

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

February 11, 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, February 11, 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 was: Kas R. DeCarvalho. 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 5:20 p.m. by Chairman Kaplan.

Chairman Kaplan formally recognized Mr. Sams' service to the Quonset Development Corporation, the community and the State. He was a gentleman who will be sorely missed. There will be a tribute in an upcoming issue of the Quonset Points and a donation has been made to the organization designated in the obituary.

2. APPROVAL OF MINUTES:

Mr. Patterson requested that that last bullet on page 2 which reads "less than forecasted vacancies" specify that it relates to tenants rather than employees. Upon motion duly made by Mr. Patterson and seconded by Ms. Jackson, the Committee:

VOTED: To approve the Public Session minutes of the January 14, 2008 meeting, as amended.

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 on the following activities:

- The site work for the Gateway project is underway. It is anticipated that the lease with New Boston will be executed by the end of the week.
- The land swap with Spinnaker Construction Company closed today.
- The closing for B&B Realty (Annex Plating) has been extended to Friday, February 15, 2008.
- The due diligence periods for Atlantic Ethanol and Island Global Yachting have been extended.
- The sign installation is ongoing.
- The construction of Babcock Road improvements is moving forward.
- Phase 10 demolition is continuing. The Construction Battalion Davisville Library will be demolished this week.
- CRC, Co. Inc. (the firm hired to install the replacement bulkhead) has commenced site preparation.
- Staff reviewing plans and specifications for the roundabout at Gate Road and Davisville Road with the new connector road.

Mr. Patterson suggested that the new connector road be named after Paul Sams. Mr. King indicated that he could take recommendations for the new road name.

- TWIC registration is completed. The card issuance should be completed by mid February.
- The Operations Department is creating an inventory and marking storm water outfalls as required by the MS4 permit issued by DEM.
- The maintenance department has begun moving equipment into the new QDC headquarters and should complete their move by the end of February.
- The Public Relations Committee has reviewed the proposals for the Public Relations Firms. The Committee narrowed the selection to the Mayforth Group and New Harbor Group and interviewed the candidates last Friday. They decided to continue with the New Harbor Group.

Ms. Jackson inquired as to the makeup of the Public Relations Committee. Mr. King replied that staff from QDC including himself, Kevin Barry and Evan Matthews, EDC staff Bill Parsons, Fred Hashaway and Melissa Withers as well as Director Hazlehurst. Ms. Jackson expressed displeasure that the committee did not extend to more individuals who participate in QDC Board meetings. She requested that in the future the committee be extended to include more Board members.

Mr. King indicated that the Governor had appointed three new members to the QDC Board- James Berson, John Laramee and Keith Stokes. These nominees are subject to Senate confirmation. Mr. Patterson requested that these members be invited to attend the meetings. Mr. Batty pointed out that the new appointees can attend the meetings as observers, however, they cannot participate in Board discussions or vote. Mr. Hazlehurst indicated that Senate confirmations can take a long period of time. Chairman Kaplan indicated that they would follow up to ascertain the status of the confirmations.

4. QUONSET DEVELOPMENT CORPORATION COMMITTEE REPORTS:

A. Strategic Planning Committee:

Mr. Simpson informed the Board that the Strategic Planning Committee met on February 11, 2008 to review the Draft Master Plan with Maguire and QDC staff. Mr. Simpson indicated to the Board that the Strategic Planning Committee was going to meet in two weeks. The Strategic Planning Committee will 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.

5. APPROVAL REQUESTS:

A. Adoption of Monthly Water and Sewer Rates for Fiscal Years 2008-2012

Mr. Barry indicated that a Water and Sewer Rates study is performed every five years. Mr. Barry informed the board that the rate study concluded that the average water bills would decrease by eleven (11%) percent and the average sewer bills would decrease by fifteen (15%) percent. Mr. Barry stated that the fixed costs are now spread out over more customers and conservation efforts by water users have been successful. Mr. Rebecchi expressed concerns about the sustainability of the water and sewer infrastructure. Mr. Barry indicated that QDC has a consulting firm that updates the infrastructure plan every 4-5 years. Over a twenty-five (25) year period the infrastructure is replaced incrementally. The rates include built in capital improvements and maintenance costs.

Mr. Patterson spoke about future collaboration with the Town as more Town residences are connected to the QDC wastewater system. He suggested that the Town be notified ahead of time if rates increase in the future. Mr. Barry replied that he is in regular communication with the Town Water Department. However, he cannot advise the Town of water and sewer rate changes until the QDC Board approves such changes.

Mr. Simpson commented that QDC has cultivated conservation practices among the tenants and was worried that if rates were lowered whether it

would promote less conservation practices. Mr. Barry indicated that the RI Water Resources Board has been encouraging Water Suppliers to change rate structures from block rates. Mr. Simpson questioned whether seasonal usage had been analyzed as part of the study. Mr. Barry replied that about half a dozen businesses were reviewed. He pointed out that the rates for the municipal golf course decreased slightly.

Mr. Patterson informed the Board that the Town Water Department had recommended once per week outdoor watering rather than even/odd every other day watering. The Town Council had not passed it but may consider it in the future. Furthermore, the Town is exploring a new water source in a different aquifer.

Mr. Rebecchi inquired if QDC would be locked into the given rates for five years. He was concerned about not being given the flexibility to change the rates should something unexpected occur. He stated that in Jamestown conservation measures caused the revenue to dip below costs.

Mr. Barry indicated that the capital improvement and maintenance costs were spread over the business base of the Park. However, there was flexibility for QDC to change the rates should the need arise.

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

VOTED: That the Board of Directors hereby approves the Adoption of monthly water and sewer rates for fiscal years 2008-2012 as set forth in Tab 3 attached hereto.

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.

B. Approval of Sale of Property to American Automotive Restoration, Inc.

Mr. King presented the American Automotive Restoration, Inc. transaction. This is a 2 acre infill parcel on Foliage Drive in the West Davisville District. The sales price is \$330,000 with a 5 percent deposit and a 6 percent commission to CBRE. This sale is subject to Design Review Committee and Environmental and Socio Economic Review processes. Chairman Kaplan asked if the sales price of this parcel is consistent with the pricing of other parcels. Mr. King indicated that it was. Mr. Simpson inquired if this would be an indoor facility and whether there

would be any environmental issues. Mr. King responded that it was an indoor facility and would be subject to the environmental permitting process.

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

VOTED: That the Corporation acting by and through its Chairman, Chief Operating Officer or Finance Director, each of them acting singularly the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Purchase and Sale Agreement and other agreements related thereto to convey Plat 180, Lot 25, 2.0 +/- acres of property located on Foliage Drive in the West Davisville District to American Automotive Restoration, Inc. substantially, in accordance with the Request for Board Authorization presented to the Board (the Purchase and Sale 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, 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 deeds, 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.

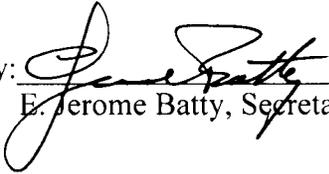
Voting in favor were: Steven Campo, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

There being no further business to come before the Board, upon motion duly made by Mr. Patterson and seconded by Mr. Rebecchi, the meeting was adjourned at 5:52 p.m.

Respectfully submitted:

By: 
E. Jerome Batty, Secretary