

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT AND
THE QUALIFIED JOBS TAX CREDIT ACT

December 19, 2016

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 “Enabling Act”); and

WHEREAS: Chapter 64.20 of Title 42 of the General Laws of Rhode Island (the “Rebuild Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to certain development projects in the State; and

WHEREAS: Chapter 48.3 of Title 44 of the General Laws of Rhode Island (the “Jobs Tax Credit Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to the creation of new jobs in the State; and

WHEREAS: The Corporation received an application for incentives under the Acts in relation to certain projects by Virgin Pulse, Inc., (together with its affiliates, successors and assigns, the “Recipient”) for the fit-out of approximately 29,000 square feet (“Phase I”) and 59,00 square feet (“Phase II”, together with Phase I, the “Project”) at 75 Fountain Street, Providence, Rhode Island; and

WHEREAS: The Corporation has received information from the Recipient establishing that it has an existing alternative location in Massachusetts to expand its operations and the additional estimated cost of moving and expanding operations in Rhode Island versus Massachusetts gives rise to a Project Financing Gap under the Rebuild Act; and

WHEREAS: The Corporation’s Investment Committee has reviewed and considered the proposed incentives to the Recipient and has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of the incentives; and

WHEREAS: The Board received a presentation inclusive of two term sheets detailing the Project and proposed incentives together with a recommendation from the staff of the Corporation to approve the issuance of incentives to the Recipient in accordance with the Acts.

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

RESOLVED:

1. To accomplish the purposes of the Enabling Act and the Acts, the Corporation approves the issuance of the following incentives:
 - a. Under the Rebuild Act, tax credits (the "Rebuild Tax Credits") to the Recipient in an amount not to exceed Three Million Two Hundred Forty Thousand Five Hundred Ninety-Eight Dollars (\$3,240,598) and a sales and use tax exemption, which shall reduce the Rebuild Tax Credits to the extent such exemption exceeds Three Hundred Forty-One Thousand Seven Hundred Eighty-Nine Dollars (\$341,798).
 - b. Under the Jobs Act, tax credits to the Recipient pursuant to the schedule annexed hereto as Exhibit 1 not to exceed Seven Thousand Five Hundred Dollars (\$7,500) per new full-time job annually; and
2. The authorization provided herein is subject to the following conditions:
 - a. The total Rebuild Tax Credits shall not exceed Three Million Two Hundred Forty Thousand Five Hundred Ninety-Eight Dollars (\$3,240,598) and shall be apportioned to each Phase such that the Rebuild Tax Credits are not greater than thirty percent (30%) of the actual Project Cost for such Phase of the Project.
 - b. The execution of one or more incentive agreements between the Corporation and the Recipient meeting the requirements of the Acts in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - c. Prior to certification of any award of incentives to the Recipient for Phase I, verification by the Corporation of compliance with the eligibility requirements of Rule 6 of the rules and regulations adopted in relation to the Rebuild Act (the "Rebuild Rules") in regard to Phase I; provided, however, that the Board hereby finds that the Project is located in a Hope Community and determines that Phase I shall be exempt from the standard minimum Project Cost requirement of the Rebuild Act of \$5,000,000.
 - d. Prior to certification of any award of incentives to the Recipient under the Rebuild Act for Phase II, verification by the Corporation of compliance with the eligibility requirements of Rule 6 of the Rebuild Rules in relation to Phase II;
 - e. The creation of not less than the minimum required new full-time jobs under the Jobs Act, which earn no less than the median hourly wage as most recently reported by the United States Bureau of Labor Statistics for the State of Rhode Island; and
 - f. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.

3. The Board of the Corporation hereby finds and determines that: (a) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (b) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (c) that the Recipient has demonstrated an intention to create the requisite number of new full-time jobs as required under the Jobs Act; (d) the creation of the new full-time jobs would not occur in the State but for the provision of the tax credits under the Jobs Act; (e) that the Recipient's equity in the Project is not less than twenty percent (20%) of the total project cost and otherwise meets the project cost criteria of the Rebuild Act; (f) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Rebuild Act and the Rebuild Rules; (g) the total amount of Tax Credits awarded for the Project is the lesser of thirty (30%) of the total Project Cost or the amount needed to close the Project Financing Gap; (h) the Project involves the development of a Recognized History Structure within the meaning of Rule 7(b)(1) and tax credits in the amount of Three Hundred Twenty-Four Thousand Sixty Dollars (\$324,060) is allocable to this criteria; (i) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild Act (a copy of which is annexed hereto as Exhibit 2); (j) the Secretary of Commerce has provided written confirmation required by the Rebuild Act (a copy of which is annexed hereto as Exhibit 2); (k) the Office of Management and Budget has provided written confirmation required under the Rebuild Act (a copy of which is annexed hereto as Exhibit 3); and (l) the Recipient has demonstrated that it will otherwise satisfy the eligibility requirements of Rule 6 of the Rebuild Rules for a commercial project.
4. Prior to the execution of an incentive agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the incentives will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 4).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers 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 any of the documents authorized herein and to attest to the same.

6. 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.
7. From and after the execution and delivery of the documents hereinabove authorized, any one 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, 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 transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
9. This Resolution shall take effect immediately upon adoption.

EXHIBIT 1

Year	Cumulative New Jobs
1	57 New Full-Time Jobs
2	100 New Full-Time Jobs
3	152 New Full-Time Jobs
4	215 New Full-Time Jobs
5	292 New Full-Time Jobs