.S. Bank National Association, Corporate Trust Department, One Federal Street, 8th Floor, Boston, Massachusetts 02110, (iv) to [TD Bank, N.A., 200 State Street, Boston, Massachusetts 02109, attention Jeffrey Bayard, Vice President], and (v) to the Bond Insurer as provided in Section 503(o) hereof, or, as to all of the foregoing, to such other address as the addressees shall have indicated by prior written notice to the one giving notice. If mailed, any notice given under this section shall be deemed given upon mailing, and if delivered, such notice shall be deemed given upon receipt by the party for whom it was intended.

Notice hereunder may be waived prospectively or retrospectively by the person entitled to the notice, but no waiver shall affect any notice requirement as to other persons.

Section 702. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Eleventh Supplemental Indenture or the 2015 Series A Bonds is intended or shall be construed to give any person other than the parties hereto, the Holders of the 2015 Series A Bonds, the Bond Insurer and any Paying Agents, Registrars and Authentication Agents any legal or equitable right, remedy or claim under or in respect to this Eleventh Supplemental Indenture or any covenants, conditions and provisions herein contained; this Eleventh Supplemental Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the 2015 Series A Bonds, the Bond Insurer and any Paying Agents, Registrars and Authentication Agents as herein provided.

Section 703. Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the 2015 Series A Bonds issued pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 704. Governing Law. This Eleventh Supplemental Indenture and the 2015 Series A Bonds are contracts made under the laws of the State of Rhode Island and shall be governed and construed in accordance with such laws.

Section 705. Counterparts. This Eleventh Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 706. Binding Effect. This Eleventh Supplemental Indenture shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the limitations contained herein.

Signatures on Next Page

IN WITNESS WHEREOF, CommerceRI, RIAC and the Trustee have caused this Eleventh Supplemental Indenture to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

RHODE ISLAND COMMERCE CORPORATION

By: _____
Authorized Officer

By: _____
Authorized Officer

RHODE ISLAND AIRPORT CORPORATION

By: _____
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION,
As Trustee

By: _____
Authorized Officer

EXHIBIT A

THE HOLDER OF THIS BOND, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT THIS BOND WILL BE HELD AS A LOAN, RATHER THAN AN INVESTMENT. THE HOLDER IS PURCHASING THE BOND FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF. THIS LEGEND MAY BE REMOVED IN CONNECTION WITH ANY SALE OR TRANSFER OF THE BONDS OR ANY PORTION THEREOF OR INTEREST OR PARTICIPATION THEREIN, UPON THE REQUEST OF THE HOLDER.

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THEREFORE CANNOT BE RESOLD UNLESS IT IS REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THIS BOND AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR THE INTEREST HEREON.

No. R-1

\$ _____

RHODE ISLAND COMMERCE CORPORATION
AIRPORT REVENUE REFUNDING BONDS
2015 SERIES A (AMT)

REGISTERED OWNER: TD BANK, N.A.

PRINCIPAL AMOUNT: _____ DOLLARS (\$ _____)

INTEREST RATE: _____ % per annum

INTEREST PAYMENT DATES: Semi-annually on January 1 and July 1 of each year commencing July 1, 2015, and on the Maturity Date

MATURITY DATE: July 1, 2024

DATE OF THIS BOND: _____, 2015
(Date as of which Bonds of this series were initially issued.)

The RHODE ISLAND COMMERCE CORPORATION (herein called “CommerceRI”), a governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) for value received, hereby promises to pay to TD Bank, N.A., as Registered Owner, or registered assigns, but solely from the sources provided for that purpose as hereinafter specified and not otherwise, on the Maturity Date, unless prepaid prior thereto as hereinafter provided, a portion of the Principal Amount in annual installments on each July 1 as set forth in Schedule I attached hereto, commencing on [_____], with the remaining principal balance due on the Maturity Date unless paid earlier as provided below, with interest (calculated on the basis of a 360-day year of twelve 30-day months) at the Interest Rate on such Principal Amount from the most recent Interest Payment Date to which interest has been paid or provided for or, if no interest has been paid, from the Date of this 2015 Series A Bond, payable in semi-annual installments on each Interest Payment Date as set forth in Schedule I attached hereto, commencing on July 1, 2015, until the date on which this 2015 Series A Bond becomes due, whether at maturity or prepayment. From and after that date, any unpaid principal will bear interest at the same rate or at such other applicable rate as provided below until paid or duly provided for. Principal of, Yield Maintenance Fee of, if any, and interest on this 2015 Series A Bond are payable in lawful money of the United States of America by check or draft payable to the [Registered Owner at TD Bank, N.A., [_____]] Attention: Jeffrey Bayard, Vice President]], on the applicable payment date (or in such other manner as the Registered Owner may designate in writing to CommerceRI and RIAC) and all without any presentment of the 2015 Series A Bonds by the Registered Owner.

THE PRINCIPAL OF OR PREPAYMENT PRICE AND INTEREST ON THE 2015 Series A BONDS ARE PAYABLE ONLY FROM THE REVENUES OR ASSETS OF THE ISSUER PLEDGED THEREFOR AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE SHALL BE OBLIGATED TO PAY THIS BOND. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THIS BOND.

This bond is one of a duly authorized issue of bonds of CommerceRI (herein called the “2015 Series A Bonds”), issued and to be issued in the aggregate principal amount of \$_____ pursuant to (a) Chapter 64 of Title 42 of the General Laws of Rhode Island, 1956, as amended (the “Act”), (b) a resolution of CommerceRI duly adopted on February 23, 2015, and (c) a resolution of RIAC duly adopted on February 18, 2015, and under and pursuant to a Master Indenture of Trust dated as of October 1, 1993, as supplemented and amended (as amended, the “Master Indenture”), by and among CommerceRI, RIAC, and U.S. Bank National Association, as successor to State Street Bank and Trust Company, as trustee (the “Trustee”), and an Eleventh Supplemental Indenture of Trust dated _____, 2015 (the “Eleventh Supplemental Indenture” and together with the Master Indenture, collectively, the “Indenture”), by and among CommerceRI, RIAC and the Trustee. The proceeds of the 2015 Series A Bonds will be loaned by CommerceRI to RIAC pursuant to a Loan Agreement dated _____, 2015 (the “2015 Series A Loan Agreement”), and will be used to refund on a current basis the outstanding 2004 Series A Bonds, and to pay the costs of issuing the 2015 Series A Bonds, including, without limitation, payment of a bond insurance premium.

This bond is a special and limited obligation of CommerceRI payable solely from and secured by a pledge of, equally and ratably with other Series of Bonds issued under the Master Indenture, the Trust Estate, including (i) Net Revenues, (ii) moneys and investments in certain Funds and Accounts pledged under the Indenture, including, the accounts established pursuant to Section 402 of the Eleventh Supplemental Indenture, and the Pledged PFC Account, and (iii) CommerceRI's interest in the 2015 Series A Loan Agreement, including the right to receive Loan Payments from RIAC. The 2015 Series A Bonds along with the 1994 Series A Bonds, the 2005 Series C Bonds and the 2013 Series C Bonds are hereby designated as PFC Supported Bonds and shall have the benefit of the PFC Covenants. Except as provided in the Indenture, the aggregate principal amount of Bonds which may be issued thereunder is not limited and all Bonds issued and to be issued under said Indenture are and will be equally secured by the pledge and covenants provided therein.

Copies of the Indenture are on file at the office of CommerceRI in the City of Providence, Rhode Island, and at the principal corporate trust office of the Trustee and reference to the Indenture and any Supplements thereto and to the Act is made for a description of the pledge securing the 2015 Series A Bonds and covenants relating thereto, the manner of enforcement of the pledge, the rights and remedies of the Registered of the 2015 Series A Bonds with respect thereto, the terms and conditions upon which the 2015 Series A Bonds are issued and under which Additional Bonds may be issued thereunder in the future, the conditions upon which the Indenture may be amended with or without the consent of the Holders, and the terms upon which 2015 Series A Bonds may no longer be secured by the Indenture.

The Registered Owner of this bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein to take any action with respect to an Event of Default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

[This 2015 Series A Bond may be prepaid in whole or in part at any time, at the option of RIAC, upon thirty (30) days prior written notice to the Registered Owner. In the event of any prepayment, whether by voluntary prepayment, acceleration or otherwise, the RIAC shall, at the option of the Purchaser, pay a "fixed rate prepayment charge" equal to the greater of (i) 1.00% of the principal balance being prepaid multiplied by the "Remaining Term" (hereinafter defined), in years or (ii) a "Yield Maintenance Fee" in an amount computed by the Registered Owner as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Bank Purchase Rate". If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed prepayment charge" due to the Registered

Owner upon prepayment of the principal of this bond plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

Yield Maintenance Fee = [Amount Being Prepaid x (Stated Interest Rate - Current Cost of Funds) x Days in the Remaining Term/360 days] + any accrued interest due.

“Remaining Term” as used herein shall mean the shorter of (i) the remaining term of this 2015 Series A Bond, or (ii) the remaining term of the then current fixed interest rate period.

“Stated Interest Rate” as used herein means the rate at which interest is accruing on the outstanding principal balance of this bond at the time of the calculation.

Notwithstanding the foregoing, no Yield Maintenance Fee shall be due on any amount prepaid: (i) through a refinancing by the Registered Owner; or (ii) within thirty (30) days of the Maturity Date (provided the same has not been accelerated).]

If the interest on this 2015 Series A Bond during any period is includable for federal income tax purposes in the gross income of the owner hereof, this 2015 Series A Bond shall bear interest for such period (other than for a period for which the collection of the applicable federal income tax is barred) and thereafter at the Taxable Rate (as defined in the Eleventh Supplemental Indenture). Once a Determination of Taxability has been made and delivered in writing to the Registered Owner, the Registered Owner shall promptly give written notice of such determination and the date on which the Taxable Rate commenced (the “Taxability Date”) to CommerceRI and RIAC, and shall make a notation of the change of interest rate hereon. This 2015 Series A Bond shall bear interest at the Taxable Rate from and after the Taxability Date until the final payment of this 2015 Series A Bond, regardless of whether such payment occurs before or after a Determination of Taxability is made. Reference is hereby made to the Eleventh Supplemental Indenture for further provisions relating to the payment of interest at the Taxable Rate. For purposes hereof, a “Determination of Taxability” means the first to occur of: (i) receipt by the CommerceRI or the Registered Owner of a written opinion of nationally recognized bond counsel to the effect that the interest on the 2015 Series A Bonds is not exempt from gross income for federal tax purposes (or to the effect that such bond counsel cannot conclude that such interest is so exempt), unless within sixty (60) days of such receipt RIAC delivers to the Registered Owner a written opinion of Bond Counsel to the effect that the interest on the 2015 Series A Bond is so exempt or (ii) notification by the Internal Revenue Service (either by the Commissioner of Internal Revenue or by any district director of the Internal Revenue Service) or a court of competent jurisdiction as a result of proceedings in which RIAC has participated or has been given notice and opportunity to participate at its expense, either directly or through the Registered Owner, and from which proceedings for appellate review have been concluded or the period for applying for appellate review has expired, to the effect that the interest on the 2015 Series A Bond is not exempt from gross income for federal tax purposes.

This bond is transferable, as provided in the Indenture, only upon the books of CommerceRI held by the Bond Registrar by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney, and thereupon CommerceRI shall issue in the name of the transferee a new registered 2015 Series A Bond or Bonds of the same aggregate principal amount, interest rate and maturity as the surrendered 2015 Series A Bond, as provided in the Indenture, and upon the payment of the charges therein prescribed. This Bond may also be exchanged, alone or with other 2015 Series A Bonds of the same series, interest rate and maturity, at the office of the Trustee in Boston, Massachusetts, for a new 2015 Series A Bond or Bonds of the same aggregate principal amount, interest rate and maturity, without transfer to a new registered owner, as provided in the Indenture and upon the payment of the charges therein prescribed. CommerceRI shall not be obligated to make any transfer or exchange of this bond between a record date and an Interest Payment Date.

No recourse shall be had for the payment of the principal or prepayment price of or the interest on the 2015 Series A Bonds or for any claim based thereon or on the Indenture against any member, officer or employee of CommerceRI or any person executing the 2015 Series A Bonds.

Subject to and conditioned upon payment of any Interest or principal with respect to this bond by or on behalf of the Bond Insurer, the Holder hereof, hereby assigns to the Bond Insurer, but only to the extent of all payments made by the Bond Insurer, all its rights to the payment of Interest or principal hereon. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to the Bond Insurer in respect of such payments.

The Act provides that the State of Rhode Island and Providence Plantations has pledged and agreed that it will not limit or alter the rights hereby vested in CommerceRI until all bonds issued by CommerceRI are fully met and discharged or adequate provision has been made by law for the protection of the Registered of such bonds or obligations.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed and that the issue of this bond, together with all other indebtedness of CommerceRI, is within every debt and other limit prescribed by law.

This bond shall not be entitled to any security, right or benefit under the Indenture or be valid or obligatory for any purpose, unless the Certificate of Authentication hereon has been duly executed by the Authenticating Agent.

IN WITNESS WHEREOF, the Rhode Island Commerce Corporation has caused this bond to be executed in its name by the manual or facsimile signature of an Authorized Officer of CommerceRI and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and countersigned by the manual or facsimile signature of an Authorized Officer of CommerceRI.

(Seal)

RHODE ISLAND COMMERCE
CORPORATION

By: _____
Authorized Officer

Countersigned:

By: _____
Authorized Officer

CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2015 Series A Bonds described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Signatory

NOTATION OF TAXABILITY

As a consequence of a Determination of Taxability as provided herein, from and after _____ (the "Taxability Date"), this bond shall bear interest at the "Taxable Rate" as set forth in the Agreement.

Dated: _____

TD BANK, N.A., as Bondowner

By: _____
Authorized Officer

[Form of Opinion of Bond Counsel]

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (“AGM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this bond to U.S. Bank National Association, as paying agent for the 2015 Series A Bonds (the “Paying Agent”). Such Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers this bond to

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

and irrevocably appoints _____ attorney-in-fact to transfer it on the books kept for registration of this bond with full power of substitution.

Dated: _____

NOTE: The signature to this assignment must correspond with the name as written on the face of the bond without alteration, enlargement or other change.

Signature Guaranteed:

Participant in a Recognized Signature
Guaranty Medallion Program

By: _____
Authorized Signature

SCHEDULE I

Schedule of Principal and Interest Payments

EXHIBIT B

REQUISITION FOR 2015 SERIES A
COST OF ISSUANCE ACCOUNT

REQUISITION NO.

RE: Airport Revenue Refunding Bonds, 2015 Series A

TO: Trustee under the Master Indenture of Trust dated as of October 1, 1993 (the "Master Indenture"), as supplemented and amended, including by the Eleventh Supplemental Indenture of Trust dated _____, 2015 (the "Eleventh Supplemental Indenture" and together with the Master Indenture, collectively, the "Indenture"), all by and among the Rhode Island Commerce Corporation, Rhode Island Airport Corporation and U.S. Bank National Association, as successor to State Street Bank and Trust Company, as trustee (the "Trustee")

This Requisition is made pursuant to the above Indenture.

The Trustee is directed to pay sums out of the Cost of Issuance Account of the Construction Fund entitled the 2015 Series A Cost of Issuance Account as follows:

<u>PAYEE</u>	<u>PURPOSE OF PAYMENT</u>	<u>AMOUNT</u>
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I hereby certify that

(i) the obligation mentioned herein (a) has been properly incurred, (b) is a proper charge against the 2015 Series A Cost of Issuance Account of the Construction Fund, (c) is currently due and payable, (d) has not been previously paid or reimbursed, and (e) has not been the basis of any previous withdrawal.

(ii) attached hereto is an invoice or bill for the amount described herein.

Capitalized terms not otherwise expressly defined herein are used herein with the meanings assigned to such terms in the Indenture.

RHODE ISLAND AIRPORT
CORPORATION

By: _____
Authorized Officer

LOAN AGREEMENT

BETWEEN

RHODE ISLAND COMMERCE CORPORATION

AND

RHODE ISLAND AIRPORT CORPORATION

Dated _____, 2015

With Respect to

\$_____

Rhode Island Commerce Corporation
Airport Revenue Refunding Bonds
2015 Series A (AMT)

THIS LOAN AGREEMENT, dated _____, 2015 between the RHODE ISLAND COMMERCE CORPORATION (“CommerceRI”), a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”), and the RHODE ISLAND AIRPORT CORPORATION (the “Corporation”), a corporation organized as a subsidiary corporation of CommerceRI pursuant to Rhode Island General Laws § 42-64-7.1.

WITNESSETH:

WHEREAS, the CommerceRI has been created pursuant to the provisions of the Rhode Island Economic Development Corporation Act, Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”), and is authorized and empowered by the Act to construct, acquire, own, repair, develop, operate, maintain, extend and improve, rehabilitate, renovate, furnish and equip port projects pursuant to the Act; and

WHEREAS, CommerceRI has authorized the refunding on a current basis of all of its outstanding Airport Revenue Refunding Bonds, 2004 Series A (the “Refunded Bonds”) (the “Refunding”); and

WHEREAS, CommerceRI has, pursuant to the Act and the Master Trust Indenture dated as of October 1, 1993 (the “Master Indenture”) by and among CommerceRI, the Corporation, and U.S. Bank National Association, as trustee (the “Trustee”) authorized the issuance and sale of its Airport Revenue Refunding Bonds, 2015 Series A (the “2015 Series A Bonds”) together with other available funds on hand to finance the Refunding and to pay the costs of issuing the 2015 Series A Bonds, including, without limitation, payment of a bond insurance premium (collectively, the “Project”); and

WHEREAS, CommerceRI has received all approvals and delivered all certifications required to be obtained under the Act and the Master Indenture prior to the issuance of the 2015 Series A Bonds; and

WHEREAS, CommerceRI is authorized and empowered under the Act to lend the proceeds of the 2015 Series A Bonds to the Corporation for the purposes listed above; and

WHEREAS, the 2015 Series A Bonds are to be issued under and secured by the Master Indenture, as supplemented by the Eleventh Supplemental Trust Indenture dated _____, 2015 (the “Eleventh Supplemental Indenture”) (collectively, the “Indenture”).

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. The terms defined in this Article I shall for all purposes of this Loan Agreement have the meanings specified herein, unless the context clearly otherwise requires. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa. Capitalized terms not defined herein shall have the same meanings as in the Master Indenture and the Eleventh Supplemental Indenture.

“Agreement” or “Loan Agreement” shall mean this Loan Agreement dated _____, 2015, between CommerceRI and the Corporation and approved by the Trustee and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

“Bond Purchase Contract” shall mean the Bond Purchase Agreement dated _____, 2015, by and among CommerceRI, the Corporation and TD Bank, N.A., as Purchaser of the 2015 Series A Bonds.

“Counsel” shall mean an attorney or firm of attorneys (who may be an employee of, or counsel to, CommerceRI or the Corporation) qualified to pass on the particular matter and satisfactory to the Trustee.

“Event of Bankruptcy” means: (i) the Corporation shall commence a voluntary case under the federal bankruptcy laws, or shall become insolvent or unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors, or shall apply for, consent to, or acquiesce in the appointment of, or taking possession by, a trustee, receiver, custodian or similar official or agent for itself or any substantial part of its property; (ii) a trustee, receiver, custodian or similar official or agent shall be appointed for the Corporation or for any substantial part of its property, and such trustee, receiver, custodian or similar official shall not be discharged within sixty (60) days; or (iii) to the extent permitted under applicable law, the Corporation shall have an order or decree for relief in an involuntary case under the federal bankruptcy laws entered against it, or a petition seeking reorganization, readjustment, arrangement, composition, or other similar relief under the federal bankruptcy laws or any similar law for the relief of debtors shall be brought against it to the extent such proceeding shall not be discharged within sixty (60) days.

“Event of Default” with reference to this Agreement shall mean any of the occurrences described in Section 8.01 of this Agreement.

“Facilities” shall mean the facilities of the Corporation financed and/or refinanced with the proceeds of the Refunded Bonds.

“Interest Payment Date” shall mean January 1 and July 1 of each year while any Principal Amount of the 2015 Series A Bonds remains Outstanding commencing July 1, 2015.

“Principal Payment Date” shall mean each July 1 in the years 2015 through 2024, inclusive.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND FINDINGS

SECTION 2.01. CommerceRI makes the following representations and warranties as the basis for the undertakings on the part of the Corporation herein contained:

(a) CommerceRI is a public corporation, governmental agency and public instrumentality of the State;

(b) CommerceRI has full power under the Constitution of the State, the Act and its By-laws to enter into the transactions contemplated by this Agreement and the Indenture and to carry out its obligations hereunder and thereunder;

(c) The lending of the Proceeds as provided by this Agreement, will further the purposes of the Act, to wit, to promote a vigorous and growing economy, to prevent economic stagnation and to encourage new job opportunities in order to ameliorate the hazards of unemployment and underemployment, reduce the level of public assistance, increase revenues to the State and its municipalities and to achieve a stable, diversified economy;

(d) The execution and delivery of, and the performance by CommerceRI of its obligations under this Agreement have been duly authorized by all appropriate action by or on behalf of CommerceRI and this Agreement constitutes the valid and binding obligation of CommerceRI, enforceable in accordance with its terms, except to the extent limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors’ rights;

(e) Under existing law no taxes on income or profits are imposed on CommerceRI;

(f) The project originally financed or refinanced with proceeds of the Refunded Bonds and the Refunding will help to prevent, eliminate or reduce unemployment or underemployment in the State and will significantly benefit the economic development of the State;

(g) Adequate provision has been or will be made for the payment of the cost, acquisition, construction, operation, maintenance and upkeep of the project originally financed or refinanced with proceeds of the Refunded Bonds and the Facilities;

(h) With respect to real property, the plans and specifications assure adequate light, air, sanitation and fire protection;

(i) The project originally financed or refinanced with proceeds of the Refunded Bonds and the Facilities are in and remain in conformity with the applicable provisions of Chapter 42-23 of the Rhode Island General Laws (Coastal Resources Management Council Act); and

(j) The project originally financed or refinanced with proceeds of the Refunded Bonds and the Facilities are in and remain in conformity with the applicable provisions of the State Guide Plan.

(k) The Refunding has been approved by the Governor pursuant to Rhode Island General Laws 35-18-3(c)(5).

SECTION 2.02. The Corporation makes the following representations and warranties as the basis for the undertakings on the part of CommerceRI herein contained:

(a) The Corporation will continue to use the Facilities as an Airport Facility (as defined in the Act and the Indenture);

(b) The Corporation has obtained or will obtain all necessary approvals, permits, consents and licenses with respect to the project originally financed or refinanced with proceeds of the Refunded Bonds, the Facilities and the Refunding; and

(c) The execution and delivery of, and the performance by the Corporation and its obligations under this Agreement have been duly authorized by all appropriate action by or on behalf of the Corporation and this Agreement constitutes the valid and binding obligation of the Corporation, enforceable in accordance with its terms, except to the extent limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors' rights.

ARTICLE III

THE REFUNDING ISSUANCE OF THE 2015 SERIES A BONDS

SECTION 3.01. In order to provide funds for the Project, CommerceRI, as soon as practicable after the execution of this Agreement, will issue the 2015 Series A Bonds, and deliver the Proceeds, together with available funds on hand, to the Trustee for deposit in accordance with the Eleventh Supplemental Indenture.

SECTION 3.02. The Corporation has, in the Indenture, authorized and directed the Trustee to make payments to finance the Project in the manner and in accordance with the procedures set forth in the Indenture.

The Corporation agrees that it will not submit any requisition to the Trustee which, if paid, would result in an expenditure for purposes that may not, under the Act, be financed by CommerceRI.

SECTION 3.03. Any moneys held as a part of the Construction Fund or any other Fund or Account created pursuant to the Indenture shall, at the written request of the Corporation be invested or reinvested by the Trustee as provided in the Indenture.

ARTICLE IV

LOAN BY COMMERCERI TO CORPORATION; REPAYMENT; PLEDGE OF TRUST ESTATE

SECTION 4.01. CommerceRI shall loan to the Corporation the Proceeds to finance the Project such loan to be consummated by the deposit of the Proceeds with the Trustee pursuant to the Indenture.

SECTION 4.02. The Corporation agrees to pay to CommerceRI as repayment of the loan of the Proceeds a sum equal to the Principal Amount of the 2015 Series A Bonds, together with Interest on the unpaid balances thereof at the rates payable by CommerceRI on such 2015 Series A Bonds and all other amounts which may be due to CommerceRI hereunder in the amounts and on the dates as follows:

(a) For the first Interest Payment Date occurring July 1, 2015, the Corporation shall deposit the entire amount due as Interest by June 30, 2015,

(b) Thereafter, on the first Business Day of each month, but in no event later than the fifth Business Day of each month commencing July 1, 2015, an amount which is equal to one-sixth (1/6th) of the next Interest payment due after such date with respect to each Series of the 2015 Series A Bonds, after applying any capitalized interest available therefor,

(c) On the first Business Day of each month, but in no event later than the fifth Business Day of each month commencing July 1, 2015, an amount equal to one-twelfth (1/12th) of the next principal payment or sinking fund payment due after such date with respect to each Series of the 2015 Series A Bonds,

(d) The amount of the Trustee's and Paying Agent's fees and costs when accrued and payable.

In the event the Corporation shall fail to make any of the payments required in this Section 4.02, the payment so in default shall continue as an obligation of the Corporation until the amount in default shall have been fully paid, and the Corporation will pay the same with interest thereon (to the extent permitted by law) until paid at the rate per annum which is equal to the rate borne on each Series of the 2015 Series A Bonds.

SECTION 4.03. The Corporation hereby pledges, assigns and sets over to CommerceRI, and grants a security interest to CommerceRI as security for the repayment by the Corporation to CommerceRI of the loan made to the Corporation hereunder, all of the Corporation's right, title and interest in and to the Trust Estate as such term is defined in the Indenture. Except for the rights of CommerceRI to receive payments under Sections 4.06 and 5.01 of this Agreement, it is

understood and agreed that all right, title and interest of CommerceRI in the Trust Estate, including without limitation, all payments owed to CommerceRI by the Corporation, and all security granted to CommerceRI for the payment and performance by the Corporation of amounts owed under this Agreement, are pledged, granted and assigned by CommerceRI to the Trustee pursuant to the terms hereof and of the Indenture. The Corporation assents to such pledge and assignment and agrees that its obligation to make such payments shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of setoff, counterclaim or recoupment arising out of any breach by CommerceRI of any obligation to the Corporation, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Corporation by CommerceRI. CommerceRI directs the Corporation, and the Corporation agrees, to pay to the Trustee at its corporate trust office all payments payable by the Corporation pursuant to this Agreement.

SECTION 4.04. The Corporation agrees that so long as it operates the Facilities, they will be operated as an Airport Facility as contemplated by the Act.

SECTION 4.05. The Corporation agrees that in the event the Corporation requests CommerceRI to issue Additional Bonds under the Indenture and CommerceRI agrees, the Corporation will, if necessary, enter into an amendment to this Agreement with CommerceRI which will contain such provisions as shall be required by CommerceRI or the Trustee in respect of the issuance of such Completion Bonds or Additional Bonds, including without limitation the provisions required pursuant to Section 214 of the Master Indenture.

SECTION 4.06. The Corporation covenants and agrees, at its expense, to pay and to indemnify and hold CommerceRI and its members, officers, employees and agents harmless of, from and against, any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature asserted by or on behalf of any person, firm, corporation or governmental agency arising out of, resulting from, or in any way connected with, the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation or financing of, the Project and the Facilities or any part thereof.

The Corporation also covenants and agrees, at its expense, to pay and to indemnify and hold CommerceRI harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. In the event that any action or proceeding is brought against CommerceRI by reason of any such claim or demand, the Corporation shall, upon notice from CommerceRI, resist and defend such action or proceeding on behalf of CommerceRI.

Notwithstanding the foregoing, nothing contained in this Section 4.06 shall be construed to indemnify or release CommerceRI from any liability which it would otherwise have had arising from its own willful misconduct or negligence or any breach of this Agreement or the Indenture.

SECTION 4.07. CommerceRI covenants and agrees, at its expense, to pay and indemnify the Corporation and its members, officers, employees and agents and to hold each of them harmless from and against all claims, damages, demands, expenses (including without limitation

reasonable attorneys' fees and other costs incurred in investigation and defense of any action or proceeding brought against the Corporation for which it is indemnified hereunder), liabilities and losses of every kind, character and nature asserted by or on behalf of any person, firm, corporation or governmental agency arising out of or in any way connected to the actions, omissions, breaches, representations or misrepresentations by CommerceRI in connection with the issuance and sale of the 2015 Series A Bonds, including without limitation any breach by CommerceRI of its covenants given under the Indenture.

SECTION 4.08. Each and every covenant herein made is predicated upon the condition that any obligation for the payment of money incurred by the Corporation or for the taking of any action by the Corporation (or the breach of any of the foregoing obligations) shall not constitute nor give rise to a pecuniary liability or a charge against its general credit. The loan payments required to be paid at any time and any and all other charges and expenses of whatever nature shall be payable solely out of the revenues or other receipts, funds or moneys of the Corporation specifically pledged to the payment thereof in the manner and to the extent specified in the Master Indenture and nothing in this Loan Agreement shall be considered as pledging any other revenues, receipts, funds, moneys or assets of the Corporation.

ARTICLE V

GENERAL COVENANTS

The covenants applicable to the Corporation contained in Article VIII of the Master Indenture and Article VI of the Eleventh Supplemental Indenture are hereby incorporated herein by reference as if fully set forth herein. So long as any amounts due on the 2015 Series A Bonds remain Outstanding, the Corporation covenants that it will comply with each of the provisions of Article V hereof and the Indenture as are applicable.

SECTION 5.01. In the event it may be necessary for the proper performance of this Agreement on the part of CommerceRI or the Corporation that any application or applications for any permit or license to do or perform certain things be made to any governmental or other agency by the Corporation or CommerceRI, the Corporation and CommerceRI each agree to execute, upon the request of the other, such application or applications; provided that any fees, costs or expenses of any nature incurred by CommerceRI pursuant to this Section shall be paid by the Corporation to CommerceRI.

SECTION 5.02. The Corporation has not taken, nor does it have any present intention of taking, and shall not in the future take, any action which would cause the Interest on the 2015 Series A Bonds to be includable in the gross income of the recipient thereof for Federal income tax purposes. The Corporation and CommerceRI shall file with the Internal Revenue Service of the United States Treasury Department or any other authorized governmental agency any and all statements or other instruments required under the Internal Revenue Code including Section 103 thereof, and the regulations thereafter, in order that the Interest on the 2015 Series A Bonds shall continue to be excludable from the gross income of the recipient thereof for Federal income tax purposes thereunder.

SECTION 5.03. The Corporation will duly pay and discharge, or cause to be paid and discharged, before the same shall become in arrears, all taxes, assessments and other governmental charges levied or imposed upon it and its properties, sales and activities or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon any of its property; provided, however, that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Corporation shall, in accordance with generally accepted accounting principles, have set aside on its books adequate reserves with respect thereto; and provided, further, that the Corporation will pay all such taxes, assessments, charges, levies or claims forthwith upon the commencement or proceedings to foreclose any lien which may have attached as security therefor. The Corporation will promptly pay when due, or in accordance with customary trade terms, all other indebtedness, but not including the Corporation's indebtedness related to capital, other than the 2015 Series A Bonds and any Subordinated Indebtedness, incident to the operation of the Corporation; provided, however, that any such indebtedness need not be paid if the validity or amount thereof shall currently be contested in good faith and if the Corporation, in accordance with generally accepted accounting principles, shall have set aside on its books adequate reserves with respect thereto.

SECTION 5.04. [Reserved].

SECTION 5.05. If the Corporation elects to pay costs of issuance for the 2015 Series A Bonds which exceed two percent (2%) of the Principal Amount of the 2015 Series A Bonds, the Corporation shall pay such costs of issuance in excess of two percent (2%) of the Principal Amount of the 2015 Series A Bonds from sources other than the proceeds of the 2015 Series A Bonds.

SECTION 5.06. The Corporation hereby covenants, except as otherwise provided below, to provide, or cause to be provided, to CommerceRI the following information:

- (a) upon written request of CommerceRI, its annual audited financial statements within one hundred fifty (150) days of the end of the Fiscal Year of the Corporation,
- (b) upon written request of CommerceRI, its annual operating budget and capital budget within thirty (30) days of the adoption thereof,
- (c) upon written request of CommerceRI, a certificate of the Treasurer of the Corporation, attached to the annual audited financial statements, that, to the best of his or her knowledge, following a reasonable inquiry, no Event of Default has occurred under this Loan Agreement, or, if an Event of Default has occurred under this Loan Agreement, a statement as to the nature of the Event of Default and, if the Corporation has the right to undertake a cure pursuant to Section 8.01(b), a statement, in reasonable detail, of the steps, if any, being taken by the Corporation to cure such Event of Default,

(d) a copy of any official statement, private placement memorandum, or other disclosure document, prepared in connection with the Corporation's incurring any other indebtedness within thirty (30) days of the closing thereof,

(e) notice that it has failed to make any required payment hereunder within two (2) Business Days of such failure,

(f) a full original transcript of all proceedings relating to the execution of any amendment or supplement to this Loan Agreement, and

(g) copies of all reports, certificates, and notices required to be delivered by the Corporation pursuant hereto.

ARTICLE VI

ASSIGNMENT, LEASING AND SELLING

SECTION 6.01. The Corporation will not sell, lease or otherwise dispose of the Facilities except as provided in this Section 6.01 or as is permitted by that certain Lease and Operating Agreement dated June 25, 1993, as amended and restated from time to time, by and among the Corporation, the State, and the Rhode Island Department of Transportation. The Corporation may from time to time sell or otherwise dispose of any item constituting part of the Facilities if the item is being sold in the normal course of maintaining the Facilities and such sale will not materially adversely affect the security for the 2015 Series A Bonds, the rights of the Bondholders, or the operation of the Facilities as an Airport Facility.

In addition, this Agreement may be assigned, in whole or in part, and the Facilities may be sold or leased as a whole or in part, by the Corporation without the necessity of obtaining the consent of CommerceRI, subject however, to the following conditions:

(a) No sale, assignment or lease shall relieve the Corporation from primary liability for any of its obligations under this Agreement, and in the event of any such sale, assignment or lease, the Corporation shall continue to remain primarily liable for the payments specified in Section 4.02 hereof, and for the performance and observance of all other agreements or covenants on its part herein provided; and

(b) The Corporation shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to CommerceRI and the Trustee a true and complete copy of each such agreement of assignment, sale or lease, as the case may be, which involves aggregate payments in excess of \$500,000 per year.

SECTION 6.02. Except for CommerceRI's rights and interest with respect to indemnification under Section 4.06 hereof, its right to receive payments pursuant to Section 5.01 hereof, CommerceRI will, by the terms of the Indenture, assign its rights under and interest in this Agreement and will pledge and assign any payments, receipts and revenues receivable under or pursuant to this Agreement, any moneys receivable by CommerceRI due to other payments

made in connection with the transactions contemplated by this Agreement or the Indenture and income earned by the investment of Funds and Accounts held under the Indenture and the securities held in such Funds to the Trustee as security for payment of the Principal Amount of, Redemption Premium, if any, and Interest on the 2015 Series A Bonds. Except as provided in this Agreement and in the Indenture, CommerceRI will not sell, assign, transfer, convey or otherwise dispose of its interest in this Agreement, or the receipts and revenues therefrom, during the term of this Agreement.

ARTICLE VII

OPTIONS AND OBLIGATIONS TO PREPAY LOAN

SECTION 7.01.

(a) [The Corporation shall have, and is hereby granted, the option to prepay, at any time, in full or in part, the unpaid amounts payable under Section 4.02 hereof with respect to all or a portion of the 2015 Series A Bonds then outstanding, upon notice as hereinafter described and payment of a sum sufficient, together with other sums held by the Trustee and available for such purpose:

(i) To pay 100% of the unpaid Principal Amount of the 2015 Series A Bonds then Outstanding and being redeemed under the Indenture,

(ii) To pay the Interest which will become due on the 2015 Series A Bonds to the date or dates fixed for prepayment, and

(iii) To pay any applicable Yield Maintenance Fee with respect to the 2015 Series A Bonds.

The Corporation shall give forty-five (45) days notice of its intention to prepay the loan pursuant to this Section by the delivery of a certificate of an Authorized Representative of the Corporation to the Trustee and CommerceRI to call or provide for payment to maturity of the 2015 Series A Bonds in full or in part on a date specified in such certificate (which shall not be less than thirty (30) days nor more than sixty (60) days after the date of such notice).]

The obligations to make payments required by this Section of the Agreement shall be satisfied in the same manner as the 2015 Series A Bonds are deemed to be paid pursuant to Article X of the Indenture.

ARTICLE VIII

DEFAULT AND REMEDIES

SECTION 8.01. The following shall be “Events of Default” under this Agreement:

(a) Failure by the Corporation to make payments pursuant to Section

4.02 of this Agreement.

(b) Failure by the Corporation to perform or observe any other covenant, agreement or provision to be performed or observed by the Corporation under this Agreement, or if any representation or warranty of the Corporation contained in this Agreement shall be materially false on the date as of which it was made, and such failure or falsehood shall not be rectified or cured to the satisfaction of the Trustee, as provided in Section 8.05, within thirty (30) days after written notice thereof by the Trustee to the Corporation, unless the Corporation shall be unable to rectify or cure such failure within said thirty (30) days after good faith efforts to do so, in which case such cure period maybe for such extended period as CommerceRI and the Bond Insurer shall determine, in its discretion, to be appropriate.

(c) An Event of Bankruptcy of the Corporation shall occur.

SECTION 8.02. Whenever any Event of Default hereunder shall have happened, CommerceRI may take any action at law to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Corporation under this Agreement.

WHETHER OR NOT COMMERCERI ELECTS TO EMPLOY ANY OR ALL OF THE REMEDIES AVAILABLE TO IT UPON THE OCCURRENCE OF AN EVENT OF DEFAULT, COMMERCERI SHALL NOT BE LIABLE FOR THE CONSTRUCTION OF OR FAILURE TO CONSTRUCT OR COMPLETE OR PROTECT THE PROJECT OR THE FACILITIES OR FOR PAYMENT OF ANY EXPENSE INCURRED IN CONNECTION WITH THE EXERCISE OF ANY REMEDY AVAILABLE TO COMMERCERI FOR THE CONSTRUCTION OR COMPLETION OF THE PROJECT OR THE FACILITIES OR FOR THE PERFORMANCE OR NON-PERFORMANCE OF ANY OTHER OBLIGATION OF THE CORPORATION.

SECTION 8.03. No remedy conferred upon or reserved to CommerceRI is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle CommerceRI to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 8.04. If the Corporation shall default under any of the provisions of this Agreement and CommerceRI or the Trustee shall employ attorneys or incur other expenses for the collection of payments due hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Corporation contained herein, the Corporation will on demand therefor reimburse the reasonable fees of such attorneys and such other expenses so incurred.

SECTION 8.05. In the event that any agreement contained herein shall be breached by either party and such breach shall thereafter be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. CommerceRI may waive a breach by the Corporation of the covenants contained in Sections 5.01 and 5.03 of this Loan Agreement without the consent of the Trustee or the Bondholders provided that such waiver will not materially adversely affect the Bondholders' rights and remedies under this Agreement and CommerceRI notifies the Trustee in writing of any such waiver. CommerceRI shall have no power to waive any other default hereunder by the Corporation without the consent of the Purchaser or the Bond Insurer to such waiver, all as provided for in this Loan Agreement.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Any amounts remaining in the 2015 Series A Interest Account, the 2015 Series A Principal Account, the 2015 Series A Redemption Account, after payment in full of the 2015 Series A Bonds (including Interest and Redemption Premium, if any, thereof), or provision for payment thereof having been made in accordance with the provisions of the Master Indenture or the Eleventh Supplemental Indenture, and payment of all other obligations incurred by CommerceRI under this Agreement, including (without limitation) interest, premiums and other charges, if any, thereon, shall belong to the Corporation in accordance with the provisions of the Indenture.

SECTION 9.02. All notices, certificates, requests or other communications between CommerceRI, the Corporation, the Trustee, the Purchaser and the Bond Insurer required to be given hereunder or under the Indenture shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

- (a) To CommerceRI at:

315 Iron Horse Way, Suite 101
Providence, Rhode Island 02908
Attention: Executive Director

with a copy to:

Thomas E. Carlotto, Esquire
Shechtman Halperin Savage, LLP
1080 Main Street, Pawtucket, RI 02860

- (b) To the Corporation at:

T.F. Green Airport
2000 Post Road
Warwick, Rhode Island 02886

Attention: President and CEO

with a copy to:

Peter A. Frazier, Esquire
General Counsel to RIAC
2000 Post Road
Warwick, Rhode Island 02886

(c) To the Trustee at:

U.S. Bank National Association
Corporate Trust
One Federal Street, 3rd Floor
Boston, Massachusetts 02110
Attention: Corporate Trust Services

(d) To the Purchaser at:

TD Bank, N.A.
200 State Street
Boston, Massachusetts 02109

(e) To the Bond Insurer at:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director – Surveillance
Re: Policy No. _____

A duplicate copy of each notice, certificate, request or other communication given hereunder to CommerceRI, the Corporation, the Trustee, the Purchaser or the Bond Insurer shall also be given to the others. The Corporation, CommerceRI, the Trustee, the Purchaser and the Bond Insurer may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

SECTION 9.03. This Agreement shall inure to the benefit of and shall be binding upon CommerceRI, the Corporation, and their respective successors and assigns, subject to the limitation that any obligation of CommerceRI created by or arising out of this Agreement shall be a special obligation of CommerceRI, payable solely from the proceeds derived from or in connection with this Agreement as provided herein or in the Indenture and shall not constitute nor give rise to a pecuniary liability or a charge against the general credit of CommerceRI. The Bond Insurer shall be deemed to be a third party beneficiary hereof.

SECTION 9.04. Except as otherwise provided in this Agreement or in the Indenture, subsequent to the initial issuance of the 2015 Series A Bonds and prior to payment or provision for the payment of the 2015 Series A Bonds in full (including Interest and Redemption Premium, if any, thereon) in accordance with the provisions of the Indenture, and payment or provisions for the payment of other obligations incurred by CommerceRI to pay the Costs of the Project, including interest, premiums and other charges, if any, thereon, this Agreement may not be amended, changed, modified, altered or terminated so as adversely to affect the interest of the Holders of the 2015 Series A Bonds without the prior written consent of the Holders of majority of the aggregate Principal Amount of 2015 Series A Bonds Outstanding.

No amendment, change, modification, alteration or termination of this Agreement shall be made without the prior written consent of the Trustee and other than pursuant to a written instrument signed by CommerceRI and the Corporation and approved by the Trustee.

SECTION 9.05. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same Agreement.

SECTION 9.06. If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein.

In case any agreement or obligation contained in this Agreement is held to be in violation of any applicable law, including, without limitation, any law relating to the lending of money, then such agreement or obligation shall be deemed to be the binding agreement or obligation of CommerceRI of the Corporation, as the case may be, to the extent permitted by law.

SECTION 9.07. The laws of the State shall govern the construction of this Agreement.

Signatures on Next Page

IN WITNESS WHEREOF, the Rhode Island Commerce Corporation has caused this Agreement to be executed in its name by its Authorized Officers, the Rhode Island Airport Corporation has caused this Agreement to be executed in its name by its Authorized Officer and U.S. Bank National Association, as Trustee has acknowledged the same.

RHODE ISLAND COMMERCE
CORPORATION

By: _____

Name:

Title:

By: _____

Name:

Title:

RHODE ISLAND AIRPORT
CORPORATION

By: _____

Name:

Title:

ACKNOWLEDGED:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____

Name:

Title:

BOND PURCHASE AGREEMENT

I. DEFINITIONS

1. All words and phrases defined in the Indenture shall have the same meaning in this Bond Purchase Agreement (this “Agreement”). In addition, the following words and phrases shall have the following meanings:

Act	- Rhode Island General Laws Section 42-64-1 <i>et seq.</i> , as amended.
Bonds	Rhode Island Commerce Corporation, Airport Revenue Refunding Bonds, 2015 Series A, to be issued by the Issuer pursuant to the provisions of the Act in the aggregate principal amount of \$_____.
Bond Counsel	- Cameron & Mittleman LLP
Borrower	- Rhode Island Airport Corporation, a Rhode Island public corporation organized as a subsidiary public corporation of the Issuer pursuant to Rhode Island General Laws Section 42-64-7.1
Bank	- TD Bank, N.A., a national banking association.
Closing Date	- _____, 2015.
Issuer	- Rhode Island Commerce Corporation, a public corporation, governmental agency and public instrumentality of the State of Rhode Island.
Loan Agreement	- Loan Agreement, dated as of _____, 2015, among the Issuer, the Borrower and the Trustee, pursuant to which the Bonds are issued and the proceeds are loaned to the Borrower.
Indenture	Master Indenture of Trust among the Issuer, the Borrower and the Trustee securing Airport Revenue Bonds dated as of October 1, 1993.
Project	- [To be copied from definition included in Supplemental Indenture which shall include the project description of for the refunded bonds]
Related Documents	- This Agreement, the Loan Agreement, the Bonds, the Indenture and the Supplemental Indenture.
Supplemental Indenture	Eleventh Supplemental Indenture of Trust between the Issuer and the Trustee pursuant to which the Bonds are being issued dated as of _____, 2015.

Trustee - U.S. Bank, National Association as trustee under the Indenture, and its successors in such capacity.

2. This Agreement between the Issuer, the Borrower and the Bank sets forth those conditions under which the Bank has agreed to purchase the Bonds, to be issued by the Issuer, pursuant to the provisions of the Act and the Related Documents, in the aggregate principal amount of \$_____ to finance the Project and to fund certain costs of issuance of the Bonds. The Bonds shall mature, bear interest, be subject to redemption, and payment of the principal thereof, premium, if any, and interest thereon shall be secured, all as provided in the [Loan Agreement].
3. The representations, warranties, and covenants of the Issuer and the Borrower contained herein are made to induce the Bank to enter into and the Issuer to complete the transactions contemplated hereunder.

II. SALE AND PURCHASE

Based upon the representations, warranties, and covenants contained herein, and subject to the terms and conditions hereafter stated, the Bank agrees to buy the Bonds from the Issuer at a price equal to one hundred percent (100%) of the principal amount thereof. The closing shall be at the offices of Bond Counsel in Providence, Rhode Island, or at such other place as the parties hereto may agree, on or before _____, 2015, (the "Closing Date"). At the closing, the Issuer shall deliver the Bonds to the Bank against payment thereof to the Trustee, for the account of the Issuer, in immediately available funds. Proceeds of the Bonds shall be disbursed in accordance with the terms and conditions of the Loan Agreement.

III. REPRESENTATIONS AND WARRANTIES OF BORROWER

The Borrower hereby represents and warrants that:

1. The Borrower is a public corporation duly created and validly existing under the laws of the State of Rhode Island. The Borrower has the requisite power and authority and all necessary licenses, permits, and statutory authorizations to own and operate its properties and to carry on its businesses as now conducted and as presently proposed to be conducted.
2. The Borrower has full power and authority to execute and deliver this Agreement and the Related Documents and each of such documents has been duly authorized. All requisite proceedings have been taken so that this Agreement and the Related Documents will, when executed and delivered, constitute legal, valid, and binding obligations enforceable against the Borrower, as appropriate, in accordance with their terms.
3. There is no action, suit, proceeding, or investigation at law or in equity before or by any court or public board or body pending or, to the knowledge of the Borrower, any basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on: (i) the acquisition or use of the Project for the purposes for which it was intended, (ii) the transactions contemplated by

this Agreement, or (iii) the validity of the Bonds, this Agreement, or any Related Document or agreement or instrument to which any Borrower is a party which is used, or contemplated for use, in consummation of the transactions contemplated hereby.

4. The Borrower is not in violation of any term or provision of its enabling legislation. The Borrower is not in violation of any term or provision of any mortgage, lease, agreement, or other instrument, or of any judgment, decree, governmental order, statute, rule, or regulation by which it is bound or to which it, or any of its assets, is subject. The execution, delivery, and performance of and compliance with this Agreement and the Related Documents, will not be in conflict with or constitute a default under the Borrower's enabling legislation, or of any term or provision of any mortgage, lease, agreement, or other instrument, or of any judgment, decree, governmental order, statute, rule, or regulation by which the Borrower is bound or to which any of its assets is subject. No approval by, authorization of, or filing with any federal, state, or municipal, or other governmental commission, board, or agency or other governmental authority is necessary in connection with (i) the acquisition and operation of the Project, based upon its current status, which has not been obtained or filed, as appropriate or (ii) the execution and delivery of this Agreement, the Related Documents, or the consummation by the Borrower of the transactions contemplated hereby or thereby except for necessary approvals under the Act which have been, or by the time of delivery of the Bonds will have been, obtained.
5. Neither this Agreement, the Related Documents, nor any other document, certificate or statement, nor any descriptions and information delivered to the Bank or the Issuer relating to the Project or the Borrower contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.
6. The Project is, and at all times while the Bonds are outstanding will be, used in such a manner as to be included within the definition of a "project" as defined in the Act and shall be acquired, constructed, reconstructed, equipped, and/or improved substantially as described in the [application] submitted to the Issuer.
7. In the acquisition, construction, maintenance, improvement and operation of the Project, the Borrower covenants that it has complied and will comply with all applicable building, zoning, land use, environmental protection, sanitary, safety laws, rules and regulations, and all applicable grant, reimbursement and insurance requirements, and will not permit a nuisance thereon; but it shall not be a breach of this subsection if the Borrower fails to comply with such laws, rules, regulations and requirements during any period in which the Borrower is diligently and in good faith contesting the validity thereof, provided that the security interests created by the Related Documents or intended to be created thereby is not, in the opinion of the Bank, unreasonably jeopardized thereby.

IV. REPRESENTATIONS OF THE ISSUER

1. The Issuer is a public corporation duly created and validly existing under the laws of the State of Rhode Island.
2. The Issuer has full power and authority to execute and deliver this Agreement and the Related Documents and each of such documents has been duly authorized. All requisite proceedings have been taken so that this Agreement and the Related Documents will, when executed and delivered, constitute legal, valid, and binding obligations enforceable against the Borrower, as appropriate, in accordance with their terms.
3. There is no action, suit, proceeding, or investigation at law or in equity before or by any court or public board or body pending or, to the knowledge of the Issuer, any basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on: (i) the acquisition or use of the Project for the purposes for which it was intended, (ii) the transactions contemplated by this Agreement, or (iii) the validity of the Bonds, this Agreement, or any Related Document or agreement or instrument to which any Issuer is a party which is used, or contemplated for use, in consummation of the transactions contemplated hereby.
4. The Issuer is not in violation of any term or provision of the Act. The Issuer is not in violation of any term or provision of any agreement, or other instrument, or of any judgment, decree, governmental order, statute, rule, or regulation by which it is bound or to which it, or any of its assets, is subject. The execution, delivery, and performance of and compliance with this Agreement and the Related Documents, will not be in conflict with or constitute a default under the Act, or of any term or provision of any agreement, or other instrument, or of any judgment, decree, governmental order, statute, rule, or regulation by which the Issuer is bound or to which any of its assets is subject. No approval by, authorization of, or filing with any federal, state, or municipal, or other governmental commission, board, or agency or other governmental authority is necessary in connection with (i) the acquisition and operation of the Project, based upon its current status, which has not been obtained or filed, as appropriate or (ii) the execution and delivery of this Agreement, the Related Documents, or the consummation by the Issuer of the transactions contemplated hereby or thereby except for necessary approvals under the Act which have been, or by the time of delivery of the Bonds will have been, obtained.

V. REPRESENTATIONS OF BANK

The Bank represents and warrants as follows:

1. The Bank has full power and authority to purchase the Bonds in accordance with the terms and conditions of this Agreement.

VI. CONDITIONS OF BANK'S OBLIGATIONS

The obligations of the Bank hereunder shall be subject to the compliance with and performance by the Issuer and the Borrower of their respective obligations and agreements to be complied with pursuant to this Agreement and to the accuracy and completeness as of the date hereof and as of the Closing Date of the representations and warranties of the Issuer and the Borrower contained herein. The obligations of the Bank hereunder are subject to the following further conditions precedent:

1. As of the Closing Date, none of the following events shall have occurred, namely:
 - (a) The enactment by the Congress, or recommendation to the Congress and favorable report for passage by a Committee of the Congress, of legislation;
 - (b) The rendering by a court of competent jurisdiction of a decision;
 - (c) The promulgation by the Treasury Department of the United States of any proposed, temporary, or final order, ruling or regulation;
 - (d) The enactment by any Rhode Island state court of a statute;

in each case with the purpose or effect, directly or indirectly, of imposing federal, or Rhode Island, as the case may be, income taxation upon interest paid upon the Bonds.

2. As a condition to the Purchaser's obligations to purchase the Bond, the Borrower will deliver to the Purchaser the following, each in form and substance satisfactory to the Purchaser:
 - (a) true and correct copies of all governmental approvals, if any, necessary for the Borrower, Trustee and the Issuer to execute, deliver and perform their respective obligations under the Related Documents;
 - (b) the written opinion of counsel to the Borrower, dated the Closing Date in form and substance satisfactory to the Bank;
 - (c) the written opinion(s) of Bond counsel, dated the Closing Date, in form and substance satisfactory to the Bank;
 - (d) a certificate dated as of the Closing Date of the Secretary or Assistant Secretary of the Borrower as to the incumbency of the signatories to each of the Related Documents to which it is a party and attaching copies of its certified enabling legislation and the resolutions of its Board of Directors authorizing the execution, delivery and performance of such Related Documents;
 - (e) a certificate of the Borrower, signed by an officer of the Borrower, dated the Closing Date, stating that on the Closing Date:

- i. the representations and warranties contained in Section IV of this Agreement are correct on and as of the Closing Date as though made on such date;
 - ii. no Event of Default has occurred and is continuing, or would result from the issuance of the Bond, the execution and delivery of this Agreement or any other Related Document to which the Borrower is a party, and no event has occurred and is continuing which would constitute an Event of Default but for the requirement that notice be given or time elapse or both; and
 - iii. there have been no material adverse changes in the affairs of the Borrower, financial or otherwise, since the financial statements for the period ended _____, 2014;
- (f) the original Bond, and executed counterparts of the other Related Documents, and satisfaction (as of the Closing Date) of the terms and conditions thereof;
 - (g) a municipal bond insurance policy issued by Assured Guaranty in favor of the Bank in an amount equal to the principal amount of the Bonds, in form and substance reasonably satisfactory to the Bank;
 - (h) evidence of Assured Guaranty's rating of AA- by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and A3 by Moody's Investors Service, Inc..
 - (i) evidence in such form as the Bank may reasonably require that the Borrower has obtained all types of casualty, liability and other insurance required hereunder or under any of the Related Documents;
 - (j) receipt of all fees payable to the Bank, including fees of Bank counsel, as of the Closing Date by or on behalf of the Borrower;
 - (k) evidence of the Issuer and Borrower as a validly existing public corporation under the laws of State of Rhode Island; and
 - (l) such other documents, certificates and opinions as the Bank or its counsel may reasonably request, all in form and substance satisfactory to such counsel.
3. Additional Conditions. The Bond shall not be rated by any rating agency, shall not be initially registered to participate in DTC, shall not contain a CUSIP number and shall not be marketed during any period in which the Bond is held by the Bank pursuant to any Official Statement, Offering Memorandum or any other disclosure documentation.

VII. AFFIRMATIVE COVENANTS.

Without limiting any covenants and agreements contained herein or elsewhere, the Issuer and the Borrower agree that so long as any portion of the Bond is held by the Bank and has not been defeased in full or paid in full, the Issuer and the Borrower shall comply with the terms and conditions of the Indenture, the Supplemental Indenture and the Loan Agreement, including without limitation Articles VII and VIII of the Indenture, and the Bank shall enjoy, on a parity basis, the benefit of a Net Revenues pledge, or other security granted by the Borrower in security for any of its debt, as set forth in the Indenture.

VIII. EXPENSES

On the Closing Date, the Borrower agrees to pay all out-of-pocket costs and expenses of the Bank, including the reasonable fees and expenses of its counsel.

IX. INDEMNIFICATION BY BORROWER

In order to further induce the Issuer to the Bank to purchase the Bonds, the Borrower agrees (i) to indemnify and hold harmless (except to the extent, if any, that a court of competent jurisdiction determines that such agreement to indemnify and hold harmless is not enforceable as a result of being contrary to law or public policy) the Bank and its directors, officers, employees, and agents (hereinafter collectively called the "Bank Indemnified Parties") against any and all losses, costs, expenses, claims, actions, damages, and liabilities (as and when the same may be incurred or suffered) whatsoever arising out of or connected with representations and warranties made or materials furnished by the Borrower to anyone in connection with the issuance, sale, or resale of the Bonds, or the accuracy or completeness thereof; and (ii) to comply with any information disclosure requirements which may be applicable to the Borrower under federal or state securities laws in respect of any such resale of the Bonds. In case any claim shall be made or action brought against one or more of the Bank Indemnified Parties, in respect of which indemnity may be sought against the Borrower, the Bank Indemnified Party or Parties shall promptly notify the Borrower in writing setting forth the particulars of such claim or action and the Borrower shall assume the defense thereof including the retention of counsel and the payment of all reasonable expenses. The Bank Indemnified Party or Parties shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel in any such action shall be at the expense of such Bank Indemnified Party unless (1) the retention of such counsel has been specifically authorized by the Borrower, (2) the Bank Indemnified Party shall have reasonably concluded that there may be a conflict of interest between it and the Borrower in the conduct of the defense of such action, or (3) the Borrower shall not in fact have employed counsel reasonably satisfactory to such Bank Indemnified Party. The Borrower shall not be liable for any settlement of such action effected without its consent, but if settled with the consent of the Borrower, or if there is final judgment for the plaintiff in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Bank Indemnified Party or Parties from and against any loss or liability by reason of settlement or judgment to the extent set forth in this paragraph. The indemnity provided in this paragraph includes reimbursement for expenses reasonably incurred by the Bank Indemnified Parties in investigating the claim and in defending it if the Borrower Representative

declines to assume the defense. The indemnity provided in this paragraph shall survive the Closing Date.

X. MISCELLANEOUS

1. The representations, warranties, and covenants of the parties hereto shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Issuer, the Borrower, and the Bank and (ii) delivery and acceptance of, and payment for, the Bonds.
2. The provisions of this Agreement are not in derogation or limitation of any obligations, liabilities or duties of the Borrower under any of the other Related Documents or any other agreement with or for the benefit of the Bank in any capacity. No covenant, agreement or obligation of the Borrower contained herein, nor any right or remedy of the Bank contained herein, shall in any respect be limited by or be deemed in limitation of any inconsistent or additional provisions contained in any of the other Related Documents or in any such other agreement.
3. The agreements herein set forth have been and are made solely for the benefit of the parties hereto and their respective successors and assigns and as to the representations of the Bank in Section Vi and the indemnification in Section IX, the Bank's directors, officers, employees, and agents. No other person shall acquire or have any right under or by virtue of this Agreement. The terms "successor" or "successors and assigns" as used in this Agreement shall not include any purchaser of any of the Bonds from the Bank merely because of such purchase.
4. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Rhode Island.

THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS

Signed and sealed as of the ____ day of _____, 2015.

RHODE ISLAND AIRPORT
CORPORATION, AS BORROWER

By: _____
Name: _____
Title: _____

RHODE ISLAND COMMERCE
CORPORATION, AS ISSUER

By: _____
Name: _____
Title: _____

TD BANK, N.A., AS BANK

By: _____
Name: _____
Title: _____

**Bank**

America's Most Convenient Bank®

Education, Not-for-profit, and Government Finance Group

February 9, 2015

Rhode Island Commerce Corporation
Re: Direct Bank Loan for Airport Revenue Refunding Bonds

Dear Adam:

On behalf of TD Bank, N.A. (the "Bank"), I am pleased to offer Rhode Island Airport Corporation ("RIAC" or "Borrower") a commitment for the credit accommodations that are described on the attached term sheet, subject to the following and the terms and conditions set forth on the attachments to this letter. The Terms and Conditions of the Direct Purchase and the Commitment Letter Rider dated of even date herewith are attached and are made part of this commitment letter with the same force and effect as if they were set forth herein.

If the terms and conditions set forth herein are acceptable to you, please acknowledge below and return a signed counterpart to this letter by 5:00 p.m. on 02/27/15.

The Bank's commitment hereunder will expire in the event the Bank has not received such acceptance by 5:00 p.m. on 02/27/15 or if the closing has not occurred by 03/27/15, and the Bank will be under no obligation to offer any further Credit Accommodations.

The Bank may terminate this commitment letter, and will have no obligation to extend the Credit Accommodations, upon the happening of any of the following events: (a) the Bank does not receive the accepted copy of this commitment by 5:00 p.m. on 02/27/15; (b) the Credit Accommodations do not for any reason close by 03/27/15; (c) the Borrower's failure to comply with any term or condition set forth herein or in the attached Terms and Conditions or the Commitment Letter Rider; (d) any material adverse change occurs with respect to the economic value, business assets, liabilities, results of operations or condition (financial or otherwise) of the Borrower; (e) or any report or statement made to the Bank by the Borrower or any guarantor in connection herewith is or proves to be false or misleading in any material respect as of the date made or furnished.

The documents signed at closing shall be deemed to be the final and complete expression of the agreement Bank and the Borrower with respect to the Credit Accommodations. Any terms and conditions that have been discussed, negotiated, agreed to or that are part of this Commitment letter and are not included in the terms and conditions of the documents signed at closing shall be deemed waived and superseded by the documents signed at closing. This commitment letter is not intended to survive closing of the Credit Accommodations.

If you have any questions or comments on the terms of this letter, please do not hesitate to contact me.

Very truly yours,
TD Bank, N.A.

By: Jeffrey Bayard

Jeffrey Bayard
Vice President

The above commitment is hereby accepted:

Rhode Island Commerce Corporation

By: _____

(Authorized signer)

Name: _____

Title: _____

Date: _____

Rhode Island Airport Corporation

By: _____

(Authorized signer)

Name: _____

Title: _____

Date: _____

This letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement.

Term Sheet

Lender(s):	TD Bank, N.A. and potentially one or more financial institutions (collectively, the "Lenders") reasonably and mutually acceptable to the Borrower and TD Bank, N.A.
Borrower:	Rhode Island Airport Corporation ("RIAC")
Amount:	Up to \$44,000,000, inclusive of closing costs.
Credit Facility:	<p>Refinance the existing Series 2004 A Bonds, into a Tax-exempt, Direct Placement Bond, to be purchased by the Bank. RIAC would have the option of a Fixed Rate, <u>with</u> or <u>without</u> a prepayment premium.</p> <ul style="list-style-type: none">• Tenor: Up to 9.5 years from closing, to match existing expiry of the Series 2004 A Bonds (07/01/2024).• Amortization: Up to 9.5 years.
Tenor, Amortization, and Rate	<p>Indicative structure and pricing (based on RIAC's request) for a Direct Purchase of a Tax-exempt Bond by the Bank as of 01/30/15 (rates subject to change daily) below. Note: Rate index changed from Bank's Cost of Funds to FHLB of Boston, in order to accommodate RIAC's request for rate transparency. The FHLB of Boston plus spread conversion approximates the prior Bank cost of funds plus spread pricing.</p> <ul style="list-style-type: none">• Fixed rate with a 10-year tenor and 10-year amortization, <u>with</u> a prepayment premium: The sum of Federal Home Loan Bank of Boston Amortizing Regular Advance Rate (10/10) plus 51 bps, all multiplied by 69.75%. The indicative all-in, tax exempt equivalent rate as of the date of this Term Sheet is 1.79% until expiry on 07/01/2024.• Fixed rate with a 10-year tenor and 10-year amortization, <u>without</u> a prepayment premium: The sum of Federal Home Loan Bank of Boston Amortizing Regular Advance Rate (10/10) plus 79 bps, all multiplied by 69.75%. The indicative all-in, tax exempt equivalent rate as of the date of this Term Sheet is 1.99% until expiry on 07/01/2024. <p>The Bank agrees to set the Bond Rate five days prior to closing.</p>
Upfront / Commitment Fee:	0.10% (\$35,000 on \$35,000,000) Waived.
Debt Service Reserve Fund:	Not required.
Fees:	All fees and expenses of the Bank would be for the account of the Borrower and payable on the date of issuance of the proposed bond issue/taxable loan and line of creditor sooner if

the transaction does not close. Such fees would include, but would not be limited to (i) legal fees associated with the preparation, negotiation, and review of all necessary documentation relating to this transaction, assuming normal and customary negotiations and (ii) all other out-of-pocket expenses of the Bank and its Counsel.

Security

Credit Facility will be secured by a pledge of RIAC's Net Revenues generated from the Airports and Passenger Facility Charge Revenues, pursuant to the Master Trust Indenture and on parity with RIAC's outstanding Airport Revenue Bonds.

Financial Covenants:

The same Financial Covenants as within the 1993 Master Indenture.

Reporting Requirements:

The same Reporting Covenants as within the 1993 Master Indenture.

Other Affirmative and Negative Covenants:

The same Affirmative and Negative Covenants as within the 1993 Master Indenture.

Prepayment:

- For a Fixed Rate Direct Purchase *with* Prepayment Premium: The Note may be prepaid in whole or in part upon thirty (30) days prior written notice to the Bank. In the event of any prepayment of the Note, whether by voluntary prepayment, acceleration or otherwise, the Borrower shall, at the option of the Bank, pay a "fixed rate prepayment charge" equal to the greater of (i) 1.00% of the principal balance being prepaid multiplied by the "Remaining Term," as hereinafter defined, in years or (ii) a "Yield Maintenance Fee" in an amount computed as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Stated Interest Rate". If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed prepayment charge" due to the Bank upon prepayment of the principal of the Note plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

$$\text{Yield Maintenance Fee} = [\text{Amount Being Prepaid} \times (\text{Stated}$$

Interest Rate - Current Cost of Funds) x Days in the Remaining Term/360 days] + any accrued interest due.

- *"Remaining Term" as used herein shall mean the shorter of (i) the remaining term of the Note, or (ii) the remaining term of the then current fixed interest rate period.*
- *"Stated Interest Rate" as used herein means the rate at which interest is accruing on the outstanding principal balance of the Note at the time of the calculation.*
- For a Fixed Rate Direct Purchase without Prepayment Premium: The proposed bond would be pre-payable at any time without premium.

Additional Provisions:

- This proposal is a summary and does not contain all of the terms and conditions that would be associated with the proposed transaction. Any terms not specifically addressed herein remain to be negotiated.
- The Bank and Borrower will agree to waive the right to trial by jury. The Credit Facilities will be governed by Rhode Island law.
- The Bank's standard provisions related to increased costs, regulatory changes, and changes in tax rates would apply.
- The Credit Facility would be cross defaulted to all RIAC General Airport Revenue Bonds.
- Condition Precedent to Closing: A condition of closing the Direct Purchase would be a satisfactory to the Bank irrevocable and unconditional insurance guarantee from Assured Guaranty Municipal Corp. (AGM) of all scheduled principal and interest payments on the proposed Direct Purchase bond. AGM's ratings at the closing would be required to be AA- by S&P and A3 by Moody's, or higher.

TD Bank would engage Hinckley Allen & Snyder LLP as outside Bank Counsel. Bank counsel fees, absent unusual negotiations, are estimated to be \$20,000.

TD Bank, N.A.

COMMITMENT LETTER RIDER DATED 02/09/2015

1. Representations. All representations made by the Borrower to the Bank in connection with the Credit Accommodations shall be deemed to be material and relied upon by the Bank in issuing this commitment letter.

2. Costs and Expenses. Whether or not the Credit Accommodations are closed, all costs and expenses incurred by the Bank in connection with the Credit Accommodations, including but not limited to attorneys' fees, due diligence expenses and any and all other expenses, shall be paid by the Borrower on demand therefor. Such costs and expenses shall be in addition to, and shall not be offset against, any commitment or other fee due and owing to the Bank.

3. Future Advances and Obligations Secured. Any mortgage, deed of trust, security interest, pledge or other instrument of security given to secure Borrower's obligations under the Credit Accommodations shall also secure any extensions, renewals or modifications of the Credit Accommodations and any other obligations or liabilities of the Borrower to the Bank, whether arising prior to or subsequent to the closing of the Credit Accommodations.

4. Limitation of Liability. None of the Bank's depositors, incorporators, trustees or directors, nor any of its officers, employees, counsel or agents shall be liable personally hereunder for any action taken with respect to the Borrower's application, this commitment letter or the Credit Accommodations. In the event of a dispute with respect to this commitment letter or the Credit Accommodations, the Borrower will look solely to the Bank for any performance of any obligations or for any other claim. It is further agreed that only the Borrower, and no shareholder, partner, member, affiliate, officer, director or employee of Borrower, nor any guarantor of the Credit Accommodations, may assert any such claim against the Bank.

5. Indemnification. Borrower agrees to indemnify the Bank and hold it harmless from and against all costs, expenses (including fees and expenses of counsel) and liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Bank is a party thereto) which relate to the proposed transactions, including the financing contemplated hereby or any transactions connected therewith, provided that the Bank will not be indemnified for its gross negligence or willful misconduct. Borrower's obligations under this paragraph shall survive any termination of the Bank's proposal hereunder and shall be effective regardless of whether definitive loan and collateral documentation is executed or any loans are made respecting the Credit Accommodations.

6. Bank's Counsel. Counsel will be engaged to represent the Bank in connection with the Credit Accommodations. The responsibility of the Bank's attorney(s) is limited to representing the interest of the Bank, notwithstanding the fact that the Borrower shall be obligated to pay the Bank's legal fees. Further, the Bank assumes no responsibility to the Borrower for the acts or omissions of its attorney. The Borrower may elect to engage its own attorney.

7. Limitations on Transfer. This commitment letter and the Credit Accommodations and any collateral for the Credit Accommodations shall not be assigned or transferred by the Borrower, nor may there be any sale or transfer of ownership of any interest in the Borrower without the Bank's prior written consent.

8. Additional Terms. This commitment letter does not include all the terms and conditions that will be covered in the Bank's legal documentation for the Credit Accommodations, but it does state the essential business terms of the Bank's proposal. These terms have been approved in reliance on the financial statements, projections, and other information provided by Borrower and any guarantor to the Bank, and are therefore conditional upon there being no material adverse change in the Borrower's (or any guarantor's) financial condition or any adverse change, governmental or judicial action concerning the Borrower's business or assets. In addition, the extension of any financial accommodation by the Bank is subject to the execution of, and compliance with, documentation that is satisfactory to the Bank and its counsel, which shall include additional terms and conditions, including without limitation additional reports, as well as the filing by Bank, in its discretion, of initial financing statements. When definitive documentation in respect of the Credit Accommodations has been executed and the initial borrowing thereunder has been incurred, the terms and conditions of this letter shall be superseded and replaced by such definitive loan documentation.

10. WAIVER OF JURY TRIAL. BORROWER, BANK, AND EACH GUARANTOR EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FOR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION WITH: THIS COMMITMENT LETTER; ANY AND ALL OTHER CONTRACTS, DOCUMENTS, OR TRANSACTIONS RELATED TO OR CONTEMPLATED BY THIS COMMITMENT LETTER; AND/OR THE RELATIONSHIPS BETWEEN AND AMONG THE PARTIES HERETO. BORROWER, BANK, AND EACH GUARANTOR EACH EXECUTE THIS WAIVER OF RIGHT TO TRIAL BY JURY KNOWINGLY, VOLUNTARILY, AND INTELLIGENTLY, AND EACH HEREBY CERTIFIES THAT IT HAS READ AND UNDERSTANDS THIS WAIVER. BORROWER, BANK, AND EACH GUARANTOR ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER. SHOULD ANY OTHER PROVISION OF THIS COMMITMENT LETTER OR THE COMMITMENT LETTER ITSELF BE DEEMED INVALID, ILLEGAL OR OTHERWISE UNENFORCEABLE, THIS PARAGRAPH SHALL REMAIN IN FULL FORCE AND EFFECT.

11. Supersedes Prior Dealings. This commitment letter supersedes Borrower's application for the Credit Accommodations and any other prior dealings between the Borrower and its agents and the Bank in connection with the Credit Accommodations.



634 Central Avenue
Dover NH 03820
Tel: 603-953-0202
Fax: 603-953-0032
E-mail: rkg@rkgassociates.com

TECHNICAL MEMORANDUM

TO: Adam Quinlan
Chief Financial Officer
Rhode Island Commerce Corporation

FROM: RKG Associates, Inc.

DATE: February 9, 2015

SUBJECT: Economic Impacts Associated with Bond Refinancing

RKG Associates, Inc., (RKG) a real estate planning and economic development consulting firm, was retained on behalf of the Rhode Island Commerce Corporation (or Commerce RI) to evaluate any economic impacts to the Rhode Island Airport Corporation (RIAC) associated with refinancing/replacing:

- An existing bond(s) of \$48.625 million having a remaining term of 10 years (expires July 2024) and a variable interest rate ranging from 4 to 5 percent, yielding total debt service of \$60.89 million over the remaining term, with
- A GARB bond of \$43 million having a 10-year term (expires July 2024) at a fixed interest rate (1.790215 percent). This refinancing would also require an upfront payment of \$6.96 million in reserve funds from the Series 2004A bond, and issuance costs for the new bond.

The refinancing would result in a cost savings of \$7.18 million over the 10-year term, which in today's value equates to approximately \$5.92 million, as shown below. Therefore, this cost saving is an economic impact which RIAC could use to facilitate additional capital improvements and/or labor for on-going operations.

Table 1 – Commerce RI/RIAC - Bond Refinancing Savings

Category	Prior Bond & Savings/ (Refinance Bond)
Prior Bond - Total 10-year Debt Service	\$60,886,088
Series 2004A Debt Service Funds	(\$1,300,396)
Series 2004A Debt Service Reserve Funds	(\$5,266,500)
Subtotal	(\$6,566,896)
Cost of New Bond Issuance	(\$175,000)
New Bond Insurance Expense	(\$215,046)
Subtotal	(\$390,046)
Total Upfront Expenses	(\$6,956,942)
Total 10-yr Principal & Interest	(\$46,749,117)
Refinance Bond Total Cost & Debt Service	(\$53,706,059)
Total Savings	\$7,180,029
Net Present Value to 1/1/2015 [1]	\$5,923,407
[1] Net Present Value factored on annual discount rate of 1.899514% or semi-annual rate of 0.94976%	
Source: Public Finance Management and RKG Associates, Inc.	

Economic
Planning
and
Real Estate
Consultants

DRAFT - PRIVILEGED AND CONFIDENTIAL



Sources and Assumptions

RKG was provided with the following from Commerce RI to review:

- A *CONFIDENTIAL* Bond Financing Application from RIAC for between \$43 and \$50 million with Rhode Island Commerce Corporation.
- A series of financial worksheets prepared by Public Financial Management and dated December 12, 2014. These worksheets provided a debt service payment schedule (principal and interest) for the existing bond(s) and the refinanced bond.
- Subsequently, RKG had discussions with Brian C. Schattle, the Chief Financial Officer of RIAC, who provided revised estimates and inputs, as of February 2, 2015, which have been used as the most current available as of the date of issuance of this memorandum.
- It should be noted that such estimates and inputs are subject to revision and would not be “finalized” until actual issuance of the bond.

The semi-annual debt service repayment schedule for each bond provided by the Commerce RI information and the resulting savings are shown in Table 2, and is assumed to be accurate and correct. RKG included \$6.96 million in upfront costs (see Table 1) for the new bond as an initial payment in 2015.

Table 2 – Comparison of Debt Service

Date	Prior Bond - Debt Service	New Bond- Debt Service	Difference
1/1/2015		\$6,956,942	(\$6,956,942)
7/1/2015	\$2,536,188	\$868,139	\$1,668,049
1/1/2016	\$1,143,888	\$378,943	\$764,945
7/1/2016	\$5,878,888	\$5,258,943	\$619,945
1/1/2017	\$1,025,513	\$335,267	\$690,246
7/1/2017	\$6,000,513	\$5,305,267	\$695,246
1/1/2018	\$901,138	\$290,786	\$610,352
7/1/2018	\$6,121,138	\$5,345,786	\$775,352
1/1/2019	\$770,638	\$245,543	\$525,094
7/1/2019	\$6,250,638	\$5,390,543	\$860,095
1/1/2020	\$633,638	\$199,496	\$434,142
7/1/2020	\$6,393,638	\$5,439,496	\$954,142
1/1/2021	\$489,638	\$152,598	\$337,040
7/1/2021	\$6,534,638	\$5,487,598	\$1,047,040
1/1/2022	\$338,513	\$104,849	\$233,663
7/1/2022	\$6,688,513	\$5,534,849	\$1,153,663
1/1/2023	\$195,638	\$56,251	\$139,387
7/1/2023	\$6,830,638	\$5,586,251	\$1,244,387
1/1/2024	\$46,350	\$6,757	\$39,593
7/1/2024	\$2,106,350	\$761,757	\$1,344,593
Total	\$60,886,088	\$53,706,058	\$7,180,029
		NPV [1]	\$5,923,407

[1] Net Present Value factored on annual discount rate of 1.899514% or semi-annual rate of 0.94976%

Source: Public Finance Management and RKG Associates, Inc.

TAB 3

**VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION**

FEBRUARY 23, 2015

(With Respect to a Contract with BW Research)

APPROVED

VOTED: To approve a contract with BW Research and a Memorandum of Understanding with the Office of Energy Resources in connection with a Clean Energy Industry Report, pursuant to the Resolution attached hereto.

Dated: February 23, 2015

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

February 23, 2015

(With Respect to a contract with BW Research)

WHEREAS, the Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") has received information and a presentation regarding a contract with BW Research and a Memorandum of Understanding with the Office of Energy Resources in connection with a Clean Energy Industry Report.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: This matter is appropriately before the Board of Directors pursuant to Section 7 of Article II of the Corporation's By-Laws as a majority of the directors has consented to the addition of the matter to the meeting agenda.

Section 2: Any of the Chairperson, Vice Chairman, Secretary of Commerce, Chief of Staff, Chief Operating Officer, Chief Financial Officer and/or Managing Director of Financial Services, acting singly, shall have the authority to execute any and all documents in connection with a \$40,000 contract with BW Research and a Memorandum of Understanding with the Office of Energy Resources in connection with a Clean Energy Industry Report.

Section 3: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.

Clean Energy Industry Report Vendor Selection

On December 17, 2014 Commerce RI issued an RFP for a consultant to prepare the Rhode Island Clean Energy Industry Report. Prior to release of the RFP, a verbal agreement was made between the Office of Energy Resources and Commerce RI to each provide \$20,000 of funding toward the report for a total of \$40,000. An MOU between the two agencies has been drafted but not executed.

The goals of the report will include an analysis of:

- ❖ The size and breadth of the clean energy industry
- ❖ The needs of employers regarding education and training
- ❖ The opinions and priorities of industry executives regarding Rhode Island business and capital climate

A Clean Energy Industry Report like this has never been conducted in Rhode Island, yet the emphasis on the Industry as a mechanism to achieve the state's energy and economic goals has increased in recent years. The Industry Report will play a critical role in educating stakeholders regarding the growth and depth of the industry as well as the challenge that the industry faces. The report will also provide REF and OER with an indication of how its programs can be designed and optimized to support continued growth and to address industry challenges.

Commerce RI received eleven questions in the RFP Question and Answer process and ultimately received three applications on January 15, 2015. The RFP stated that staff members from both Commerce RI and OER would review and score the proposals, but the final selection would be made by Commerce RI. Two staff members from OER and three staff members from Commerce RI reviewed the applications. Here are the scoring results:

Reviewer Score Aggregation				
	Applicants			
Review Committee	BW Research	Cadmus	Peregrine	
Commerce RI Staff				
Shauna Beland	40	35	30	
Hannah Morini	40	37	36	
Bill Ash	40	40	39	
OER Staff				
Sue AnderBois	40	36	28	
Danny Musher	40	35	22	
Total	200	183	155	

Two applicants, BW Research and Cadmus were selected to be interviewed. As a result of those interviews, the five reviewers unanimously selected BW Research as the winning proposal.

Next Steps

Commerce RI and OER will execute an MOU for funding. Once the MOU is executed, a contract will be executed with BW Partnership and Commerce RI. Below is the timeline that was included in the RFP:

Release of RFP	Wednesday, December 17, 2014
Questions Due	Monday, January 5, 2015
Q & A Posted	Thursday, January 8, 2015
Proposals Due	Thursday, January 15, 2015
Interviews of top three applicants	Tuesday, January 20, 2015
January Commerce Rhode Island Board Meeting	Monday, January 26, 2015
Final notification and contracting with selected applicant	Tuesday, January 27, 2015
Preparation for 2015 survey begins	Early Quarter 1, 2015
2015 Clean Energy Industry Report	Tentative date: Thursday, April 30, 2015

BW Research has not been notified of their selection nor has Cadmus been notified they were not selected.

It is important that the Clean Energy Industry Report commences as soon as possible. The results will immediately help to inform program developments and policy decisions for RI government agencies working in the clean energy space.



Rhode Island Commerce Corporation

RFP: Consultant to Prepare 2014 Rhode Island Clean Energy Industry Report

REF No. 2014-IndustryReport

Release Date: December 17, 2014

Applications Due: January 15, 2015

Commerce RI
315 Iron Horse Way
Suite 101
Providence, RI 02908
ref@commerceri.com

REF No. 2014-IndustryReport

Summary

The Rhode Island Commerce Corporation (“Commerce RI”), in partnership with the RI Office of Energy Resources (“OER”), is requesting proposals from consultants with significant expertise in conducting surveys and analyzing survey results to research and prepare the first Rhode Island Clean Energy Industry Report (the “Industry Report”). The selected consultant will work closely with Commerce RI and OER to conduct primary and secondary market research and analysis and ultimately write a report that effectively communicates the status of Rhode Island’s emerging clean energy market. Commerce RI seeks a contractor with demonstrated experience in researching and writing clean energy industry reports or similar industry segment reports, particularly in the New England states. The contractor should demonstrate excellent research and written communication skills, and effective research project management abilities.

Background and Goals

Commerce RI is the official economic development organization for the State of Rhode Island. Commerce RI manages the State’s Renewable Energy Fund (REF) which provides grants and loans for renewable energy projects with the potential to make electricity in a cleaner, more sustainable manner, while stimulating job growth in the green technology and energy sectors of Rhode Island's economy.

The Rhode Island Office of Energy Resources is the lead state agency on energy policy and programs. OER’s mission is to lead Rhode Island to a secure, cost-effective, and sustainable energy future. OER works closely with private and public stakeholders to increase the reliability and security of our energy supply, reduce energy costs and mitigate against price volatility, and improve environmental quality.

Both agencies will be providing funding for this project. The total amount of funding available through this Request for Proposal is up to \$40,000 for a one year term. There will be an option at the end of the contract term to extend this contract for two (2) additional years. This solicitation is intended to yield one (1) well-researched report that describe and evaluate the status of Rhode Island’s clean energy sector by presenting select metrics related to the clean energy industry. The clean energy industry includes firms engaged in whole or in part in providing goods and/or services related to renewable energy, energy efficiency, non-fossil fuel transportation, and carbon management related to energy.

The goals of this report include an analysis of:

- ❖ The size and breadth of the clean energy industry

REF No. 2014-IndustryReport

- ❖ The needs of employers regarding education and training
- ❖ The opinions and priorities of industry executives regarding the Rhode Island business and capital climate
- ❖

The Industry Report will play a critical role in educating stakeholders regarding the growth and depth of the industry as well as the challenge that the industry faces. The report will also provide REF and OER with an indication of how its programs can be designed and optimized to support continued growth and to address industry challenges.

Eligible Applicants and Minimum Qualifications

Through this Request for Proposals (“RFP”), Commerce RI and OER seek to engage one (1) consultant with significant experience in conducting surveys and analyzing survey data. At a minimum, the successful applicant to this RFP must:

- ❖ Demonstrate the ability to accurately survey the clean energy industry, including but not limited to the ability to identify the survey target group, draw up survey instruments, and capture survey data online, by telephone, through in-depth interviews and in person, if necessary.
- ❖ Demonstrate a strong track record in analyzing both quantitative and qualitative data, including but not limited to assuring the quality of the data, statistical analysis including statistical inference, and putting data in the context of Rhode Island, U.S., and global economy trends.
- ❖ Experience working with multiple industry, government and academic stakeholders.
- ❖ Demonstrate a track record of preparing reports of this kind and ability to write clearly and present statistical data in a way that is understandable to the public.
- ❖ Ability to collect data and prepare reports on time and on budget.
- ❖ Submit a proposal to this RFP that meets all of the proposal requirements outlined below by 4:00 pm EST on Thursday, January 15, 2015 at Commerce RI.

Eligible applicants include individuals, sole proprietors, professional consultants, institutions or companies with multiple employees. Two or more entities are permitted to apply as an applicant team.

Estimated Timeline of RFP Process:

Release of RFP	Wednesday, December 17, 2014
Questions Due	Thursday, January 8, 2015

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Q & A Posted	Monday, January 12, 2015
Proposals Due	Thursday, January 15, 2015
Interviews of top three applicants	Tuesday, January 20, 2015
January Commerce Rhode Island Board Meeting	Monday, January 26, 2015
Final notification and contracting with selected applicant	Tuesday, January 27, 2015
Preparation for 2015 survey begins	Early Quarter 1, 2015
2015 Clean Energy Industry Report	Tentative date: Thursday, April 30, 2015

Performance and Contract Specifications

Scope of Work

The scope of work below is intended to allow applicants to prepare a Proposal that demonstrates their ability to carry out the typical tasks required and to provide an anticipated budget for work for the Industry Report. Applications should demonstrate their ability to do the following:

Task 1 – Rhode Island Clean Energy Survey and Analysis

- ❖ Create a database of companies to survey using the database of known clean energy employers (data sets to be provided by Commerce RI and OER, as well as potentially National Grid) and potential clean energy employers (identified through North American Industry Classification System (NAICS) codes in a database to be purchased by the Consultant) to ensure representation by various employment characteristics, such as employer size, sector, geographic area and other recommended key characteristics.
- ❖ Create (in conjunction with Commerce RI and OER) a list of survey questions.
- ❖ Develop comprehensive survey instruments with balanced and unbiased survey questions to gather relevant data on the number, size, and growth of clean energy firms in Rhode Island, and clean energy firm's workforce needs ("Annual Industry Overview"). Data points will likely include but not be limited to:
 - a. Number of clean energy firms in Rhode Island
 - b. Number of clean energy workers in Rhode Island
 - c. Clean energy workers by region
 - d. Company size by number of employees
 - e. Clean energy firms and employment by primary activity
 - f. Clean energy firms and employment by clean energy focus
 - g. Renewable energy employees by technology focus

REF No. 2014-IndustryReport

- h. Number of employees working in a new clean energy position
- i. Profiles of new hires in Rhode Island clean energy firms
- j. Hiring methods used by clean energy firms
- k. Difficulty for clean energy firms in hiring
- l. Demographics of the clean energy workforce, including men, women and racial or ethnic minorities
- ❖ Data Collection and Review
- ❖ Quality control plan for data collection which should include a plan to ensure adequate response rates and completeness among identified firms. The quality control plan should include ways to ensure that neighboring state (MA and CT) data is excluded from the analysis.
- ❖ Data Analysis, comparison and findings

Task 2 – Rhode Island Clean Energy Industry Data Summary Report

- ❖ Using the information from Task 1, the consultant will work with REF and OER staff to draft a summary report of the data and findings. This should include narrative and analysis of the results of the survey as well as final conclusions and recommendations.
- ❖ Draft a narrative describing the status of Rhode Island's clean energy industry
- ❖ Work with project team to finalize the summary report

Task 3 – Presentation of Clean Energy Industry Report

- ❖ Draft a slide deck of approximately 20-30 slides summarizing the findings of the Industry Report
- ❖ Provide at least three (3) presentations on one hour in length on the Industry Report
- ❖ Be available for questions (from reporters, legislators, stakeholders, or others) on the Industry Report methods as required.

Budget Requirements

Consultant must provide an anticipated budget with the Proposal broken down by task. Commerce RI and OER have allocated a budget of up to \$40,000 for a one (1) year contract with the possible option of a two (2) year extension. Budget evaluation will be a factor in the selection criteria. Please note that the Consultant will be paid on a reimbursement basis based on a deliverable schedule and for the time spent on conducting analysis and writing the Industry Report. Consultant may be reimbursed for any Commerce RI-approved purchases of datasets for the use of preparing the Industry Report. Applicants should include both staff time and expected expenses, including but not limited to, any use of third parties, expected

purchases of datasets or costs of mailings when creating the budget for the Proposed Work Plan.

Anticipated Timeline of Contract

A final contract is subject to successful negotiation of a final budget and scope of services. Commerce RI's selection of a Consultant pursuant to this RFP does not mean that Commerce RI accepts all aspects of the proposal, modifications to which may be requested and agreed to during contract negotiations. It is anticipated that the contract will commence on January 27, 2015 and will continue for a period of twelve months (12) until January 30, 2016. The contract will be reviewed during its course and may be extended at the sole discretion of Commerce RI.

Proposal Requirements

It is strongly preferred that the Executive Summary, Statement of Qualifications and Proposed Work Plan together are no longer than twelve (12) pages in length, single spaced, with font no small than 12 points. Information required for the Proposal includes the following:

Executive Summary: Applicants should provide a summary of their organization, their qualifications and their proposed approach for working with Commerce RI and OER.

Statement of Qualifications: All responses must include a statement of qualifications, experience and description of the applicant firm or individual and its/their history. The response should specifically indicate the applicant's current and historical expertise in providing the services identified in the RFP.

Proposed Work Plan & Budget: Using the Scope of Work provided above, submit a proposed work plan (the "Proposed Work Plan") including the proposed method, timeline and budget per item. Budgets should show staff time and other expenses as separate line items, preferably in Excel format.

Staff Qualifications (One page per staff member): All responses must include resumes of each individual who will be providing Consulting Services under this RFP, as well as written descriptions of the individual's experience with the specified eligibility criteria. Commerce RI reserves the right to research and review the background of any or all personnel assigned to work under agreement for services and, based on such research, to reject the use of any persons within Commerce RI's discretion. Any changes to personnel require formal written approval by Commerce RI and Commerce RI reserves the right to terminate agreement for services if changes are not approved.

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Writing Sample: It is recommended that applicants attach a writing sample to their Proposal, preferably a report that is similar to the Industry Report. The Writing Sample is not part of the twelve (12) page limit requirement. It should be included as an appendix or attachment to the proposal.

References (One Page): All responses must include references from at least 3 clients of the firm, and preferably clients who have utilized the firm on matters related to the services identified in this RFP. The references must include a contact person, a full address, and a phone number. In addition to the foregoing, all responses must include a listing of public and private clients for whom the firm has provided services similar to those set forth in this RFP, with a description of the services provided.

Rate sheet submission (One Page): Please include the rates and titles of all team members working on this project.

Applicants must also include the following attachments:

- ❖ Proposal Cover Sheet
- ❖ Attachment A: Authorized Applicant's Signature and Acceptance Form

It is the sole responsibility of the applicant to ensure that its Proposal is complete and properly submitted. At its discretion, Commerce RI may request supplemental materials from the applicant and such materials must be submitted within five (5) days of the request or the Proposal may be rejected without further review.

One copy of the proposal must be delivered via electronic format, including a scanned Signature and Acceptance form (Attachment A), either by email to ref@commercერი.com or included on a CD or flash drive with four hard copy submissions of all proposal materials. All applications are due to Commerce RI by 4:00pm EST on January 15, 2015. No late submissions will be accepted. All email submissions should include "RI Clean Energy Industry Report" in the subject line.

Selection and Evaluation Criteria

All proposals must meet the Program objectives and must be responsive to the relevant Scope of Work and proposal requirements outlined above. Proposals will be evaluated on the general criteria below:

REF No. 2014-IndustryReport

Criteria	Sub-Criteria
Minimum Threshold	<p>Commerce RI reserves the right to only consider Proposals that, in its sole judgment, meet the following minimum threshold criteria including:</p> <ul style="list-style-type: none"> • The Applicant is eligible for selection (See the Eligible Applicants & Minimum Qualifications section of this the RFP). • The Proposal is complete and responsive to the Proposal Requirements and all other requirements of this RFP. • The Proposal includes all required attachments. • The clarity, specificity, and consistency of the Proposal are sufficient to be deemed credible. • Applicant is in good standing with any other contracts with Commerce RI, OER, and the State of RI.
Range of Services to be Provided	<ul style="list-style-type: none"> • Does the applicant plan to provide services commensurate with the services requested by Commerce RI in this RFP?
Experience and Qualifications	<ul style="list-style-type: none"> • Does the applicant have documented experience in providing the services requested, including: <ul style="list-style-type: none"> ○ A track record in conducting surveys ○ A track record in analyzing both quantitative and qualitative data; ○ A track record in writing clear and easily understandable reports. ○ A track record for achieving milestones and deliverables on schedule and on budget • What is the quality of the applicant’s performance on similar past consulting assignments or their achievements related to proposed work? How were their efforts evaluated?

REF No. 2014-IndustryReport

Overall Quality of Proposal	<ul style="list-style-type: none">• Does the applicant demonstrate an understanding of the concepts and motivators underlying the Industry Report?• Has the applicant presented their qualifications clearly?• Is the applicant's proposal cost-competitive?• Has the applicant demonstrated sufficient time resources and flexibility to provide the Industry Report to the schedule required?
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Proposal Review Process and Interviews

Proposals will be initially reviewed by Commerce RI and OER to determine whether each is complete and meets basic eligibility requirements. Proposals deemed eligible will undergo a merit review process managed by Commerce RI. Both Commerce RI and OER will provide scoring of equal weight to all proposals. They will be judged on a competitive basis against other Proposals based on the Selection Criteria. The top three (3) ranking Proposals will be invited to interview. It is anticipated that Interviews will occur on January 20, 2015. After completion of interviews, Commerce RI will select their first choice. Commerce RI will then move forward to contract with the selected applicant.

Questions and Contact Information

Commerce RI
315 Iron Horse Way
Suite 101
Providence, RI 02908
401-278-9100, ref@commerceri.com

Please submit all questions via email to ref@commerceri.com. "Clean Energy Industry Report RFP" should appear in the subject line. All questions need to be submitted by January 8, 2015. Answers will be posted on January 12, 2015.

About Commerce RI

Commerce RI's mission is to work with public, private and non-profit partners to create the conditions for businesses in all sectors to thrive and to improve the quality of life for our citizens by promoting the State's long-term economic health and prosperity. The Rhode Island Commerce Corporation's Renewable Energy Fund (REF) is dedicated to increasing the role of renewable energy throughout the state. The REF provides grants and loans for renewable energy projects with the potential to create electricity in a cleaner, more sustainable manner,

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while stimulating job growth in the green technology and energy sectors of Rhode Island's economy. Using funds from the 'system benefit charge' on electric bills and Alternative Compliance Payments, Commerce RI helps offset the cost of renewable projects for businesses and homeowners.

About Rhode Island Office of Energy Resources

The Office of Energy Resources works closely with private and public stakeholders to increase the reliability and security of our energy supply, reduce energy costs and mitigate against price volatility, and improve environmental quality. Rhode Islanders spend over \$3 billion per year on energy to light their homes, keep the heat on, and fuel their vehicles. Fossil fuels such as natural gas, fuel oil, and gasoline supply the vast majority of these energy needs. By recommending and implementing smart energy policies-such as those that promote energy efficiency and renewable energy-the OER helps reduce Rhode Island's dependence on these out-of-state fuels, advancing our State as a national leader in the new clean energy economy.

Disclaimer

This RFP does not commit Commerce RI to award any funds, pay any costs incurred in preparing an application, or procure or contract for services or supplies. Commerce RI reserves the right to accept or reject any or all applications received, negotiate with all qualified applicants, cancel or modify the RFP in part or in its entirety, or change the application guidelines, when it is in its best interests.

This RFP has been distributed electronically using Commerce RI's website. It is the responsibility of applicants to check the website for any addenda or modifications to a RFP to which they intend to respond. Commerce RI accept no liability and will provide no accommodation to applicants who submit an application based on an out-of-date RFP document.

Proposal Checklist

- Proposal Cover Sheet
- Proposal
- Proposal Budget in Excel format
- Attachment A: Authorized Applicant's Signature and Acceptance Form

It is the sole responsibility of the Applicant to ensure that its Proposal is complete and properly submitted. At its discretion, Commerce RI may request supplemental materials from the Applicant and such materials must be submitted within five (5) days of the request or the Proposal may be rejected without further review.

One copy of the proposal must be delivered via electronic format, including a scanned Signature and Acceptance form (Attachment A), either by email to ref@commerceri.com or included on a CD or flash drive with two hard copy submissions of all proposal materials. **All applications are due to Commerce RI by 4:00pm EST on January 15, 2014.** No late submissions will be accepted. All email submissions should include "RI Clean Energy Industry Report" in the subject line.

Proposal Cover Sheet

Lead Organization Name (as shown on your income tax return)

Lead Organization Business Name, if different than above

Lead Organization Address (number, street, apt. or suite no., city, state and ZIP)

Lead Organization Main Contact/s for the purpose of this Proposal (name, title, phone and email. Include address if different than above)

Partner/s Organization Name & Address (if applicable)

REF No. 2014-IndustryReport

Attachment A: Authorized Applicant's Signature and Acceptance Form

The undersigned is a duly authorized representative of the applicant listed below. The applicant has read and understands the RFP requirements. The undersigned acknowledges that all of the terms and conditions of the RFP are mandatory.

The applicant understands that all materials submitted as part of the application are subject to disclosure under the Rhode Island Public Records Law, and acknowledges and agrees that Commerce RI has no obligation, and retains the sole discretion to fund or choose not to fund the application set forth herein, and that Commerce RI's receipt of the application does not imply any promise of funding at any time.

The applicant understands that, if selected by Commerce RI pursuant to this RFP, the applicant will detail and execute a contract that outlines the respective roles and responsibilities of the parties.

I certify that the statements made in this application, including all attachments and exhibits, are true and correct to the best of my knowledge.

Lead Applicant: _____ (Printed Name of Applicant)

By: _____ (Signature of Applicant or Authorized Represe

Title: _____

Date: _____

TAB 4

**VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION**

FEBRUARY 23, 2015

(With Respect to the Renewable Energy Fund Matters)

APPROVED

VOTED: To approve the Renewable Energy Fund matters presented to the Board, pursuant to the Resolution attached hereto.

Dated: February 23, 2015

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

February 23, 2015

(With Respect to Renewable Energy Fund Matters)

WHEREAS, the Board of Directors has received information and a presentation regarding the following Renewable Energy Fund Commercial Scale Funding Program Applications at its meeting held on February 23, 2015.

The request of Knight Farm, LLC, for a grant from the Renewable Energy Fund in the amount of \$75,100.00 in connection with a 67.60 kW Solar Photovoltaic Project;

The request of Fox Hill Farm, LLC, for a grant from the Renewable Energy Fund in the amount of \$22,137.50 in connection with a 19.25 kW Solar Photovoltaic Project;

The request of Greenley Horizon Realty, LLC, for a grant from the Renewable Energy Fund in the amount of \$12,017.50 in connection with a 10.45 kW Solar Photovoltaic Project;

The request of Supreme Mid-Atlantic Corporation, for a grant from the Renewable Energy Fund in the amount of \$152,100.00 in connection with a 153.00 kW Solar Photovoltaic Project;

The request of Rhode Island Turnpike and Bridge Authority, for a grant from the Renewable Energy Fund in the amount of \$314,100.00 in connection with a 504.00 kW Solar Photovoltaic Project;

The request of West Greenwich Animal Hospital, Inc., for a grant from the Renewable Energy Fund in the amount of \$12,558.00 in connection with a 10.92 kW Solar Photovoltaic Project;

The request of The Bazar Group, Inc., for a grant from the Renewable Energy Fund in the amount of \$227,868.00 in connection with a 288.42 kW Solar Photovoltaic Project; and

The request of NATCO Home Furnishing, Inc., for a grant from the Renewable Energy Fund in the amount of \$321,300.00 in connection with a 522.00 kW Solar Photovoltaic Project.

NOW, THEREFORE, be it resolved by the Rhode Island Commerce Corporation (the "Corporation") as follows:

Section 1: The Corporation approves a Renewable Energy Fund grant award to Knight Farm, LLC, in the amount of \$75,100.00.

Section 2: The Corporation approves a Renewable Energy Fund grant award to Fox Hill Farm, LLC, in the amount of \$22,137.50.

Section 3: The Corporation approves a Renewable Energy Fund grant award to Greenley Horizon Realty, LLC, in the amount of \$12,017.50.

Section 4: The Corporation approves a Renewable Energy Fund grant award to Supreme Mid-Atlantic Corporation, in the amount of \$152,100.00.

Section 5: The Corporation approves a Renewable Energy Fund grant award to Rhode Island Turnpike and Bridge Authority, in the amount of \$314,100.00.

Section 6: The Corporation approves a Renewable Energy Fund grant award to West Greenwich Animal Hospital, Inc., in the amount of \$12,558.00.

Section 7: The Corporation approves a Renewable Energy Fund grant award to The Bazar Group, Inc., in the amount of \$227,868.00.

Section 8: The Corporation approves a Renewable Energy Fund grant award to NATCO Home Furnishing, Inc., in the amount of \$321,300.00.

Section 9: Any of the Chairperson, Vice Chairman, Secretary of Commerce, Chief of Staff, Chief Operating Officer, Chief Financial Officer and/or Managing Director of Financial Services, acting singly, shall have the authority to execute any and all documents in connection with the transactions authorized herein.

Section 10: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.



RI Renewable Energy Development Fund
RI Economic Commerce Corporation
2015 Commercial Scale Grant Program
Round 4 – Application Summaries

Applicant 7-133: Knight Farm LLC
 1 Snake Hill Road
 N. Scituate, RI 02857

Contact: Joseph P. Iacofano
 (401) 349-4408
 knightfarm@outlook.com

Developer: E2SOL LLC

Grant Request: \$75,100

Purpose: To install a 67.6 kW solar project at Knight Farm in North Scituate..

Sources & Uses:

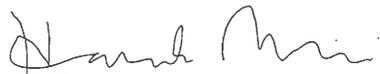
Sources:		
RI Renewable Energy Fund	\$75,100	37.5%
Owner Equity	\$124,900	62.5%
Total:	\$200,000	100%
Uses:		
Installation of a 67.6 kW solar photovoltaic system		

Application Summary:

Knight Farm is an apple orchard, farm, and restaurant located in North Scituate founded in 1800. The proposed solar project will substantially reduce electric demand for Knight Farm. The Knight Farm Solar Project will avoid putting an estimated 1,705 Tons of CO2 into the atmosphere while reducing operating costs and promoting the further development of renewable energy in RI. This project is being developed and installed by E2SOL, an East Greenwich, RI based company. As the Project Developer, E2SOL LLC will engineer, procure, manage installation and commission the Knight Farm Solar Facility. E2SOL's solar project team is comprised of several Rhode Island licensed and experienced electricians and trade professionals.

**Commercial Scale: Direct Project Funding
Application Check list**

Applicant:	Knight Farm LLC
Project Address:	1 Snake Hill Road, North Scitiate, RI
Business Sector:	Farm, Apple Orchard, Restaurant
Project Size:	67.6
Requested Grant Amount:	\$75,100
Eligible Grant amount:	\$75,100
Total Project Cost:	\$200,000
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds	YES
Electric Bill: Complete Copy OR "request for service"	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
Zoning & Permitting Approval	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	YES
Recommended for approval by REF Staff:	YES
Renewable Energy Program Manager Signature	
	
Date: January 15, 2015	



Applicant 7-134: Fox Hill Farm
 994 Fort Getty Road.
 Jamestown, RI 02835

Installer: Newport Solar

Contact: Doug Sabetti
 (401)787-5682
 doug@newportsolarri.com

Grant Request: \$22,137.50

Purpose: To install a 19.25 kW roof-mounted solar photovoltaic system at Fox Hill Farm

Sources & Uses:

Sources:		
RI Renewable Energy Fund	\$22,137.50	25%
Owner Equity	\$65,025.00	75%
Total:	\$87,162.50	100%
Uses: Installation of a 19.25 solar PV system.		

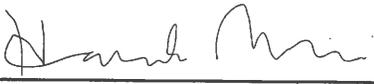
Application Summary:

Fox Hill Farm was recently purchased by a new owner and is expanding to produce meat, oysters and vegetables for local restaurants. Fox Hill Farm seeks to install a solar system to eliminate their monthly electricity bill while expanding the business. The solar system will generate 20,061 kWh's per year which will provide over 95% of the property's predicted electric consumption and prevent the release of 14.15 metric tons of Co2 into the atmosphere annually. The proposed project consists of two solar arrays installed on two different pitched roofs.

Newport Solar has been contracted by the applicant to develop, design, and install the proposed solar system. The goal of Newport Solar is to grow as a Rhode Island-based business while fostering the widespread adoption and understanding of solar electricity. Newport Solar has been steadily growing and recently hired 4 new employees.

**Commercial Scale: Direct Project Funding
Application Check list**

Applicant:	Fox Hill Farm LLC
Project Address:	994 Fort Getty Road, Jamestown, RI 02835
Business Sector:	farming, agriculture, aquaculture
Project Size:	19.25
Requested Grant Amount:	\$22,137.50
Eligible Grant amount:	\$22,137.50
Total Project Cost:	\$87,162.50
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds	YES
Electric Bill: Complete Copy OR "request for service"	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
Zoning & Permitting Approval	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirements: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissible within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	YES
Recommended for approval by REF Staff:	YES
Renewable Energy Program Manager Signature	
	
Date: January 16, 2015	



Applicant 7-135 Greenley Horizon Realty LLC
 25 Horizon Dr.
 Saunderstown, RI 02874

Installer: Newport Solar

Contact: Doug Sabetti
 (401)787-5682
doug@newportsolarri.com

Grant Request: \$12,017.50

Purpose: To install a 10.45 kW roof-mounted solar photovoltaic system at Greenley Realty LLC

Sources & Uses:

Sources:		
RI Renewable Energy Fund	\$12,017.50	28%
Applicant financing	\$31,277.50	72%
Total:	\$43,295.00	100%
Uses: Installation of a 10.45 kW solar system.		

Application Summary:

Greenley Horizons is a real estate development company with a business address in North Kingstown. The recently acquired property employs 5 part time people and will be marketed as a green rental property in Greenley's portfolio. It is uncommon for property owners to make energy improvements for renters or tenants which adds an element of innovation to this project. The proposed solar system will generate 11,622 kWh's annually and provide nearly all of the location's electric needs.

Newport Solar has been contracted by the applicant to develop, design, and install the proposed solar system. The goal of Newport Solar is to grow as a Rhode Island-based business while fostering the widespread adoption and understanding of solar electricity. Newport Solar has been steadily growing and recently hired 4 new employees.

**Commercial Scale: Direct Project Funding
Application Check list**

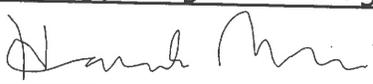
Applicant:	Greenley Horizon Realty LLC
Project Address:	25 Horizon Drive Saunderstown, RI 02874
Business Sector:	Real Estate
Project Size:	10.45 kW
Requested Grant Amount:	\$ 12,075.00
Eligible Grant amount:	\$ 12,075.00
Total Project Cost:	\$ 43,295.00

General Application Requirements

Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds	YES
Electric Bill: Complete Copy OR "request for service"	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
Zoning & Permitting Approval	YES
W9:	YES

Additional Requirments: Solar Projects

Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	YES
Recommended for approval by REF Staff:	YES
Renewable Energy Program Manager Signature	
	
Date: January 9, 2015	



Applicant 7-136: Supreme Mid-Atlantic Corporation
135 Douglas Pike
Burrville, RI 02826

Installer: Econox Group, Inc.

Contact: Scott Milnes
(401)692-2070
smilnes@econoxgroup.com

Purpose: To install a 153 kW ground-mounted solar photovoltaic system at Supreme Mid-Atlantic Corporation's facility in Harrisville.

Sources & Uses:

Sources:		
RI Renewable Energy Fund	\$ 152,100	31%
Owner Financing	\$ 332,900	69%
Total:	\$ 485,000	100%
Uses: Installation of a 153 kW solar PV system.		

Application Summary:

Supreme Mid-Atlantic Corporation is the nation's leading full-line manufacturer of truck bodies including dry freight, insulated bodies, culaway, and parcel delivery vans. Supreme Mid-Atlantic currently employs 25 people in RI and is growing in a competitive industry. The manufacturing equipment consumes over 200,000 kWh per year due to the volume of welding. The solar project will reduce electricity costs by at least 95% giving this manufacturer a competitive edge in Rhode Island. The company has a goal of continuing growth and employment opportunities in Rhode Island. The proposed solar project is on a former Superfund Site which recently returned to economic use.

**Commercial Scale: Direct Project Funding
Application Check list**

Applicant:	Supreme Mid-Atlantic Corporation
Project Address:	135 Douglas Pike Burrville, RI
Business Sector:	Corporation - Truck Manufacturer
Project Size:	153 kW
Requested Grant Amount:	\$ 152,100.00
Eligible Grant amount:	\$ 152,100.00
Total Project Cost:	\$ 485,000.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds	YES
Electric Bill: Complete Copy OR "request for service"	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	N/A Groundmount
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
Zoning & Permitting Approval	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Meets all requirements and is eligible for funding.	YES
Recommended for approval by REF Staff:	YES
Renewable Energy Program Manager Signature	
<i>David Miller</i>	
Date: January 9, 2015	



Applicant 7-137: RI Turnpike and Bridge Authority
1 East Shore Road
Jamestown, RI 02835

Installer: Econox Group, Inc.

Contact: Scott Milnes
(401)692-2070
smilnes@econoxgroup.com

Grant Request: \$314,100.00

Purpose: To install a 504 kW ground-mounted solar photovoltaic system at RITBA's Jamestown facility

Sources & Uses:

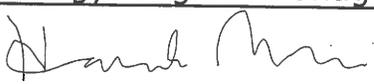
Sources:		
RI Renewable Energy Fund	\$ 314,100	26%
Third Party Financing – Power Purchase Agreement	\$ 895,500	74%
Total:	\$1,209,600	100%
Uses: Installation of a 504 kW solar PV system.		

Application Summary:

Rhode Island Turnpike and Bridge Authority (RITBA) strives to control operating costs through energy cost saving measures. RITBA recently replaced all lighting with LED fixtures on the Claiborne Pell Bridge, Jamestown Verrazzano Bridge, Mount Hope Bridge, and headquarters facility, saving nearly 75% on electricity usage. Additionally, LEDs require less maintenance and contribute fewer bulbs to the waste stream. Solar is the next logical avenue for RITBA to pursue. The proposed 504 kW solar system will supply 100% of the Pell Bridge and associated facilities. Energy efficiency combined with renewable energy will help RITBA keep its utility costs low to avoid any potential increases in tolls Rhode Island motorists.

**Commercial Scale: Direct Project Funding
Application Check list**

Applicant:	RI Turnpike and Bridge Authority
Project Address:	1 East Shore Road Jamestown, RI
Business Sector:	Quasi-public
Project Size:	504kW
Requested Grant Amount:	\$ 314,100.00
Eligible Grant amount:	\$ 314,100.00
Total Project Cost:	\$ 1,209,600.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds	YES
Electric Bill: Complete Copy OR "request for service"	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	N/A Groundmount
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
Zoning & Permitting Approval	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	YES
Recommended for approval by REF Staff:	YES
Renewable Energy Program Manager Signature	
	
Date: January 20, 2015	



Applicant 7-138: West Greenwich Animal Hospital
 14 Victory Highway
 West Greenwich, RI 02817

Installer: Newport Renewables

Contact: Marc Larue
 (401) 619-5906
mlarue@nptre.com

Grant Request: \$12,558.00

Purpose: To install a 10.92 kW solar photovoltaic system on the roof of West Greenwich Animal Hospital

Sources & Uses:

Sources:		
RI Renewable Energy Fund	\$12,558	29%
Commerce RI Energy Revolving Loan Fund (pending)	\$10,000	23%
Applicant Equity	\$21,142	48%
Total:	\$43,700	100%
Uses: Installation of a 10.92 kW solar system.		

Application Summary:

West Greenwich Animal Hospital (WGAH) was founded by Dr. Ralph and Amy Pratt in 1995 in West Greenwich, RI. WGAH has 21 employees on site. 100% of the employees work at the West Greenwich location. The Animal Hospital uses a substantial amount of electricity for equipment, lighting, heating, ventilation, and air conditioning to maintain maximum comfort for both the animals being treated and the staff operating the hospital. WGAH proposes to install a solar photovoltaic array to stabilize their energy costs and maintain a competitive edge in the marketplace. The proposed 10.92 kW solar system will produce nearly 40% of WGAH's electric needs with a payback of less than 4 years. REF grant funds will be used in conjunction with Commerce RI's Energy Revolving Loan Fund. By leveraging both the Renewable Energy Fund Grant and Commerce RI's Energy Revolving Loan Fund, it is possible for WGAH to afford an investment in renewable energy.

**Commercial Scale: Direct Project Funding
Application Check list**

Applicant:	West Greenwich Animal Hospital
Project Address:	14 Victory Highway, West Greenwich
Business Sector:	Animal Hospital
Project Size:	10.92
Requested Grant Amount:	\$ 12,558.00
Eligible Grant amount:	\$ 12,558.00
Total Project Cost:	\$ 43,700.00

General Application Requirements

Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds	YES
Electric Bill: Complete Copy OR "request for service"	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES - 37 years
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
Zoning & Permitting Approval	YES
W9:	YES

Additional Requirements: Solar Projects

Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	YES
Recommended for approval by REF Staff:	YES
Renewable Energy Program Manager Signature	
	
Date: January 13, 2015	



Applicant 7-139: The Bazar Group, Inc.
 789 Waterman Ave.
 East Providence, RI 02914

Developer: US SolarWorks, LLC

Contact: Peter Fine
 (508) 226-8005
Pete@USSolarworks.com

Grant Request: \$227,868.00

Purpose: To install a 288.42 kW solar photovoltaic system on the roof of The Bazar Group's headquarters in East Providence.

Sources & Uses:

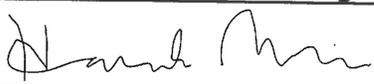
Sources:		
RI Renewable Energy Fund	\$227,868	20%
Owner Financing	\$896,970	80%
Total:	\$1,124,838	100%
Uses: Installation of a 288.42 kW solar system.		

Application Summary:

The Bazar Group consists of two branches both headquartered in East Providence, RI. Imperial-Deltah is a manufacturer of quality pearl jewelry products and Giovanni Jewelry is an importer of costume jewelry founded in Providence in 1959. Imperial- Deltah employs approximately 80 people and is in the process of bringing more manufacturing back from China and into the East Providence building. The proposed solar system will allow The Bazar Group to control future electricity costs. The REF grant will reduce upfront system costs and payback period for the project. The solar system will produce nearly 100% of the electricity currently used at The Bazar Group's headquarters.

**Commercial Scale: Direct Project Funding
Application Check list**

Applicant:	The Bazar Group, Inc.
Project Address:	789 Waterman Ave., East Providence
Business Sector:	Jewelry Manufacturer
Project Size:	288.42 kW
Requested Grant Amount:	\$ 227,868.00
Eligible Grant amount:	\$ 227,868.00
Total Project Cost:	\$ 1,124,838.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds	YES
Electric Bill: Complete Copy OR "request for service"	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
Zoning & Permitting Approval	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	YES
Recommended for approval by REF Staff:	YES
Renewable Energy Program Manager Signature	
	
Date: January 16, 2015	



Applicant 7-140: NATCO Home Furnishings, Inc.
155 Brookside Ave.
West Warwick, RI 02893

Developer: EES Consulting

Contact: Jay Martin
(423) 602-5393
jmartin@itseesy.com

Grant Request: \$321,300.00

Purpose: To install a 522 kW solar photovoltaic system on the roof of The Bazar Group's headquarters in East Providence.

Sources & Uses:

Sources:		
RI Renewable Energy Fund	\$321,300	28%
Owner Financing	\$831,399	72%
Total:	\$1,152,699	100%
Uses: Installation of a 522 kW solar system.		

Application Summary:

Natco Home Furnishings was founded in 1917 and has a headquarters in West Warwick, RI. Through its subsidiaries, Natco engages in the manufacture and importation supply of home furnishing and textile products. Natco offers its products through mass merchandisers, home centers, department stores, and mail order catalogs.

The proposed solar system gives Natco the ability to significantly offset electricity drawn from the grid, eliminate the risk of demand charges during peak hours, and stabilize an otherwise variable cost. Generating a substantial amount of the required operating electricity on site helps to protect Natco from rising electricity cost and is a big step towards energy independence. Based upon the facility's average energy consumption, EES evaluated the utility bills to determine the effects of the solar PV system in relation to the base load. Production is modeled to supply more than 39% of the facility's annual energy usage and the system will pay for itself in less than 5 years.

Commercial Scale: Direct Project Funding Application Check list	
Applicant:	Natco Home Furnishings, Inc.
Project Address:	155 Brookside Ave., West Warwick,
Business Sector:	Manufacturer - Home Furnishings
Project Size:	522 kW
Requested Grant Amount:	\$ 321,300.00
Eligible Grant amount:	\$ 321,300.00
Total Project Cost:	\$ 1,152,699.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds	YES
Electric Bill: Complete Copy OR "request for service"	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
Zoning & Permitting Approval	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	YES
Recommended for approval by REF Staff:	YES
Renewable Energy Program Manager Signature	
	
Date: January 16, 2015	

TAB 5

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

EXECUTIVE SESSION MINUTES
OF THE MEETINGS HELD ON
DECEMBER 15, 2014

APPROVED

VOTED: To approve the Executive Session Minutes for the meeting held on December 15, 2014, as submitted to the Board of Directors; and

VOTED: That the minutes of the December 15, 2014 Executive Sessions, pursuant to R.I. Gen. Laws §§ 42-46-4, 5, and 7, 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 the Public Session of the December 15, 2014 meeting.

Dated: February 23, 2015

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **Monday, February 23, 2015**, beginning at **5:00 p.m.** for the following purposes:

PUBLIC SESSION

1. To introduce Secretary of Commerce Stefan Pryor.
 2. To consider for approval the Public Session Minutes for the meeting held on December 15, 2014.
 3. To consider, as may be appropriate, matters covered in the Executive Director's Report.
 4. To consider for approval the issuance of Rhode Island Commerce Corporation, Airport Revenue Refunding Bonds, 2015 Series A, in the approximate amount of \$45,000,000.
 5. To consider for approval a contract with BW Research and a Memorandum of Understanding with the Office of Energy Resources in connection with a Clean Energy Industry Report.
 6. To consider for approval the following Renewable Energy Fund matters:
 - a. A grant to Knight Farm, LLC, in the amount of \$75,100.00;
 - b. A grant to Fox Hill Farm, LLC, in the amount of \$22,137.50;
 - c. A grant to Greenley Horizon Realty, LLC, in the amount of \$12,017.50;
 - d. A grant to Supreme Mid-Atlantic Corporation, in the amount of \$152,100.00;
 - e. A grant to Rhode Island Turnpike and Bridge Authority, in the amount of \$314,100.00;
 - f. A grant to West Greenwich Animal Hospital, Inc., in the amount of \$12,558.00;
 - g. A grant to The Bazar Group, Inc., in the amount of \$227,868.00; and
 - h. A grant to NATCO Home Furnishing, Inc., in the amount of \$321,300.00.
 7. To consider for approval the Executive Session Minutes for the meeting held on December 15, 2014.*
 8. To consider issues related to the litigation pending before the Providence Superior Court known as Rhode Island Economic Development Corporation v. Wells Fargo Securities, LLC, et al.*
- * Board members may seek to convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(2) to discuss this Agenda item.

This notice shall be posted no later than 5:00 p.m. on Thursday February 19, 2015, at the Office of the Rhode Island Commerce Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP, Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Commerce Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: February 19, 2015