

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

PUBLIC 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, Sav Rebecchi, M. Paul Sams, and John G. Simpson. Absent was: Anthony F. Miccolis. Also present were: Saul Kaplan, W. Geoffrey Grout, Managing Director, E. Jerome Batty, Secretary, members of the Corporation's staff and members of the public.

Mr. Kaplan at the request of the Board led the meeting but was not counted for purposes of determining a quorum and did not vote on

any matter before the Board.

1. CALL TO ORDER

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

Mr. Kaplan discussed changes to the agenda. Committee reports that address action items that require approval and/or discussion at the Board level should be included on the agenda; otherwise Committee reports will not be required.

Mr. Kaplan indicated that he would like to meet with the Strategic Planning Committee before the next Board meeting to gain a better understanding of the issues being addressed by the Committee. Mr. Kaplan also stated that he wanted to improve his understanding of the relationship between the Corporation and the Town of North Kingstown.

2. APPROVAL OF MINUTES

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

VOTED: To approve the minutes of the Public Session meeting of May 15, 2006, as presented to the Board.

Voting in favor were: Robert Crowley, Kas R. DeCarvalho, David A. Doern, Barbara Jackson, Thomas Hazlehurst, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

3. STAFF REPORTS

A. Finance

Ms. Lake stated that there was no report on finance.

B. Managing Director's Report

Mr. Grout discussed the Board package cover photo of the Allen Madison house. Mr. Grout noted that the QDC has secured and stabilized the house.

Mr. Grout updated the Board on the Marina proposals and the selection process. He informed the Board that Ninigret Partners would be helping with the Mega Yacht development proposals.

Mr. Patterson asked Mr. Grout about the membership of the selection committee.

Mr. Grout stated that the selection committee consists of Mr. Steven King, COO, members of the Marketing committee (Messrs. Hazlehurst, Doern and Miccolis) and himself.

Mr. Grout then discussed the relocation of Davisville Road now that Hummingbird has chosen Massachusetts. He informed the Board that there will be an engineering proposal for the extension of Gate Road. If the Gate Road extension proposal is selected then the parcel of land in which Hummingbird had an interest would be divided into two separate 40 acre parcels. This would mean that there would be no 80 acre site available for a bio-manufacturing facility or other user.

Mr. Grout then updated the Board on the two meetings with the Town of North Kingstown regarding the Municipal Services Agreement (MSA). He stated that the QDC received a list of issues that the Town of North Kingstown felt were significant and QDC responded to the list. The list was broken down into three parts: issues that can be negotiated, issues that cannot be negotiated and issues that do not

belong in the MSA.

Mr. Crowley asked Mr. Grout when New Boston will give an update on the status of the Gateway project.

Mr. Grout responded that New Boston is due for a report in July. He indicated that New Boston has increased their financial commitment and is generating leasing interest.

A discussion ensued regarding New Boston's progress on the Gateway development and signage. Mr. Grout and Mr. Kaplan indicated that New Boston is on a clear schedule and is aware of the QDC Board's expectations. Signage and hotel services were discussed amongst the Board members. The Board members would like to see the proposed signage.

4. QUONSET DEVELOPMENT CORPORATION COMMITTEE REPORTS:

There were no committee reports.

5. APPROVAL REQUESTS

A. Transactions:

1. Approval of Unetixs Sale:

Mr. Matthews reviewed the proposed sale to Unetixs. The buyer's business is currently located in the Quonset Business Park on a parcel which is being condemned by the RI Air National Guard. The sale is for 3.6 acres on Plat, 183, Lot 49 in Commerce Park. This lot is within the proposed sale zone. The buyer anticipates creating 20 new jobs and making a \$3 million investment.

Mr. Rebecchi indicated that the property is triangular and fronts on both Callahan and Commerce Park Roads. A discussion between Board members, Mr. King and Mr. Matthews, ensued about who will service this location with sewer, water, fire, police, etc. due to the positioning of the property on a Town road and a QDC road. Mr. King indicated that the Town will provide fire and police services and the QDC will provide sewer and water. Members of the Board indicated that the buyer should be aware of who will be providing what services.

Mr. Doern asked Mr. Matthews if this property is a focal site. Mr. Grout indicated that this property is not as it is further back across the street from the Bayside Health Clinic.

Mr. Doern asked Mr. Matthews if he has had a discussion with the buyer regarding the design of the building.

Mr. Matthews indicated that the building is subject to the design

review process. The closing cannot take place without design review approval.

Mr. DeCarvalho asked Mr. Grout if there is a green space requirement for design approval.

Mr. Grout responded affirmatively and stated that those requirements are included in the development regulations.

Mr. Simpson asked why this property is being sold at \$25,000 less per acre than other sites.

Mr. Grout indicated that this tenant was given a reduced price due to their being relocated and that this price was offered more than a year ago before the acreage was selling at current prices.

Mr. Rebecchi expressed his concerns for the site's location with relation to roads and services and who will be providing services. He suggested that mortgage and insurance companies may want information as to who is providing services to the property.

Mr. Kaplan assured the Board that these questions are important and will be addressed as part of the sale process and should not delay the sale.

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

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director, or Finance Director, each of them acting singularly the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Purchase and Sale Agreement and other agreements related thereto with Unetixs 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 deeds, 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 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.

Voting in favor were: Robert Crowley, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, M. Paul Sams, and John G. Simpson.

Voting against was: Sav Rebecchi.

Motion approved.

B. Finance:

Ms. Lake requested that the Board approve the revised Purchasing Regulations and Procedures.

Mr. Crowley noted that the Audit-Finance Committee approve these Purchasing Regulations and Procedures. He recommended that the matrix be put in the employee handbook.

Mr. Kaplan asked how these Purchasing Regulations compare to RIEDC Purchasing Regulations.

Mr. Reed indicated that the Regulations were not at all dissimilar from the RIEDC procedures.

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

VOTED: That the Corporation approve and adopt the amended and restated regulations governing the procurement of supplies and services (the “Purchasing Regulations”) in substantially the form set

forth on Exhibit A attached hereto, the purpose of which shall be to, among other things, ensure the equitable, efficient and cost effective procurement of supplies and services on behalf of the Corporation.

Voting in favor were: Robert Crowley, Kas R. DeCarvalho, David A. Doern, Barbara Jackson, Thomas Hazlehurst, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

6. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Ms. Jackson and seconded by Mr. Rebecchi 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.

The meeting adjourned to Executive Session at 5:45 p.m. The meeting reconvened in Public Session at 6:15 p.m.

7. APPROVAL OF SENECA LEASE AMENDMENT:

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

VOTED: That the Corporation acting by and through its chairman, vice-chair, managing director, or finance director, each of them acting singly as the “Authorized Officer” is hereby authorized to enter into, execute and deliver the First Amendment to Lease between the Corporation and Southeastern New England Shipbuilding Corporation (SENESCO) substantially in the form of Exhibit A presented to the Board.

8. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

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

VOTED: Pursuant to Section 42-46-4 and 42-46-5 of the General Laws, the minutes of the Executive Session shall not be made available to the public at the next regular scheduled meeting of the Corporation because such disclosure would adversely impact ongoing negotiations.

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.

There being no further business to come before the Board, upon motion duly made by Ms. Jackson and seconded by Mr. Rebecchi, the meeting was adjourned at 6:20 p.m.

Respectfully submitted by:

By:

E. Jerome Batty, Secretary