

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

December 14, 2009

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, December 14, 2009, at the offices of Unetixs Vascular, Inc. located at 125 Commerce Park Road, 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: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, John G. Simpson and Keith Stokes. Absent was: J. Michael Saul. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; Kevin M. Barry, Finance Director; members of the Corporation’s staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:04 p.m. by Vice Chairman Simpson.

The Board was given a tour of the Unetixs Vascular, Inc. facility by Mr. Peter Moscovita. Unetixs Vascular, Inc. builds physiologic testing systems.

2. APPROVAL OF MINUTES:

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

VOTED: To approve the Public Session minutes of the October 19, 2009 meeting, as presented.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramee, Richard L. Pastore, John A. Patterson, Sav Rebecchi, John G. Simpson and Keith Stokes.

Voting Against were: None

Unanimously Approved.

Mr. Patterson asked for clarification on the North Kingstown Tax Incentive Ordinance as noted in the minutes on page 2, 6th point.

Mr. King explained that the Corporation has been working with the Town to exempt QBP tenants from the requirement of obtaining a town permit in order to be eligible for the tax incentive. Under the exemption, state permits would be acceptable.

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

VOTED: To approve the Executive Session minutes of the October 19, 2009 meeting, as presented.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramee, Richard L. Pastore, John A. Patterson, Sav Rebecchi, John G. Simpson and Keith Stokes.

Voting Against were: None

Unanimously Approved.

3. STAFF REPORTS:

Mr. King reviewed the Staff Report with the Board.

Development and Planning:

- Design Review Committee has approved the SBS (Shoreline Business Services) project in Kiefer Park.**

- The lease with the Quonset Davisville Navy Yacht Club has been finalized as approved by the Board.
- Mill Creek Marine, Inc. is very close to closing on their financial package.
- QDC and EDC have jointly prepared responses to RFP's issued by two separate companies considering locating to Quonset.
 1. Start up company - wind energy – commercial land turbine.
 2. Start up company – recycler of waste engine oil.
- EDA grant: The Governor has signed the Section 1511 certification which confirms that the project has gone through public review process.
- Banneker Industries, Inc. has signed a 5 year lease beginning November 1 for Bay C in Building 318.
- Operating Plan is coming together and is now going through internal review. Mr. King noted that in relation to hierarchy, the Operating Plan falls just below the Master Land Use and Development Plan.

Construction:

- The work on the NOAA building is underway.
- Bids for the demolition of buildings 404 and 111 (QDC's former office building and storage building) will be received by December 22nd.

Port Operations:

- The Port received 9 ships totaling 6650 autos.

Mr. Patterson asked if Old Roger Williams Way will be utilized for Port Traffic in the near future. Mr. King explained that the Corporation is working with the DOT to acquire the property; however, there are some environmental permits that must be cleared first.

Finance and Administration:

- Total revenues are running slightly better than budget.**
- Rents are favorable to budget due to the option payments by DeepWater Wind and Alterra Energy.**
- Slightly offsetting these favorable variances are shortfalls in water and waste water sales compared to budget. Water usage is down due to the wet summer season, conservation, and the loss of a large water user in the Park.**

4. COMMITTEE REPORTS:

Mr. Simpson noted that there were no committee meetings held in November or December.

The Board discussed the best strategy for welcoming the new RIEDC director and educating her on the Quonset Business Park.

5. APPROVAL REQUESTS:

A. Confirmation of the 2010 Schedule of Meetings:

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

VOTED: To confirm the 2010 Schedule of the Quonset Development Corporation Board of Director's Meetings.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, John G. Simpson and Keith Stokes.

Voting Against were: None

Unanimously approved.

B. Approve the Termination of Administrative Services Agreement and Transfer of Employees to the Corporation and Implementation of All Appropriate Action Related thereto:

Mr. King provided the Board with a handout (Exhibit A) which included a copy of the Administrative Services Agreement, a memo to the current RIEDC Director, and a copy of the vote. Mr. King explained that the Administrative Services Agreement was essentially a staffing agreement executed in April 2005 which provided for RIEDC employees to staff the day to day operations of QDC. Under the terms of the agreement, QDC paid an annual fee for these services in

addition to reimbursing on a biweekly payroll.

Mr. King explained that this agreement was reviewed in a recent audit of all the Corporation's contracts by the Audit Finance Committee. QDC management and the Committee agreed that it would be to the Corporation's advantage to terminate the service. Termination of this agreement transfers employees physically located at Quonset to the QDC payroll and allows the Corporation to more effectively manage the organization.

Mr. King assured the Board that RIEDC and QDC have resolved roughly 90% of all the employee benefits issues related to the segregation. One remaining issue involves the Defined Benefit Pension Plan. RIEDC will need to modify the existing plan so that QDC can continue to contribute to the plan and the employees can retain their same benefit package. Mr. King noted that the Corporation has 41 full time employees and only 9 of those employees are not part of the pension plan because they were hired after December 31, 2005 when the plan was frozen. All employees will retain the same level of benefits that they currently enjoy but the administrative authority will now rest with the Corporation after the termination.

Mr. Batty clarified for the Board that the purpose of their vote is to clearly identify who is authorized to sign and enter into agreements required to accommodate the transfer of the employees to QDC so

that the employees have the exact same seniority and benefits after the transfer as prior to the termination of the agreement. The authority includes the power to approve and enter into all agreements and amendments and take all actions on behalf of the Corporation to implement and adopt all required agreements.

Mr. Patterson asked if the Corporation will have the authority to seek the best plans for the employees as the employee pool increases/changes. Mr. King affirmed that the Corporation will seek programs that will have the greatest benefit to the employees and in fact, by separating with RIEDC, there was a savings under the current health plan.

Mr. King confirmed for Mr. Pastore that the Corporation will pay the balance of the Administrative fee through the fiscal year. Mr. King noted that there is no agreement for the following year.

Upon questioning from Mr. Berson, Mr. King noted that the Corporation never utilized the IT services under the agreement but noted that current QDC staff would be taking on the HR duties previously provided by RIEDC.

Mr. King clarified for Mr. Simpson that the transfer of the employees would be effective immediately but the payment of the services fee would continue through the current fiscal year.

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

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to terminate the Administration Services Agreement dated April 7, 2005 and take all action and enter into any and all agreements to accomplish and accommodate the transfer of employees to the Corporation, including without limitation, agreements related to payroll services, the Defined Benefit Pension Plan, Health Care Insurance, Dental Insurance, the Collective Bargaining Agreement with Local 877, Defined Contribution Plan 401-a, Deferred Contribution Plan 457, Short Term Disability, Long Term Disability and Life Insurance coverages, Workers Compensation Insurance, HSA/Flex Spending Account, Directors and Officers Insurance, Accrued Vacation and Administrative fees, and other agreements related thereto (hereafter collectively referred to as the "Agreements").

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 resolution by executing, delivering and performing any and all modifications, renewals, confirmations and variations of the Agreements as any of the Authorized Officers acting singularly and 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 Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and assumptions 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: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, John G. Simpson and Keith Stokes.

Voting Against were: None

Unanimously Approved.

There being no further business to come before the Board, upon motion duly made by Mr. Rebecchi and seconded by Mr. Patterson, the meeting was adjourned at 6:06 p.m.

Respectfully submitted:

By: _____
Secretary

E. Jerome Batty,