

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

SEPTEMBER 27, 2004

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, September 27, 2004, in Public Session, at 4:00 p.m., at the offices of the Rhode Island Economic Development Corporation located at One West Exchange Street, Providence, Rhode Island, pursuant to notice of the meeting to all Directors, and public notice of the meeting, a copy of which is attached hereto, as required by the By-Laws of the Corporation and applicable Rhode Island law.

The following Directors, constituting a quorum, were present and participated throughout the meeting as indicated: Governor Donald L. Carcieri, Mr. Frank Montanaro, Mr. Keith Stokes, Representative Joseph A. Trillo, Mr. George Shuster, Mr. Joshua Miller, and Ms. Alma Green.

Directors absent: Representative Melvoid Benson, Ms. Barbara Jackson, Senator William Walaska, Senator Kevin Breene, and Mr. Doug Sgarro.

Also present were: Executive Director Michael McMahon, members of the Corporation's staff and Attorney Robert I. Stolzman.

Except for the Call to Order, Governor Donald L. Carcieri presided over the meeting and Attorney Robert I. Stolzman acted as Secretary.

1. CALL TO ORDER

Mr. Montanaro called the meeting to order at 4:00 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON AUGUST 23, 2004

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

VOTED: To approve the Minutes of the Meeting held on August 23, 2004, as presented to the Board this date.

Voting in favor of the foregoing were: Mr. Montanaro, Representative Trillo, Mr. Shuster, Mr. Stokes, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

Governor Carcieri arrived at the meeting at 4:04 p.m.

3. FOR EXECUTIVE DIRECTOR'S REPORT

Executive Director McMahon presented his mid-term report card for the Rhode Island Economic Development Corporation with a slide presentation (See **Exhibit A**).

Mr. McMahon noted that Governor Carcieri, upon taking office, charged the Economic Policy Council with measuring accountability for the RIEDC programs. He credited the efforts of previous administrations for many of the Corporation's successes, summarized the Corporations' strengths and weaknesses as he sees them, and described the process for future success.

On the strengths side, Mr. McMahon noted the Rhode Island has a good quality of place, good location and strong transportation linkages, a manageable scale, accessible stakeholders, strong higher education/research and development capacity and well established clusters of businesses, including maritime, life sciences, defense, financial services and manufacturing.

Speaking of the weaknesses found in Rhode Island, Mr. McMahon noted poor brand image/visibility, a challenging business climate due to high taxes and other costs, a divided business community, well intentioned but duplicative efforts, low expectations and short term view with no demand for accountability, the tendency to be inward looking, limited resources, a politicized agency and a politicized agenda, and a lack of sites.

Mr. McMahon explained that opportunities exist for changing the brand, converting strengths into competitive advantages, depoliticizing economic development, developing clusters, catalyzing site development projects and leadership by example, including establishment of clear expectations and reformation of corporate governance.

Threats to the EDC's success, according to Mr. McMahon, include perpetuation of the death spiral of higher costs and higher taxes, missing another cycle for development, failing to focus, spreading limited resources too thin, falling victim to mega-projects and an erosion of quality of place.

Mr. McMahon explained that the process to success includes taking stock and getting the house in order, development of goals and strategy and execution of goals. He noted that the EDC has restructured itself as well as its partners for success.

On the good news side, Mr. McMahon noted the development of the Every Company Counts program for small businesses, as well as the institution of a good management team at Quonset, where there is great real estate for development. He cited cluster growth and tourism as additional positives.

Governor Carcieri reported that he had a good feeling from his attendance at a recent meeting of the Providence Warwick Tourism Group, and stated that the EDC has opened the way for communications among the various tourism groups and acknowledgment of a need to draw together on different issues. He also noted that Mr.

McMahon recently gave this presentation to the Economic Policy Council and the Rhode Island Commodores, and that it was well received in both cases.

With respect to clusters, Mr. Shuster stated that the EDC must be explicit that designers are also required to meet the needs of the various cluster industries, to which Mr. McMahon concurred. Governor Carcieri noted that the Rhode Island School of Design is entering a national competition to build an energy efficient house. He stated that the house will be designed and build in Rhode Island, then dismantled and rebuilt on the Mall in Washington, D.C. for the 2006 competition. Governor Carcieri stressed that the EDC should do whatever it can to encourage and assist RISD with this endeavor.

Representative Trillo asked if the State is running low on its land inventory, and whether it should be seeking additional land. Mr. McMahon responded that the EDC does not have the resources to buy and bank land, but that there is available a wealth of old buildings that can be rehabilitated for future use and development. He stated that the EDC is also trying to identify potential development sites in local communities, and referred to the Jump Start Fund, which is a loan fund available to municipalities for master planning, zoning and utility hook-ups which will save time in developing new sites. Mr. McMahon explained that this use of State funds is not to purchase land but to act as a catalyst for growth.

In response to an inquiry of Governor Carcieri, Mr. McMahon stated that the EDC has an inventory of land availability in the local municipalities.

Representative Trillo noted that cities and towns are buying land for conservation and open space and suggested that the State tie up some locations for future development. Mr. Stokes referred to the Comprehensive Land Use Act, and noted that most of the smaller communities do not have the resources to plan for economic development. He stated that there is a great need for statewide master planning and a determination of what each municipality would or would not accept.

Mr. McMahon commented that there are a lot of communities that want to see some growth for jobs and tax purposes. He stated that most of the land that is being saved for open space is appropriate for open space. Mr. Stokes noted that the EDC can offer technical assistance and guidance to communities in their development of master plans, to which Mr. McMahon replied that this is definitely on the EDC's agenda.

Mr. Stokes suggested that the municipalities have professional marketing assessments done so that they know what they have and what can be used for development.

Mr. McMahon next asked Mr. Grout to provide an overview of developments at Quonset. Mr. Grout presented a slide presentation to the Board members (See **Exhibit B**), and explained that all candidates for public office will be invited to see the same presentation to be given at various times and locations on October 2, 13 and 21, as a way to get the word out about the Quonset bond referendum. He noted that Quonset is

back on the legislative agenda, albeit at the end of the list, which is not the best position for a bond referendum.

Mr. Grout explained that much has happened at Quonset over the last 18 months, including changes in leadership, governance and an improved process. He noted that staff is continuing to work with the Town of North Kingstown toward mutually acceptable development.

Governor Carcieri stated that it is important that there be one place for potential developers to go to for all approvals, to which Mr. Grout responded that that is the goal he and his staff are working toward.

Mr. Grout stated that changes at Quonset have included staff revamping, and noted the addition of a new financial officer, Mr. Michael Geezil, former CFO of RI Depositors Protection Corporation. He explained that staff has been focusing on product repositioning, creating a shared vision and capital funding, primarily for an improved curb appeal. He referred to 10 sites presently being worked on, including the Post Road Gateway, the Commerce Park, the airport and ferry terminal, and development of the Davisville waterfront. He noted that the \$48 million bond issue is for building demolition and cleanup as well as development of the park's infrastructure.

Mr. Grout explained that \$154.8 million has been invested in Quonset, of which \$62.6 million has come from the State of Rhode Island. When the State's investments in the 403 Project and the \$48 million bond proposal are added in, the State's total investment is \$136.6 million, which puts the State's total investment at \$77,493 per acre.

Mr. Grout explained that the voters must be made aware that Quonset employs approximately 6,400 people, including people from across the State, not just from the South County region. Mr. Stokes emphasized this point, stating that Quonset is a statewide asset and the public should be made aware of the number of people who work at Quonset from other areas in the State.

4. FOR QUONSET MATTERS

a. For approval of transfer of land to Circuit Drive Drainage Association

Mr. Evan Matthews reminded the Board that in 1998 it approved a transaction between the RIEDC and the Circuit Drive Drainage Association (CDDA) for the transfer of 1.25 acres for the construction of a detention pond which would facilitate the development of four specific sites of land in Kiefer Park. The approval provided that when all four sites had been developed, ownership of the 1.25 acres of land under the pond would be transferred from RIEDC to CDDA. He reported that the last of the four sites has now been developed.

There being no questions, upon motion duly made by Representative Trillo and seconded by Mr. Montanaro, the following vote was adopted:

VOTED: See text of vote at **Exhibit C.**

Voting in favor of the foregoing were: Governor Carcieri, Mr. Montanaro, Representative Trillo, Mr. Shuster, Mr. Stokes, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

b. For approval of grants of easements to Zakopane, LLC

Mr. Evans reported that Zakopane, LLC, d/b/a Ocean State Job Lot, has requested three (3) easements to facilitate communications between the new Ocean State Job Lot facility and its existing building across the street. He noted that the EDC's standard formula for the sale of easements is being used, and that Zakopane has agreed to the terms.

In response to an inquiry of Governor Carcieri, Mr. Matthews explained that the easements would last as long as Zakopane owns the property. Responding to further inquiries of Governor Carcieri and Representative Trillo, Mr. Grout stated that he does not believe there the easements will present any problems with other tenants. Mr. Matthews explained that the easements, which are for fiber optic connections, will follow a very thin strip of land, as close to the boundaries as possible.

Upon motion duly made by Mr. Shuster and seconded by Representative Trillo, the following vote was adopted:

VOTED: See text of vote at **Exhibit D.**

Voting in favor of the foregoing were: Governor Carcieri, Mr. Montanaro, Representative Trillo, Mr. Shuster, Mr. Stokes, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

c. For approval of lease amendment with Rhode Island Mooring Services, Inc.

Mr. Matthews referred the Board members to the information provided in their packages regarding this matter (See **Exhibit E**), and explained that Rhode Island Mooring Services (RI Mooring) is seeking to add 1.2 acres on Little Allen's Harbor to their current leasehold so that they can expand their existing building for use as a marine fabrication facility and indoor boat storage. In response to an inquiry of Representative Trillo, Mr. Matthews confirmed that this is a small working harbor.

Representative Trillo asked if more should be charged for the slips, to which Mr. Matthews replied that RI Mooring will be doing all of their own work and that they will not own the land. He stated that their lease is higher because of its waterfront location.

Attorney Stolzman noted here that the site is the former location of Narragansett Dock Works (NDW), with which the EDC has been in litigation following its eviction of

NDW. Mr. Stolzman explained that NDW also sued RI Mooring, claiming that it attempted to interfere with the negotiations between the EDC and NDW, and that suit is still pending. The EDC, however, is close to finishing the case with NDW. Mr. Stolzman reported that the EDC did not entertain the request of RI Mooring until after NDW was evicted and the eviction was upheld by a Judge's ruling. He noted, however, that there is a risk that NDW will still try to come back and say that RI Mooring interfered.

Responding to an inquiry of Representative Trillo, Mr. Stolzman stated that the records are clear as to the timing of RI Mooring's request.

Mr. Grout explained that the reason that the issue is currently before the Board is that RI Mooring requires an answer for its capital planning, and that the resolution with NDW has taken longer than anticipated. Representative Trillo stated that this appears to be bad timing.

Mr. Stolzman stated that the litigation risk is not significant. Mr. Richard Reed added that this property has been non-income producing for 18 months.

Representative Trillo expressed his concern that the EDC is moving too fast and that it gives the appearance that there was collusion, especially since the land was not advertised. Mr. McMahon responded by saying that the EDC does not advertise any particular land, and that it has a clean title to the land and a clear ruling in its favor.

Mr. Stolzman noted that all abutting property owners were aware that the property was available, but that RI Mooring was the only tenant to express an interest in the property.

Governor Carcieri stated that this is the best deal for the property, to which Mr. Grout concurred, stating that the property needs improvements and RI Mooring will invest its own funds and make improvements to the property.

In response to further concerns of Representative Trillo, Mr. Stolzman stated that NDW has already made the accusation that there was collusion between the EDC and RI Mooring, but the fact that the property has been lying fallow for so long makes this a prudent business decision per the Staff recommendation.

Governor Carcieri noted that he would respectfully abstain from this vote because RI Mooring services his mooring.

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

VOTED: See text of vote at **Exhibit E.**

Voting in favor of the foregoing were: Mr. Montanaro, Representative Trillo, Mr. Shuster, Mr. Stokes, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

Abstaining from the vote: Governor Carcieri.

5. VOTE TO MEET IN EXECUTIVE SESSION

By open call prior to adjournment to Executive Session, upon motion made by Mr. Montanaro and seconded by Representative Trillo, the following vote was adopted:

VOTED: That the Board adjourn to Executive Session to consider and take appropriate action on such matters as permitted by subsection (2) (pending litigation), subsection (5) (acquisition, disposition or lease of real property), subsection (6) (location of prospective businesses) and subsection (7) (investment of public funds) Rhode Island General Laws, Section 42-46-5(a), the Open Meetings Law.

Voting in favor of the foregoing were: Governor Carcieri, Mr. Montanaro, Representative Trillo, Mr. Shuster, Mr. Stokes, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

6. RECONVENE OPEN SESSION

The public session was reconvened at 5:40 p.m. The Chairman reported that action was taken on the following items during the Executive Session:

1. Approval of lease amendment with Senesco.

There being no further business in Public Session the meeting was adjourned at 5:45 p.m., upon motion by Mr. Shuster and seconded by Representative Trillo.


Robert I. Stolzman, Secretary

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND
ECONOMIC DEVELOPMENT CORPORATION**

Dated: September 27, 2004

**(With Respect to Transfer of Land at Quonset to Circuit Drive
Drainage Association)**

VOTED: That the Rhode Island Economic Development Corporation (the "Corporation"), acting by and through its Chairman, Executive Director, Deputy Director, Managing Director – Quonset, or its Secretary, each of them acting singularly and alone (the "Authorized Officers") is hereby authorized to enter into certain agreements and convey to the Circuit Drive Drainage Association that certain 1.42 acres of land for use by members of said Association as a drainage detention/retention basin pursuant to previous authorizations and agreements of the Corporation and consistent with the terms and conditions presented to the Board of Directors of the Corporation this date (such agreement and deed reflect on the conveyance of land is hereinafter referred to as the "Agreement").

VOTED: That any and all actions taken by any of the Authorized Officers in furtherance of the Agreement at any time prior to the effective date hereof, be, and they hereby are, authorized, ratified, confirmed and approved.

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 as shall from time to time be requested of the Corporation 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 agreements, contracts, certificates, statements, deeds, easements, 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.

VOTED: That any Secretary or Assistant Secretary of the Corporation be, and each of them hereby is, authorized, empowered and directed to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by any Authorized Officer.

Quonset Point Real Estate Transaction Briefing

Date: September 20, 2004
To: Board of Directors
Quonset Davisville Management Corporation
From: Evan Matthews, Director, Real Estate Development, QDC
RE: **Re-approve conveyance of 1.41-acre parcel of land from Rhode Island Economic Development Corporation (RIEDC) to Circuit Drive Drainage Association (CDDA)**

Transaction Description:

Company Name: Circuit Drive Drainage Association

Location: Plat 179 Lot 21, Circuit Drive, Kiefer Park

Summary: In April 1998 a transaction between the Rhode Island Economic Development Corporation and the Circuit Drive Drainage Association, consisting of the transfer of 1.25-acres of land (designated Plat 179 Lot 21) for the construction of a detention pond, was approved by both the QDMC and RIEDC Boards of Directors. The creation of this detention pond facilitated the development of four specific sites of land in Kiefer Park identified as Plat 179 Lot(s):

- Lot 11 – Emissive Energy (formerly Ewag)
- Lot 12 – Supfina Machine Company, Inc.
- Lot 13 – Dominion Diagnostics, LLC
- Lot 18 – Meister Abrasives USA, Inc.

The transaction as approved in 1998 stated that once all four parcels of land utilizing the detention pond site were developed the land under the pond would transfer from the ownership of the RIEDC to the CDDA. The last parcel, Lot 13, is developed and RIEDC involvement in the detention pond site is no longer necessary. The monetary value of the land was realized by the RIEDC in the sale of Lot(s) 11, 12, 13 and 18.

As this original transaction was Board approved more than six years ago and the parcel size of the pond is 1.41-acres as opposed to the original approved parcel size of 1.25-acres, staff respectfully requests approval to transfer Plat 179, Lot 21 from the RIEDC to the CDDA.

Master Plan Consistency:

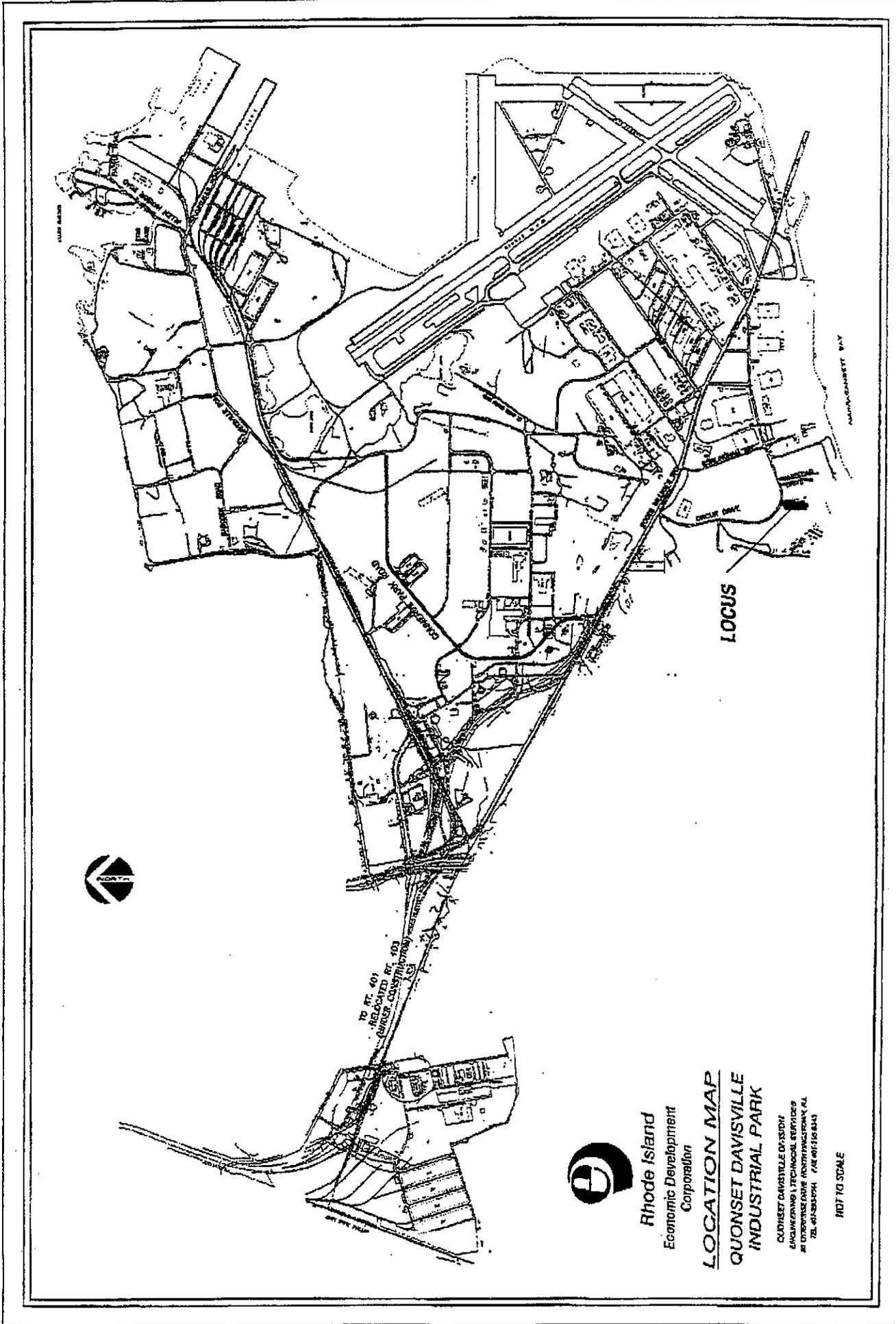
Land Use: Not Applicable (N/A)
Employment: N/A

Real Estate Transaction Information:

Parcel Size	1.42-acres	61,770 SF
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Project Financing: N/A

Employment, Wages, & Taxes: N/A



TO RT. 401
 RELOCATED RT. 403
 (NEWLY CONSTRUCTED)



Rhode Island
 Economic Development
 Corporation

LOCATION MAP
QUONSET DAVISVILLE
INDUSTRIAL PARK

QUONSET DAVISVILLE OFFICE
 ENGINEERING & TECHNICAL SERVICES
 20 DAVISVILLE INDUSTRIAL PARK, QUONSET, RI 02884
 TEL: 401-883-0704 FAX: 401-883-0811

NOT TO SCALE

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND
ECONOMIC DEVELOPMENT CORPORATION**

Dated: September 27, 2004

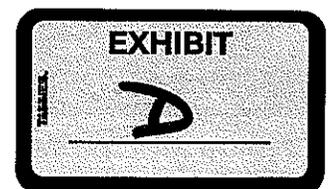
**(Regarding Grants of Easements to Zakopane, LLC
d/b/a Ocean State Job Lot)**

VOTED: That the Rhode Island Economic Development Corporation (the "Corporation"), acting by and through its Chairman, Executive Director, Deputy Director, Managing Director – Quonset, or its Secretary, each of them acting singularly and alone (the "Authorized Officers") is hereby authorized to execute and deliver those certain easement agreements allowing Zakopane, LLC to connect various properties of it with telecommunications and other utility infrastructure pursuant to terms and conditions presented to the Board of Directors of the Corporation this date (such agreements and easements are hereinafter referred to as the "Agreement").

VOTED: That any and all actions taken by any of the Authorized Officers in furtherance of the Agreement at any time prior to the effective date hereof, be, and they hereby are, authorized, ratified, confirmed and approved.

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 as shall from time to time be requested of the Corporation 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 agreements, contracts, certificates, statements, deeds, easements, 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.

VOTED: That any Secretary or Assistant Secretary of the Corporation be, and each of them hereby is, authorized, empowered and directed to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by any Authorized Officer.

Quonset Point Real Estate Transaction Briefing

Date: September 20, 2004
To: Board of Directors
Quonset Davisville Management Corporation (QDMC)
From: Evan Matthews, Director, Real Estate Development, QDMC
RE: **Recommendation to grant three easements to Zakopane Realty, LLC**

Transaction Description:

Company Name: Zakopane Realty, LLC
Company Location: 360 Callahan Road – Commerce Park Development District

Summary: Zakopane Realty, LLC is the entity under which Ocean State Jobbers acquires/manages real estate holdings for business operations. The company seeks approval to acquire three easements to facilitate communications between the new Ocean State Jobbers Facility now under construction and the existing Ocean State Jobbers building located at 360 Callahan Road.

The three separate easements are:

- The first easement starts on the northern property line of 360 Callahan Road and proceeds north crossing Smith Street. There is no charge for this easement.
- The second easement starts on the northern side of Smith Street and continues north on the very eastern edge of Plat 183 Lot 45 (RIEDC owned) and consists of approximately 5,880-square feet. The one time cost of this easement is \$8,092.92.
- The third easement starts on the north end of Plat 183 Lot 45 and proceeds north crossing Moscrip Avenue ending at the new Ocean State Jobbers site. There is no charge for this easement.

The three easements are not permanent and all easements will terminate once Ocean State Jobbers ceases operations on Callahan Road. As this request generates a one time payment for the easement crossing Plat 183 Lot 45 plus two roads (no cost), Board approval is respectfully requested to proceed with this transaction.

Master Plan Consistency:

Land Use: General Industrial.
Employment: Not Applicable

Real Estate Transaction Information:

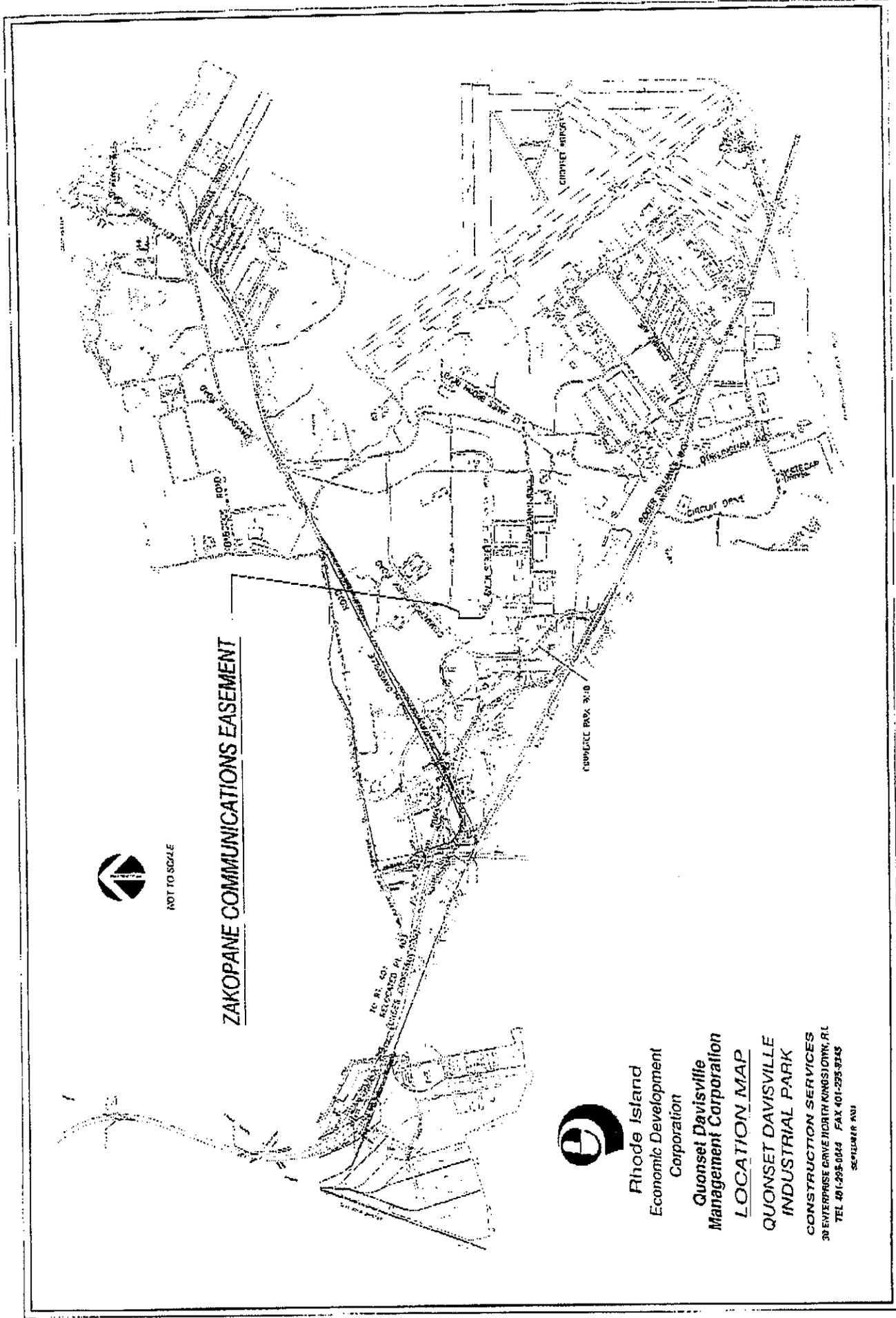
Parcel Size		5,880 +/- SF
Building Size	N/A	N/A
Cost of Easement (one time) for Plat 183 Lot 45:	\$8,092.92	
Cost of Easement – Smith Street	\$ - 0 -	
Cost of Easement – Moscrip Avenue	\$ - 0 -	
Basis:	N/A	

Project Financing:

Private capital:	100%	Federal or state funds:	0%
Loans and revenues:	0%	EDC Financing:	0%

Employment, Wages, & Taxes: Not Applicable

Design Review: Not Applicable



ZAKOPANE COMMUNICATIONS EASEMENT



NOT TO SCALE



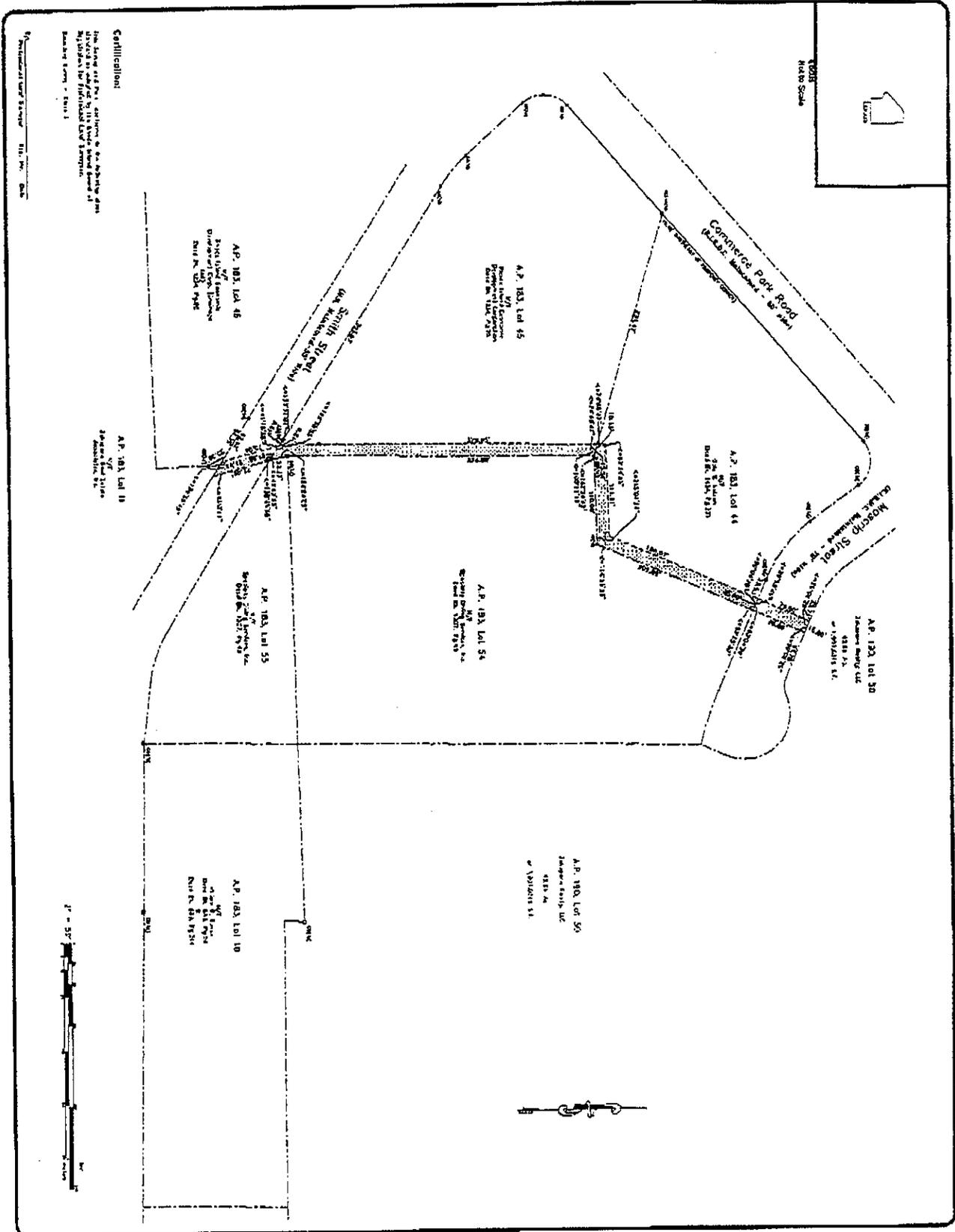
**Rhode Island
Economic Development
Corporation**

**Quonset Davisville
Management Corporation**

**LOCATION MAP
QUONSET DAVISVILLE
INDUSTRIAL PARK**

**CONSTRUCTION SERVICES
30 ENTERPRISE DRIVE NORTH KINGSTOWN, R.I.
TEL 401-295-0844 FAX 401-295-8245**

SEPTEMBER 2001



Certification:
 I, the undersigned, being a duly Licensed Professional Engineer in the State of Rhode Island, do hereby certify that the above described plan is a true and correct copy of the original filed in my office on the date hereon.
 Date: 09/14/2004

Professional Seal Required - SEE PLAN

DATE	09/14/2004
BY	DAVID PERVAL
CHECKED BY	DAVID PERVAL
DATE	09/14/2004
PROJECT	1 OF 1 SHEETS

GAROFALO
 GAROFALO & ASSOCIATES, INC.
 CIVIL & STRUCTURAL ENGINEERS/SURVEYORS
 LAND PLANNERS/ENVIRONMENTAL SCIENTISTS

65 COLLINS STREET
 P.O. BOX 8143
 PROVIDENCE, RI 02940
 TEL: 401-273-0080

NO.	REVISION	DATE

PROPOSED 15 FT. COMMUNICATIONS EASEMENT
 A.P. 183, LOTS 44 & 45
 MOSCRIP & SMITH STREETS.
 SITUATED ON
 COMMERCE PARK ROAD
 N. KINGSTOWN, RHODE ISLAND

PREPARED FOR:
 ZAKOPANE REALTY LLC

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND
ECONOMIC DEVELOPMENT CORPORATION**

Dated: September 27, 2004

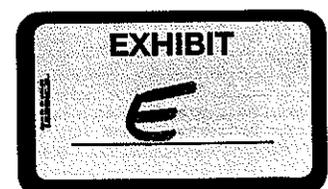
**(With Respect to Lease Amendment with
Rhode Island Mooring Services, Inc.)**

VOTED: That the Rhode Island Economic Development Corporation (the "Corporation"), acting by and through its Chairman, Executive Director, Deputy Director, Managing Director – Quonset, or its Secretary, each of them acting singularly and alone (the "Authorized Officers") is hereby authorized to enter into that certain Lease Amendment with Rhode Island Mooring Services, Inc., expanding the leasehold interest of said company at the Quonset Davisville Port and Commerce Park pursuant to terms and conditions presented to the Board of Directors of the Corporation this date (such Lease Amendment and instruments related thereto are hereinafter referred to as the "Agreement").

VOTED: That any and all actions taken by any of the Authorized Officers in furtherance of the Agreement at any time prior to the effective date hereof, be, and they hereby are, authorized, ratified, confirmed and approved.

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 as shall from time to time be requested of the Corporation 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 agreements, contracts, certificates, statements, deeds, easements, 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.

VOTED: That any Secretary or Assistant Secretary of the Corporation be, and each of them hereby is, authorized, empowered and directed to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by any Authorized Officer.

Quonset Point Real Estate Transaction Briefing

Date: September 20, 2004
 To: Board of Directors
 Quonset Davisville Management Corporation
 From: Evan Matthews, Director, Real Estate Development, QDMC
 RE: **Recommendation on Lease Amendment with RI Mooring Services, Inc.**

Transaction Description:

Company Name: RI Mooring Services, Inc.

Company Location: Patrol Road – Waterfront Development District

Summary: The company is proposing to amend its existing lease by an additional 1.2 acres on which to construct a 7,000 s.f. addition to their existing building for use as a marine fabrication facility and indoor boat storage. Construction of an additional twelve boat slips is also planned.

RI Mooring Services, Inc. became a tenant in the Little Allen’s Harbor area in November, 1995, leasing 1.18 acres of land, a building, and a section of bulkhead for the purpose of conducting mooring service operations, as well as boat storage and marine construction. Due to the company’s success, an additional 1.7 acres was added to the leasehold, for a current total of 2.88 acres on Patrol Road.

In addition to the uplands parcel, in 1996, RI Mooring assumed responsibility for subleasing berthing slips to commercial vessels, together with performing necessary renovations and improvements.

RI Mooring further increased its holdings in 2002, with the lease of 1.35 acres at the westerly entrance to Little Allen’s Harbor. The company has invested in excess of \$324,000 for alterations and improvements to the parcel, including the construction of a 6,000 s.f. building and a waterfront dock facility.

Master Plan Consistency:

Land Use: Waterfront

Conforms to district guideline.

Employment:

Current: 16 FTEs (16 FTEs/5.43 acres = 3 jobs/acre)

Projected: 21 FTEs (21 FTEs/5.43 acres = 4 jobs/acre)

District guideline: 10 jobs/acre.

Real Estate Transaction Information:

Parcel Size	1.18 acres	51,758 SF
Building Size	N/A	7,000 SF
Rent:	Yrs. 1 - 7	\$0.50/SF
	Yrs. 8 – 28	11% increase every 5 years
Economic Development Incentives:	None	
Basis:	N/A	

Project Financing:

Private capital:	100%	Federal or state funds:	0%
Loans and revenues:	0%	EDC Financing:	0%

Employment, Wages, & Taxes:

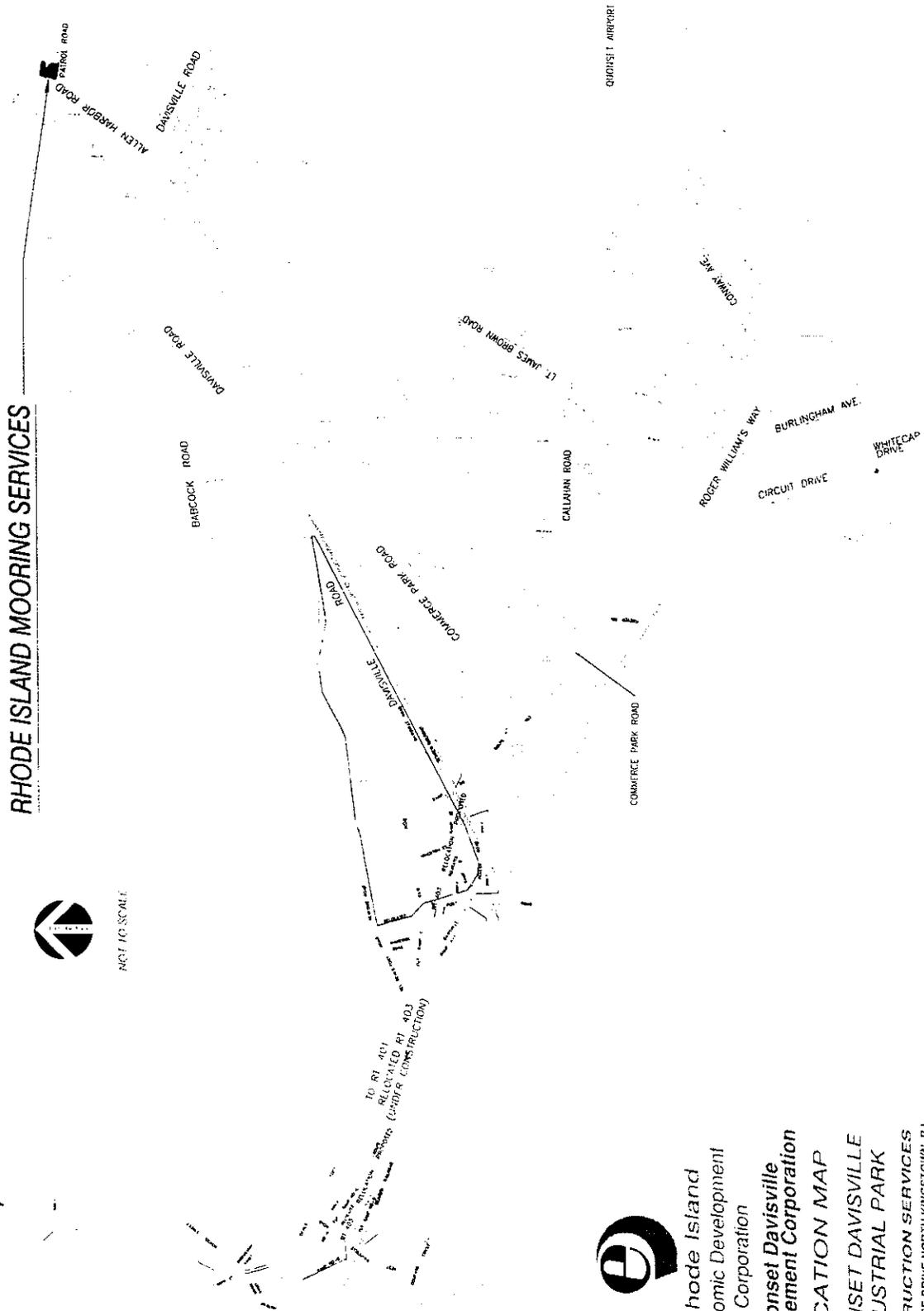
Direct employment of the project:	
1. Construction phase:	N/A
2. Short term (start up):	N/A
3. Long term:	21 FT
Projected Annual Payroll:	Unknown
Annual State Taxes:	Unknown

Design Review: Approved by Committee

RHODE ISLAND MOORING SERVICES



NOT TO SCALE



Rhode Island
Economic Development
Corporation

Quonset Davisville
Management Corporation

LOCATION MAP

QUONSET DAVISVILLE
INDUSTRIAL PARK

CONSTRUCTION SERVICES
30 ENTERPRISE DRIVE NORTH KINGSTOWN, RI

TEL 401-295-0011 FAX 401-295-6345

SC011 4/01/01 2004

