

**QUONSET DEVELOPMENT CORPORATION  
MEETING OF THE AUDIT FINANCE COMMITTEE**

**JANUARY 9, 2006**

A meeting of the Audit Finance Committee of the Quonset Development Corporation (the "Corporation") was held at 4:00 p.m. on Monday, January 9, 2006, at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Audit Finance Committee 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, Barbara Jackson, and John Simpson. The following Quonset Development Corporation staff members were also in attendance: Mary C. Lake, CFO, and Steven King, COO.

**1. CALL TO ORDER:**

The meeting was called to order at 4:04 p.m. by Mr. Crowley as all the members were present.

**2. DISCUSSION OF FY06 CONSTRUCTION PROJECTS:**

Mr. King updated the committee on the status of construction contracts underway relative to the \$48M bond issuance. Mr. King noted that of the \$6M QDC projected to spend on the infrastructure contracts for Fiscal 2006, \$4.2M is currently under contract. Mr. King also discussed public access signage issues relative to the Park. Mr. King further discussed work under way for requests for proposal relative to the rail line in the Park. Mr. King concluded with the statement that all contracts currently underway were moving as scheduled.

**3. DISCUSSION OF PROPOSED LINE OF CREDIT:**

Ms. Lake updated the Committee on the current status of a \$1M line of credit through Citizens bank for QDC. The intention was to vote on presenting the proposed line of credit to the Board for approval. However, with further information Ms. Lake received that day, it was decided that the issue would be tabled for further review and discussion and that future updates, when available, would be brought to the Committee.

**4. DISCUSSION OF AUTHORIZATION LEVELS MATRIX:**

Ms. Lake requested input from the Committee regarding the current authorization levels in use by the staff of QDC. Ms. Lake presented the Committee with a new proposed matrix, which increases authorization levels for the CEO, CFO, and adds

authorization levels for the COO. Ms. Lake indicated that due to the large construction contracts entered into at QDC as part of the bond issuance, the current levels of authorization were limiting to conducting business in a timely manner. The Committee agreed that the new matrix was acceptable and suggested a few changes. It was noted that the new matrix would be brought back to the Committee at the February meeting for approval to put to vote before the Board.

There being no further business to come before the Committee, upon motion duly made by Mr. Simpson and seconded by Ms. Jackson, the meeting was adjourned at 4:43 p.m.

Respectfully submitted:

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Mary C. Lake, CFO