

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS**

NOVEMBER 19, 2007

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, November 19, 2007, at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following directors constituting a quorum were present and participated throughout the meeting as indicated: Steven Campo, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Saul Kaplan, John A. Patterson, M. Paul Sams, and John G. Simpson. Absent were: Robert Crowley, Kas R. DeCarvalho, and Sav Rebecchi. Also present were: Steven J. King, P.E., Chief Operating Officer; E. Jerome Batty, Secretary; Kevin M. Barry, Controller; members of the Corporation's staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:03 p.m. by Chairman Kaplan.

2. APPROVAL OF MINUTES:

Chairman Kaplan verified that there were a sufficient number of Board members present for a quorum and called for a vote on the minutes. Mr. Patterson questioned what the "general provisions" was referencing in paragraph 4 on page 10 of the Public Session minutes. Mr. King clarified that the reference was in regard to the general provisions of the project plans. Mr. Kaplan asked for a motion to include clarification of paragraph 4, page 10.

Upon motion duly made by Mr. Sams and seconded by Mr. Doern, the Committee:

VOTED: To approve the Public Session minutes of the October 15, 2007 meeting, as amended.

Voting in favor were: Steven Campo, David A. Doern, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, M. Paul Sams, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

Mr. Kaplan asked the Board if there were any comments to the Executive session minutes.

Upon motion duly made by Mr. Sams and seconded by Ms. Jackson, the Committee:

VOTED: To approve the Executive Session minutes of the August 20, 2007 and October 15, 2007 meeting, as presented.

3. STAFF REPORTS:

Mr. King noted for the Board that the photograph on the cover of the Board packet was of the completed berm along Newcomb Road. Mr. King went through the Staff Report for the Board. Mr. Kaplan asked if there were any questions for Mr. King. Mr. Patterson asked when the ribbon cutting ceremony would be for the new QDC building. Mr. King replied that he would let the Board know.

4. APPROVAL REQUESTS:

A. Approval of appointment of Kevin M. Barry as Finance Director:

Mr. Kaplan noted that the Audit-Finance Committee had met prior to the Board meeting and had some items to discuss. Mr. Simpson began the discussion by stating the first item is the recommendation of Kevin M. Barry to be appointed as Finance Director. Mr. Simpson noted that based on Mr. Barry's eleven (11) years working as the Controller at Quonset, Mr. Barry's organizational skills, and his accomplishments since taking on responsibilities subsequent to the resignation of the CFO; the Audit-Finance Committee highly recommended that Mr. Barry be appointed as Finance Director.

Upon motion duly made by Ms. Jackson and seconded by Mr. Doern, the Committee:

VOTED: That Kevin M. Barry is hereby appointed as Finance Director to serve in accordance with Section 42-64.9-7(b) of the General laws of Rhode Island and the By-Laws of the Corporation.

Voting in favor were: Steven Campo, David A. Doern, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, M. Paul Sams, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

Mr. Doern asked about how the Corporation will be handling any reserve going forward, in relation to the \$3.5 million payment that was required by the State.

Ms. Jackson responded that the \$3.5 million payment has been put in a segregated account that has been marked specifically for this purpose. Any correspondence between the Corporation and State refers to the transaction as a one time action.

Ms. Jackson also noted that the Corporation has decided to adopt a “pay as you go” methodology so as not to accrue a significant cash balance.

Mr. Doern asked if these steps would protect the Corporation from future payments.

Mr. Barry answered that these are the best steps to protect the Corporation, but there was nothing to prohibit the State from demanding a similar payment next year.

Ms. Jackson impressed upon the Board that it was important that any language regarding this payment refer to it as a one time source and not a one time action and note that the funds have been depleted.

Mr. Kaplan added that the Corporation was near the end of the capital spending from the State Bond. The problem should be resolved once the funds are spent and the Corporation has to use its own revenue for the Capital Projects.

Mr. Sams asked what will preclude this type of scoop from happening again as it has been his experience that the government has found ways in the past to take funds without State obligations.

Ms. Jackson explained that the difference would be that the State would have to issue an appropriation deduction because there would be no more money to scoop.

Mr. Kaplan asked if there were any other questions for the Audit-Finance Committee and then asked if the Marketing and Business Development Committee had met as well. Mr. King stated that there was a meeting and the Committee has decided to submit a synopsis of the Market Overview in next month’s packet for the Board.

B. Approval of Lease Amendments for Senesco Marine, LLC and Rhode Island Fast Ferry, Inc.:

Mr. King noted that an additional handout was provided to the Board labeled Exhibit A-3 in relation to these approval requests.

Mr. King explained that the intent of these amendments was to define the berthing rights for each of these tenants. Exhibit A-3 clearly defines the berthing areas and should help avoid any future conflicts at the piers.

Mr. King stated that this Exhibit will be added as an amendment to the lease for Senesco and to the lease for Rhode Island Fast Ferry, Inc.

Mr. King added that Senesco has requested the following revisions to their lease:

- 1) Sublet space to Specialty Diving Services (tenant already in the Park);
and
- 2) Allow vessels to dock at their pier on a day to day basis.

These changes will allow Senesco Marine, LLC to continue their operations at the pier and resolves an ongoing conflict between Senesco Marine, LLC and Rhode Island Fast Ferry, Inc. Mr. Doern asked if the Corporation is affected financially by these amendments. Mr. King replied that there was no financial affect on the Corporation.

Upon motion duly made by Ms. Jackson and seconded by Mr. Sams, the Committee:

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, or Chief Operating Officer, each of them acting singularly the "Authorized Officers" is hereby authorized to negotiate, enter into, execute and deliver a Lease Amendment and other agreements related thereto with Senesco Marine, LLC, substantially in accordance with the Request for Authorization presented to the Board (the Lease Amendment and related documents are referred to herein collectively as the "Agreement").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement or as any of the Authorized Officers acting singularly or alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, including any and all agreements, contracts, certificates, licenses and assignments, upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the same shall determine to

be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Steven Campo, David A. Doern, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, M. Paul Sams, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

Upon motion duly made by Mr. Hazlehurst and seconded by Ms. Jackson, the Committee:

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, or Chief Operating Officer, each of them acting singularly the "Authorized Officers" is hereby authorized to negotiate, enter into, execute and deliver a Lease Amendment and other agreements related thereto with Rhode Island Fast Ferry, Inc., substantially in accordance with the Request for Authorization presented to the Board (the Lease Amendment and related documents are referred to herein collectively as the "Agreement").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement or as any of the Authorized Officers acting singularly or alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, including any and all agreements, contracts, certificates, licenses and assignments, upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the same shall determine to

be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Steven Campo, David A. Doern, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, M. Paul Sams, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

C. Approval of Sale of Land to Nickol Commercial, Inc:

Mr. King reviewed the sale transaction request with the Board. Mr. King explained that the Buyer was looking to build a 150,000 square foot flex industrial facility that could be leased to up to four (4) subtenants. This parcel would be sold for the price of \$1,750,000. The terms of the agreement would require \$40,000 deposit at the time of execution of the Purchase and Sale Agreement and at the conclusion of the due diligence period another \$45,000 deposit.

Mr. King stated that the sale would be contingent on design review and environmental review as with all sales.

Mr. King added that he has discussed the project with the State Planning Staff and there do not appear to be any objections.

Mr. Patterson asked if there was any way to project the number of jobs to be created with this type of flex facility.

Mr. King explained that it is very difficult to make a determination at this juncture because there is no way of knowing the end user. Mr. King did explain, however, that the Buyer does have a portfolio of some \$75,000,000 worth of similar product. Mr. King added that when the Corporation collaborates with the Buyer to complete the Environmental Review forms, there will be some data gathered on their current occupancy in their other similar buildings to and an estimate the number of jobs relative to the square footage of the building.

Mr. King added that the State can expect about 9 jobs per acre if this facility tracks similar to Kiefer Park, as an example, which would equate to about 90-120

jobs. If parking was used as a measure, there could be 400 employees. Mr. Doern asked about the parking ratio.

Mr. King replied that it will be 4 parking spaces per 1,000 square feet of building pursuant to the Corporation's regulations.

Mr. Kaplan added that the Buyer was prepared to build on spec so there could be a series of individual users or just one year. The Buyer was not seeking incentives on the deal and is paying market price for the land. Mr. Kaplan continued that this was a good use of this site and it has been a goal of this Board in the past to obtain spec proposals of this type.

Mr. Sams asked if there was any indication of what the facility will look like.

Mr. King stated there were no formal designs yet but there were examples of Nickol Commercial's industrial projects in the Board package. The Buyer will be required to go through the environmental and design review processes.

Mr. Patterson asked about the building guidelines.

Mr. King answered that they would have to follow the guidelines contained in the Corporation's Development Package adopted in October of 2005.

Upon motion duly made by Mr. Doern and seconded by Mr. Simpson, the Committee:

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, or Chief Operating Officer, each of them acting singularly the "Authorized Officers" is hereby authorized to negotiate, enter into, execute and deliver a Purchase and Sale Agreement and other agreements related thereto with Nickol Commercial, Inc. for 10+/- acres on Roger Williams Way, substantially in accordance with the Request for Authorization presented to the Board (the Purchase and Sale Agreement and related documents are referred to herein collectively as the "Agreement").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement or as any of the Authorized Officers acting singularly or alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in

connection with the terms and conditions to be effectuated by the Agreement, including any and all agreements, deeds, contracts, certificates, licenses and assignments, upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Steven Campo, David A. Doern, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, M. Paul Sams, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

D. Referral of American Automotive Restorations, Inc. Proposal to the Community Advisory Committee:

Mr. King explained to the Board that American Automotive Restoration, Inc. restores vintage cars and that the company was looking to purchase two acres on Foliage Drive in the West Davisville District. The company would initially have eight (8) to ten (10) employees but is projected to expand to twenty (20) employees within five (5) years. Mr. King explained that under the current Town zoning regulations, automobile service stations and automobile service related businesses were not allowed in general industrial districts. Mr. King continued that the use was consistent with the Town's Comprehensive Plan, however, and has been discussed with the Town Planner.

Mr. King stated that for this reason he would like to refer the issue to the Community Advisory Committee for their input and if favorable, present the transaction for approval at the next Board meeting.

Upon motion duly made by Mr. Simpson and seconded by Mr. Doern, the Committee:

VOTED: That the American Automotive Restorations, Inc. proposal to construct a 20,000 square foot building for a high level vintage automobile restoration/remanufacturing business on Lot 25, Plat 180

comprising approximately 2 acres, as more particularly described in the memorandum submitted to the Board dated November 14, 2007 (the "Project") be referred to the Community Advisory Committee for its consideration and advise to the Quonset Development Corporation.

Voting in favor were: Steven Campo, David A. Doern, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, M. Paul Sams, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

E. Approval of Design Elevations for the Lowe's to be located in the Gateway Project:

Mr. King started by recommending that the pylon sign be tabled until next month's meeting. Mr. King continued that the sign has engendered a lot of conversation and he would like to send it back to the Design Review Committee for further input.

Mr. King requested that the elevations and landscaping plans be approved by the Board, as the Design Review Committee had reviewed the plans. Mr. King explained that there may be a need to change the plans in order to earn more LEED credits. However, Mr. King noted that he believed that the plans should move forward as presented instead of trying to achieve more credits which could end up costing an additional \$250,000. Mr. King added that the Corporation would continue to collaborate with Lowe's on their project and if there were any significant modifications, they would be brought before the board for approval.

Mr. King explained to the Board the timing of the New Boston Development Partners, LLC ("New Boston") ground lease in relation to Phase 1.

Mr. Simpson questioned why the Board was voting on design elevations. Mr. Simpson was concerned that the Board would be asked to vote on all design issues related to the Gateway.

Mr. King explained that in this case, he felt that there was not enough consensus related to the item between the DRC and its ad hoc members and that clarity was needed from the Board.

Mr. Doern added that New Boston must sign the lease with Lowe's to move forward and the Corporation also needs the New Boston lease to be duly executed by the parties. The assumption being that Lowe's is critical to Phase 1.

Mr. Kaplan agreed with Mr. Doern in that New Boston needs to further their discussions with Lowe's and that New Boston was looking for the Board's

