

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

JANUARY 14, 2008

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, January 14, 2008, 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: Steven Campo, Thomas Hazlehurst, Barbara Jackson, Saul Kaplan, John A. Patterson, Sav Rebecchi, and John G. Simpson. Absent were: Robert Crowley, Kas R. DeCarvalho, David A. Doern, and M. Paul Sams. Also present were: Steven J. King, P.E., Chief Operating Officer; 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 5:03 p.m. by Chairman Kaplan.

2. APPROVAL OF MINUTES:

Upon motion duly made by Mr. Simpson and seconded by Ms. Jackson, the Committee:

VOTED: To approve the Public Session minutes of the December 10, 2007 meeting, as submitted.

Voting in favor were: Steven Campo, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

3. STAFF REPORTS:

Mr. King asked the Board to refer to tab 2 of their packets. Mr. King updated the Board of the following activities:

- Annex Plating is scheduled to close on February 5, 2008.

- Island Global Yachting (IGY) received a sixty (60) day extension to perform due diligence.
- Marine Services LLC was granted a ninety (90) day extension to perform due diligence.
- Signage is being installed throughout the park. Twenty signs have been installed to date.
- CRC, Co. Inc. (the firm hired to install the replacement bulkhead) received a Notice to Proceed and is currently mobilizing staff and equipment onsite.
- LM Holdings. Inc. has substantially completed Zone B of the Railroad. Work on Zone C will commence in the spring.
- The new QDC headquarters building has been issued a Certificate of Occupancy. The maintenance department has begun moving in equipment and should complete their move by the end of February.
- Total revenue is 15% better than forecasted due to the new NORAD lease, less than forecasted tenant vacancies, option payments from New Boston and Ocean State Job Lot as well as personnel expenses being 11% less than budgeted due to unfilled vacancies.

Chairman Kaplan asked if there were any questions for Mr. King. Mr. Hazlehurst inquired if the present Agreement with IGY precluded anyone else from being shown the property. Mr. King indicated that IGY has put down a deposit but the Agreement is nonbinding. However, IGY does currently have the exclusive right to evaluate the property during the due diligence period in accordance with the terms of the Memorandum of Understanding. Mr. Hazlehurst was concerned because of recent articles in the *Providence Journal* concerning a port at the Quonset Business Park.

Mr. Hazlehurst then inquired about the Request for Proposal (RFP) for a Public Relations Firm for QDC. He expressed concern because his wife heard about it on the radio and the Board was not informed there was an RFP being issued. Mr. King apologized and apprised the Board that QDC did have a contract with New Harbor Group. However, the original contract expired and there was an extension. Now an RFP must be issued for proposals for a public relations firm. There will be a Committee to review and evaluate the proposals. Mr. Hazlehurst requested that a Board member be on the Selection Committee. It was the consensus of the Board that Mr. Hazlehurst be included on the Selection Committee to evaluate and select a public relations firm for QDC.

4. QUONSET DEVELOPMENT CORPORATION COMMITTEE REPORTS:

A. Strategic Planning Committee:

Mr. Simpson informed the Board that the Strategic Planning Committee met on January 14, 2008 to review the Draft Master Plan with Maguire and QDC staff. Mr. Simpson indicated that Maguire would revise the Draft Master Plan to reflect the proposed changes and the Strategic Planning Committee would reconvene in

February to review the latest draft. The Strategic Planning Committee would then present the draft Master Plan to the Board in March and provide the Board with a month to review the Draft Master Plan. Then in April the Board could provide feedback and vote on the Draft Master Plan. The Master Plan would then be provided to the Town of North Kingstown and the Statewide Planning Council for comments.

5. APPROVAL REQUESTS:

A. Approval of Second Amended and Restated Development Agreement with New Boston Development Partners, LLC:

Mr. King indicated that the First Amended and Restated Development Agreement with New Boston Development Partners, LLC was executed in May of 2006. However, the terms of the Development Agreement needed to be updated as a result of the delay from the resubmission of the Environmental Review Forms to the Statewide Planning Council.

Mr. Batty concurred indicating that the resubmission of the Environmental Review Forms caused about a twelve (12) month delay. Mr. Batty presented the outline of the terms of the Second Amended and Restated Development Agreement:

- The subject land area had to be adjusted from approximately 60 to 66 acres.
- The Agreement had to be updated to reflect that the Master Plan was the version approved by the Statewide Planning Council.
- The Termination Date of the Agreement will be extended from November 25, 2010 to November 25, 2011.
- The Ground Leases for Parcels 1 (open air retail) and 5B (Lowe's) be executed simultaneously.
- QDC will be responsible for constructing the new connector road and rotary for the parcels for the Lowe's and RAVV developments.
- Deferred option payments to reflect the 12 month delay.
- There has been a guaranty by the Urban Strategy America Fund, L.P. for the Developer to pay rent for the Ground Leases during the development period.
- Assignments of the Ground Lease by the Tenant are subject to restrictions set forth in the Ground Lease.
- The Ground Leases will be cross-defaulted until the Developer obtains the Development Benchmark.
- The Ground Lease for Parcel 1 will be subject to an access and parking easement for the benefit of the Seabee Museum property and parcel 5 will be subject to certain drainage and detention pond easements and appropriate documentation regarding the existing underground culvert.

Upon motion duly made by Mr. Rebecchi and seconded by Mr. Hazlehurst, the Committee:

VOTED: That the Corporation, acting by and through its Chairman, Vice-Chair, or Chief Operating Officer, each of them acting singularly (the "Authorized Officers") is hereby authorized to enter into, execute and deliver the Second Amended and Restated Development Agreement (the "Development Agreement") and other agreements related thereto with New Boston Partners Development, LLC substantially, in accordance with the terms and provisions presented to the Board (the Development 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 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, 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 the Secretary of the Corporation be, and hereby is, authorized and empowered 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.

Voting in favor were: Steven Campo, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, Sav Rebecchi, and John G. Simpson.

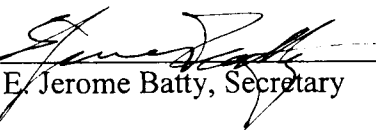
Voting Against were: None

Unanimously Approved.

Chairman Kaplan informed the Board that David Doern and Bob Crowley had resigned from the Board. Mr. Kaplan expressed his appreciation for the services of Mr. Doern and Mr. Crowley. Chairman Kaplan explained that replacements will have to be nominated by the Governor's Office and then confirmed by the Senate. Mr. Simpson pointed out that Mr. Crowley was an asset because of his banking and finance experience. Mr. Simpson requested that Mr. Crowley's replacement have similar skills. Likewise, Mr. Rebecchi indicated that Mr. Doern had a strong real estate background and would like to see his replacement have a similar background. Chairman Kaplan agreed.

There being no further business to come before the Board, upon motion duly made by Mr. Hazlehurst and seconded by Mr. Patterson, the meeting was adjourned at 5:35 p.m.

Respectfully submitted:

By: 
E. Jerome Batty, Secretary