

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

**EXECUTIVE SESSION
MINUTES**

May 16, 2005

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 3:00 p.m. on Monday, May 16, 2005, 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 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: Robert Crowley, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Michael E. McMahon, Anthony F. Miccolis, Jr., John A. Patterson, Sav Rebecchi, M. Paul Sams and John G. Simpson. Also present were Governor Donald L. Carcieri, W. Geoffrey Grout, Managing Director and E. Jerome Batty, Legal Counsel, Bill Parsons, Steve King, Jack Sprengel.

Vice Chariman M. Paul Sams presided over the meeting.

Prior to adjournment to Executive Session, the Board:

VOTED: To adjourn to executive session to consider and take appropriate action on such matters as permitted by subsection (5) (acquisition or lease of real estate for public purposes or disposition of publicly held property), subsection (6) (location of prospective businesses in Rhode Island), and subsection (7) (investment of public funds) of Rhode Island General Laws, Section 42-46-5(a) (the Open Meeting Law).

Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.

Voting against were: None

1. SELECTION OF PREFERRED DEVELOPER FOR THE GATEWAY PROJECT

Mr. Batty, advised the Board that his firm, Hinckley, Allen & Snyder LLP

Has performed legal services for each of the respondents to the Request for

Proposals and/or the principals of such companies. He also

statement that Hinckley, Allen & Snyder LLP has not advised or provided services to such parties in connection with their responses to the Requests for Proposals and Hinckley, Allen & Snyder LLP will not perform any work for such parties in connection with the Gateway Project. Mr. Batty did not participate in the selection process.

Mr. LaVallee of CB Richard Ellis noted that his firm has worked with the presenting firms on matter unrelated to the Gateway Project and that CB

Richard Ellis has not provided service to such parties directly related to the Gateway Project.

Mr. Matthews reviewed the selection process and indicated that there were fourteen (14) respondents to the request for proposals and that the selection committee then narrowed down the list to three (3) proposals.

Members of the selection committee were: Steve Kings, W. Geoffrey Grout, Don

Sharp, Chris Brandt, Anthony F. Miccolis, Jr., Thomas Hazlehurst and David A.

Doern. M. Mathews indicated that the selection committee had scored (1) New

Boston Development Partners, LLC, (2) Carpionato Properties and (3) Cornish

Associates.

Mr. Doern reported on behalf of the selection committee and indicated that all three (3) of the firms which made presentations are capable and experienced. Mr. Matthews provided a copy of the Gateway Site Developer selection scoring matrix to be reviewed by members of the Board. Mr. Doern noted that all of the designs were unique and different. The selection committee felt that the Cornish proposal included too much residential and did not include a hotel. The New Boston proposal indicated that they would have a 60% equity at stake in the project and this was a major factor in their selection as number 1. The selection committee also took into account the architect's and designer's approach and whether they reflected a sense of the community.

Mr. Patterson noted that the work of the selection committee is helpful. He was also concerned that Cornish did not have a defined "entrance" to the park.

Mr. Patterson felt that the Carpionato project may be too large a scale. With respect to the New Boston presentation, he felt that the incorporation of the museum was an excellent idea.

Mr. Hazlehurst stated that chemistry is important to the process and that he felt that the New Boston Group would be an excellent group to work with.

Governor Carcieri thanked the members of the Board for their willingness to serve and noted that the Quonset Business Park is very important not only to the Town of North Kingstown, but to the entire state. He noted that the presentations provided three (3) different approaches and that residential should not be a primary focus. The Governor also noted that Carpionato Properties is an excellent developer with a very strong track record in the State of Rhode Island and that the focus should include a hotel, meeting space, restaurants, etc. but not big box retail.

Governor Carcieri noted further that it was important that the Gateway make a statement and that the Board select the developer who can get the job done in a timely fashion. Mr. DeCarvalho noted that the only party who commented on environmental impacts was New Boston, whose architect, Bill Warner, commented on and reviewed various drainage and water runoff issues. It was also noted that Cornish was proposing a “new kind of development” and it did not seem appropriate for the Board to gamble on a proto-type. Members of the Board concurred that it is important for the project to be a success, create a buzz and proceed quickly to establish a president for development within the park.

The Board discussed whether it was appropriate to select a preferred developer and an alternate. The consensus of the Board was that it would be preferable to select one (1) developer and not designate an alternate at this time.

Upon motion made by Ms. Jackson and seconded by Mr. DeCarvalho, the Board:

VOTED: To select one (1) preferred developer and exclude the option of an alternate at this time.

Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.

Voting against were: None

Unanimously approved.

Mr. Sams thanked the members of the selection committee for their efforts in working through the process.

Upon motion by Mr. Doern and seconded by Mr. Crowley, the Board:

VOTED: To select New Boston Development Partners, LLC as the preferred developer for the Gateway project.

Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi,

Mr. Sams and Mr. Simpson.

Voting against were: None

Unanimously approved.

2. DEVELOPMENT OF PLAT 185, LOT 9.

Mr. Grout reviewed the proposal to lease or sell to Hexagon Holdings, Inc., a fourteen (14) acre parcel in Kiefer Park identified as Lot 9 on Assessor's Plat 185. The development proposal is for a manufacturing facility that would also serve as corporate headquarters. The financial terms would be the payment of \$1,400,000 which would be payable over fourteen (14) years in equal annual installments on \$100,000 each. The proposal is also subject to a ten (10) year tax stabilization agreement with the Town.

Upon motion made by Mr. Doern and seconded by Mr. Crowley, the Board:

VOTED: That the Quonset Development Corporation (the "Corporation"), acting by and through its Chairman, Vice-Chairperson, Managing Director, or Finance Director, each of them acting singularly and alone (the "Authorized Officers") is hereby authorized to enter into, execute and deliver a Lease or Purchase and Sale Agreement and other agreements related thereto with Hexagon

Holdings, Inc. with respect to the sale of property identified as Plat 185, Lot 9 in Kiefer Park consisting of approximately fourteen (14) acres pursuant to terms and conditions presented to the Board of Directors this date and substantially, in accordance with the Transaction Approval attached hereto (such lease or purchase and sale agreement and related documents are referred to herein collectively as the "Lease").

VOTED: That any and all actions taken by any of the Authorized Officers in furtherance of the Lease at any time prior to the effective date hereof, be, and they hereby are, authorized ratified, confirmed and approved.

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 Lease as shall from time to time be requested of the Corporation 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 Lease and/or all related and ancillary agreements and documents in connection with the terms and

conditions to be effectuated by the Lease, including any and all agreements, contracts, certificates, statements, deeds, easements, 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 use of 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.

VOTED: That the Secretary of the Corporation be, and hereby is, authorized and empowered to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by any Authorized Officer.

Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson

Voting against were: None

Unanimously approved.

Upon motion by Mr. Doern and seconded by Mr. Hazlehurst, the Board:

VOTED: To adjourn to public session at 6:25 p.m.

Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.

Voting against were: None

Unanimously approved.

Respectfully submitted,

By:_____

E. Jerome Batty, Secretary