

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS
EXECUTIVE SESSION MINUTES**

June 19, 2006

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, June 19, 2006.

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: Robert Crowley, Kas R.

DeCarvalho, David A. Doern, Thomas Hazlehurst. Barbara Jackson. John A.

Patterson, Mr. Rebecchi, M. Paul Sams and John G. Simpson, Absent was:

Anthony F. Miccolis, Jr.

Also present were: Saul Kaplan, W. Geoffrey Grout, Managing Director, E.

Jerome Batty, Secretary, Alexandria Benjamin, Administrative Assistant, Steven

King, COO, Mary C. Lake, CFO, Evan Matthews, Director of Planning and

Development, David Preston of New Harbor Group, Richard Reed, RIEDC

Deputy Director and Jack Sprengel, Operations Director.

Prior to adjournment to Executive Session, the Board:

VOTED: To adjourn to Executive Session pursuant to Subsection (2) - (litigation), Subsection (5) - (Acquisition or Lease of Real Estate for public purposes or disposition of Publicly held Property) and Subsection (6) - (Location of Perspective Businesses in Rhode Island), or subsection (7) (Investment of Public Funds) of the RIGL §42-46-5(a) (the "Open Meetings Law").

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

Voting against were: none.

Unanimously approved.

DISCUSSION REGARDING Southeastern New England Shipbuilding Corporation (Senesco):

Mr. Grout discussed the amendment to the Senesco lease agreement. He noted that Senesco had resolved some issues with US Ship regarding the completion of a tug/barge. He noted that US Ship would receive an

access agreement from the Corporation to complete construction of

the
tug/barge.

Mr. Grout reminded the Board of the agreement that was made
between

Corporation and Senesco regarding the investment of capital at the
current site. Mr. Grout indicated that the total agreed upon investment
was approximately \$864K of which approximately \$693K has been
spent.

Mr. Grout stated that the \$170K difference that had not yet been spent
would be applied toward Senesco's current receivable which through
June
2006 is approximately \$400K.

Ms. Lake explained that \$170,000 would not be paid out in cash, but
the

effect on the financial statements would be a \$170,000 write-off to bad
debt expense. This is because for accounting purposes, the
investment

money had to be recorded as restricted cash. Ms. Lake explained that
this write-off would appear as a bottom line loss but that in effect we
were

not expending \$170K toward site improvements. The ODC would net
\$247,000 when Senesco pays through June.

Mr. Grout informed the Board that there was a potential buyer
(Reinauer)

for Senesco. He expects that Reinauer will contact the ODC to
renegotiate

the lease to better suit their needs.

Mr. Kaplan assured the Board that the course of events with respect to a

lease amendment and a possible sale to Reinauer should be viewed as a

positive development. The lease amendment brings Senesco current and

could possibly bring a serious player to Quonset.

Ms. Jackson indicated that she would like to know more about Reinauer

and its principals before any new leases are signed. Ms. Jackson

stressed that it is important to make Reinauer fully aware of the environmental concerns and concerns about Senesco's current practices.

Mr. Patterson left the meeting at 6:07 pm. Secretary Batty explained that

it is Corporation's practice to advise potential users of the environmental

concerns and provide copies of existing Environmental Reports to potential users. He informed the Board that the buyer will be given the

opportunity to conduct appropriate environmental review of the property.

Mr. Grout stated that the grand plan is to bring Senesco's rent current.

The amendments reflect the following:

Collect \$247,000 in back rent, forego \$170,000 in back rent, terminate the lease of building 375, maintain security and eliminate dredging responsibility.

There being no further business to come before the Executive Session,

upon motion duly made by Mr. Simpson and seconded by Mr. Doern, the

Executive Session was adjourned at 6:15 p.m.

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

Voting against were: none.

Unanimously approved.

Respectfully submitted by

By:_____

E. Jerome Batty, Secretary