

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

December 17, 2013

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 4:30 p.m. on Tuesday, December 17, 2013, at the offices of the Corporation located at 95 Cripe Street, 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 members constituting a quorum were present and participated throughout the meeting as indicated: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Barbara Jackson, Elizabeth Dolan, James Rugh, Marcel A. Valois, and Richard A. Welch. Absent were: Kas R. DeCarvalho John G. Laramee, and Anthony F. Miccolis, Jr. Also present were: Lincoln D. Chafee, Honorable Governor of the State of Rhode Island; Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary and Corporation’s staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 4:32 p.m. by Chairman Marcel Valois. Chairman Valois welcomed Governor Chafee.

2. APPROVAL OF MINUTES:

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

VOTED: To approve the Public Session and Executive Session minutes of the November 19, 2013 meeting, as presented.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

3. STAFF REPORTS:

Mr. King reviewed the staff report with the Board.

4. COMMITTEE REPORTS:

There were no committee reports to represent.

5. APPROVALS:

A. Approval of a lease with North Kingstown Solar 1, LLC:

Mr. King introduced Mr. Frank Epps, President of North Kingstown Solar 1, LLC and stated that North Kingstown Solar was interested in leasing 5.4 acres on Davisville Road in the Gateway District. The property would be used to house a 500kW solar farm under a National Grid distributed generation contract. Mr. Epps passed out a handout (Exhibit A), describing this and two other projects in the area. Mr. King noted the term of the lease agreement would be fifteen (15) years with two (2) additional ten (10) options with the rate to be negotiated. Mr. King continued stating the rent for the property would be twenty two thousand five hundred dollars annual with fifteen (15) percent of the rent going toward “Payment in Lieu of Taxes” to the Town of North Kingstown. Mr. King explained the property on Davisville Road was well suited for this use as it gets good southern exposure, and because the solar panels are a very passive and non-disruptive they will not disturb the outlying neighborhoods. Mr. King also noted that due to the awkward shape of the parcel, traditional development would be difficult,

Mr. Epps explained that all the power generated would be sold to National Grid for the first fifteen (15) years as agreed to under the RI

Standard Contract PPA Awarded to North Kingstown Solar 1, LLC and could not be sold directly to the Quonset Business Park tenants. Mr. King noted that the only entity currently allowed to transmit power in Rhode Island is National Grid; however, Mr. Epps explained that public entities could take advantage of credits for the power that is generated under the current law.

Upon questioning, Mr. King and Mr. Epps assured the Board that a bond would be put in place for the removal of any equipment at the termination of the lease.

Mr. Epps also described the height of the solar panels, security fencing, and berm to ease any concern of disrupting the adjacent residential area.

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

VOTED: That the Corporation acting by and through its Chair, Vice-chair, Managing Director or Finance Director, each of them acting alone (the “Authorized Officers”) is hereby authorized to enter into, execute and deliver a Lease and other agreements related thereto with North Kingstown Solar I, LLC, or an affiliated entity for the Lease of approximately 5.4 acres on Davisville Road, substantially in accordance with the Request for Board Authorization presented to the Board (the Lease and related documents are referred

to herein collectively 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 resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of the Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and 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 memorandums 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 and 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 executed 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: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved

B. Approval of a Lease with Rhode Island Airport Corporation, a Land Exchange with Toray Plastics, America, Inc., and a Lease and Sublease with Electric Boat Corporation:

Mr. King explained that approval requests 2, 3, and 4 on the agenda would be presented as a whole to the Board as they all pertain to the Electric Boat Corporation (“EB”) lease with the Quonset Development Corporation.

Mr. King reviewed a power point presentation outlining the eleven (11) parcels of land comprising 142.43 acres and 1,046,615 square feet of buildings located mainly in the Quonset area of the park and one parcel located in the Davisville area. Mr. King pointed out on the map, the area leased by the Rhode Island Airport Corporation (“RIAC”) which will be part of the EB lease. RIAC will lease the

property to the Corporation who will then sublease the property to EB. The property consists of 15.86 acres (Parcels 1B, 2B, and 9B) and will be leased to the Corporation for a term of twenty five (25) years. The lease may be terminated upon termination of the EB lease or upon sixty (60) days notice; the Corporation will not be responsible for the lease with RIAC past the termination of the EB lease. The rent paid to RIAC will be matched in the EB lease. Rent under the RIAC Lease will be two hundred thirty five thousand dollars (\$235,000.00) for the first seven (7) years and will increase to two hundred sixty four thousand three hundred and seventy five dollars (\$264,375.00) from years eight (8) through fourteen (14) and will then increase two hundred ninety seven thousand four hundred twenty two dollars (\$297,422.00) in years fifteen (15) through twenty one (21) and finally cap at three hundred thirty four thousand six hundred (\$334,600.00) in years twenty two (22) through twenty five (25).

Mr. King reviewed the Land Swap with Toray Plastics America, Inc. explaining Toray was the northwestern abutter to parcel 7 under the proposed EB lease and as part of the preparation for the EB lease; the Corporation will be eliminating Northrup Road which allows access to the Toray Plastics facility in addition to Belver Avenue. The Corporation proposes swapping 8,300 square feet of plat 184, lot 20 to Toray for 5,682 square feet of plat 184, lot 4 to the Corporation. This exchange will provide an additional right-of-way for the Corporation to construct a cul-de-sac to address traffic, safety and security issues related to the elimination of Northrup Road and the

expansion of Electric Boat's facility.

Mr. King introduced Electric Boat's General Manager at Quonset, Mr. Sean Davies who gave an overview of future of Electric Boat at Quonset. Mr. Davies noted that EB has been a tenant at Quonset for forty years celebrating that anniversary on November 23, 2013. Mr. Davies explained EB completed two capital projects this year totaling thirty two million dollars (\$32,000,000) investment in the EB Quonset facilities. Mr. Davis reviewed the possibilities for future awards which would keep EB building ships into the year 2040 and possibly grow the number of employees at Quonset by 50% in the next ten (10) years.

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

VOTED: That the Corporation acting by and through its Chair, Vice-chair, Managing Director or Finance Director, each of them acting alone (the "Authorized Officers") is hereby authorized to enter into, execute and deliver a Sublease Agreement and other agreements related thereto with Rhode Island Airport Corporation for three parcels at Quonset Business Park, consisting of a total of approximately 15.9 acres+ (the "Sublease"), substantially in accordance with the Request for Board Authorization presented to the Board (the Sublease and related documents are referred to herein collectively 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 resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of the Agreements or 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 memorandums 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 and 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: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

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

VOTED: That the Corporation acting by and through its Chair, Vice-chair, Managing Director or Finance Director, each of them acting alone (the "Authorized Officers") is hereby authorized to enter into, execute and deliver a Land Exchange Agreement and other agreements related thereto with Toray Plastics (America), Inc., or an affiliated entity for the transfer of approximately 8,300 sq. ft. to Toray in exchange for 5,682 sq. ft., substantially in accordance with the Request for Board Authorization presented to the Board (the Land Exchange Agreement and related documents are referred to herein collectively 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 resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of the Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and 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 memorandums 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 and 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 executed 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: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

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

VOTED: That in connection with the expansion, extension and consolidation of the existing Leases with Electric Boat Corporation, the Corporation acting by and through its Chair, Vice-chair, Managing Director or Finance Director, each of them acting alone (the “Authorized Officers”) is hereby authorized to enter into, execute and deliver a Lease and Sublease Agreement and other agreements related thereto with Electric Boat Corporation, or an affiliated entity for the lease and sublease of property at Quonset Business Park, substantially in accordance with the Request for Board Authorization presented to the Board (the Lease and Sublease Agreement and related documents are referred to herein collectively 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 resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of the Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and 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 memorandums 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 and 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 executed 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: Guy Asadorian, Jr., James Berson, Robert H.

Breslin, Jr., Elizabeth Dolan, Barbara Jackson, James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

6. ADJOURNMENT:

Upon motion duly made by Mr. Welch and seconded by Mr. Breslin, the meeting adjourned at 5:23 p.m.

Respectfully submitted:

By: _____
Secretary

E. Jerome Batty,