

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

PUBLIC SESSION MINUTES

September 18, 2006

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, September 18, 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, Thomas Hazlehurst, Barbara Jackson, Saul Kaplan, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson. Absent were: Kas R. DeCarvalho and David Doern. Also present were: W. Geoffrey Grout, Managing Director, E. Jerome Batty, Secretary, members of the Corporation's staff and members of the public.

1. CALL TO ORDER

The meeting was called to order at 5:00 p.m. by Chairman Kaplan.

2. APPROVAL OF MINUTES

Upon motion duly made by Mr. Simpson and seconded by Mr. Hazlehurst, the Board:

VOTED: To approve the minutes of the Public Session and the minutes of the Executive Session meeting of August 18, 2006, as presented to the Board.

Voting in favor were: Robert Crowley, Thomas Hazlehurst, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

3. STAFF REPORTS

- Managing Director's Report**

Mr. Grout briefed the Board on his presentation to the RI Economic Policy Council at their regularly scheduled board meeting held at

Quonset on Friday, September 15, 2006.

Mr. Grout referred the Board's attention to the updated current status map included in the monthly Board package.

Mr. Grout noted that the RFP for the Marina proposal was pending and would be out soon with the intention of filling in the gaps that surfaced from the results of the first RFP. Mr. Grout noted that the new RFP would be much more focused.

Mr. Grout briefed the Board on the Hexagon ribbon cutting that took place on Thursday, September 14, 2006. Mr. Grout noted that it was a good looking building and that it was completed in approximately 12 months.

Mr. Grout then turned the Board's attention to a memo on the Davisville Road Relocation project. He noted that the reason this memo was not in the package was due to some information that was needed from the Department of Transportation that was not available until earlier that day. Mr. Grout noted that the memo was a briefing on the history of the project and that he recommended the project be turned over to the Community Advisory Committee for comment. Mr. Grout then turned the presentation over to Mr. King.

Mr. King walked the Board through the points in the memo and the attached maps that show the various alternatives. Mr. Grout noted

that the new proposal would not have been possible if Bristol Meyers Squibb (BMS) had decided to locate at Quonset Business Park. The resultant decision for BMS to go to Massachusetts now frees up this area and allows Quonset to keep the Davisville Road as it is currently configured.

Mr. Grout noted that we were seeking the Board's approval to send this project to the Community Advisory Committee for their recommendation within 45 days.

Mr. Patterson asked whether there would be grade crossings. Mr. King responded that there would be no grade crossings.

Mr. Miccolis questioned whether or not there would still be leasehold acquisitions with this new alternative. Mr. King noted that no leasehold acquisitions would be required and that this alternative is viewed as the best and least expensive. Mr. King noted that if BMS had decided to locate at Quonset, the business relocations would have been required. Mr. King noted that with the new proposal, the road permanently divides the 88 acre parcel designated for BMS.

Mr. Miccolis asked Mr. Grout to explain the role of the Community Advisory Committee in this project. Mr. Grout explained that when the QDC has a project, the Board can decide to send the project to the Town of North Kingstown Town Council or the Community

Advisory Committee for comment. Mr. Grout noted that QDC believes this project to be consistent with the Master Plan and Comprehensive Plan and therefor appropriate for review by the Community Advisory Committee. Mr. Grout also noted that it was critical for the QDC to finalize the road design for the Gateway project to move forward.

4. APPROVAL REQUESTS

A. Davisville Road/Gate Road Project Approval:

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

VOTED: That the Staff of the Corporation is directed to refer the Davisville Road/Gate Road Project Plan to the Community Advisory Committee in accordance with Section 42-64-13 G.L.R.I.

Voting in favor were: Robert Crowley, Thomas Hazlehurst, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

B. Transactions:

1. Sale to Clover Realty, LLC:

Mr. King gave a brief overview of the project proposed by Clover Realty, LLC, a 10,000 to 40,000 square foot building for Contractor's Supply, a company that distributes construction materials. Mr. King noted that this parcel was previously under contract with Mill Creek Marine. Mr. Grout indicated that due to the issue that this parcel had with a drainage culvert bisecting the property, Mill Creek could not wait for the issue to be resolved due to their relatively tight construction timeline.

Upon motion duly made by Mr. Simpson and seconded by Mr. Hazlehurst, the Board:

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 Clover Realty, LLC, 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, Thomas Hazlehurst, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

C. Finance:

1. Approval of FY2006 Audited Financial Statements:

Ms. Lake asked the Board if there were any questions on the draft of the FY2006 Audited Financial Statements in the Board package. Ms. Lake indicated that the financials were fully discussed at the Audit-Finance Committee meeting and that the auditor, Ms. Deborah Mitchell, a partner in the firm of Prescott, Chatellier, Fontaine & Wilkinson, was available for questions. Ms. Lake indicated that there were three minor changes in the presentation to be made to the draft financials but that those changes did not in any way affect the numbers.

Mr. Patterson questioned whether or not there were any audit comments. Ms. Lake indicated that there were two audit comments;

one that was the same as the prior year and addressed the fact that separation of duties needs to be continually monitored due to the small accounting staff of the agency. The other comment related to the recommendation that payroll records be centralized. Ms. Lake noted with respect to the separation of duties comment , the Corporation does have controls in place and that she is comfortable with these controls to monitor potential issues. Ms. Lake also noted that the payroll records had already been centralized and sent to the Human Resources Department at the RIEDC.

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

VOTED: To approve the Fiscal 2006 audited financial statements as amended.

Voting in favor were: Robert Crowley, Thomas Hazlehurst, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

2. Approval of FY2008 Operating Budget:

Ms. Lake asked if there were any questions relative to the FY2008 Operating Budget as presented to the Board. Ms. Lake indicated that the budget had been fully discussed at the Audit-Finance Committee meeting and that approval was recommended.

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

VOTED: To approve the Fiscal 2008 Operating Budget as presented to the Board.

Voting in favor were: Robert Crowley, Thomas Hazlehurst, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

5. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Mr. Hazlehurst and seconded by Mr. Miccolis, 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), and subsection (7) (Investment of Public Funds) of the RIGL §42-46-5(a) (the “Open Meetings Law”).

Voting in favor were: Robert Crowley, Thomas Hazlehurst, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

The meeting adjourned to Executive Session at 5:32 p.m. The meeting reconvened in Public Session at 6:30 p.m.

6. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Mr. Crowley and seconded by Mr. Patterson, 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 may adversely impact ongoing negotiations.

Voting in favor were: Robert Crowley, Thomas Hazlehurst, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

There being no further business to come before the Board, upon motion duly made by Mr. Miccolis and seconded by Mr. Patterson, the meeting was adjourned at 6:32 p.m.

Respectfully submitted by:

By:

E. Jerome Batty, Secretary