

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

PUBLIC SESSION MINUTES

August 21, 2006

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, August 21, 2006, 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: Robert Crowley, David A. Doern, Barbara Jackson, Saul Kaplan, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson. Absent were: Thomas Hazlehurst and Kas R. DeCarvalho. Also present were: W. Geoffrey Grout, Managing Director, E. Jerome Batty, Secretary, members of the Corporation's staff and members of the public.

1. CALL TO ORDER

The meeting was called to order at 5:01 p.m. by Chairman Kaplan.

2. APPROVAL OF MINUTES

Mr. Doern noted that the sixth paragraph of Section 4 of the Minutes should be revised to as follows:

"Mr. Doern stated that the Board would be the body to review the report/study and make a decision as to implementation of any recommendations."

Mr. Miccolis noted that his middle initial was incorrect in the minutes.

Upon motion duly made by Mr. Sams and seconded by Mr. Crowley, the Board:

VOTED: To approve the minutes of the Public Session meeting of July 17, 2006, as revised and the minutes of the Executive Session meeting of July 17, 2006, as presented to the Board.

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

3. STAFF REPORTS

- Managing Director's Report

Mr. Grout referred the Board to Tab 2 of the Board package. Mr. Grout stated that this talking points document had been distributed to elective office candidates that have come to visit Quonset and noted that it would be a useful document for the Board.

Mr. Grout noted that the RFP for a facilitator to provide a report about the possible strategic alternatives for the sustainability of a Business Park at Quonset had been on hold pending Mr. Kaplan's approval.

Mr. Grout updated the board on the signage program and noted that a detailed analysis of needs is underway and that this is a very complicated project.

Mr. Grout then discussed the RFPs for recreational marine trades that had been reported upon by Mr. Townsend Goddard at the last Board meeting. Mr. Grout noted that the selection Committee was not accepting any of the proposals and had decided to go back out with a more focused RFP. Mr. Grout noted that a broader audience was needed with a more focused agenda.

Mr. Patterson noted that the Talking Points memo Mr. Grout referred to in Tab 2 was a good document but expressed his disappointment that no reference had been made to the Town of North Kingstown regarding the relationship or regulatory issues. Mr. Patterson asked if this document could be changed.

Mr. Kaplan noted that the document was intended to be a living, changing document as time progressed.

4. APPROVAL REQUESTS

A. Transactions:

1. Sale to RAVV Development, LLC:

Mr. Matthews gave a brief overview of the project proposed by RAVV Development LLC, a 90,000 square foot fitness/recreational facility. Mr. Matthews indicated that this was a unique project for Quonset.

Mr. Crowley asked about the background of the people undertaking this project and whether there will be time limits for financing and commencement of construction.

Mr. Matthews indicated that the individuals involved had not undertaken a project of this sort in the past but that all purchase and sale agreements have a contingency for financing that if the funding is not obtained and construction commenced within specific time limits, the land reverts back to Quonset.

Ms. Jackson asked if this facility was exclusive for the Park or if it was a general public, community asset.

Mr. Matthews indicated that the facility was not exclusive.

Mr. Simpson asked if this property was in the lease only area and Mr. Grout indicated that no, this property was in the sale area of the Quonset Business Park.

Mr. Rebecchi asked who would maintain the roads surrounding this property. Mr. Matthew indicated that the roads are maintained by QDC.

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

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director, 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 with RAVV Development, LLC, substantially, in accordance with the Request for 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 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 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.

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

2. Sale to Riggs & Gallagher, Inc.:

Mr. Matthews noted that this transaction is for the purchase of property previously under agreement with Subsalve, USA. Mr. Matthews noted that the building would be built on spec for tenants and that this lot is across from Hexagon. Mr. Matthews also noted that the proposed buyer has purchased other property in the Park for the same purpose.

Mr. Sams asked about the timeframe for adding the new jobs and how the buyer has done with meeting job specifications in the past.

Mr. Matthews noted that Riggs & Gallagher, Inc. has a good track record in the Park but that the job number is an educated guess. The buildings are built for office use and the job numbers are based on an estimate of the type of office user that might rent the space.

Upon motion duly made by Mr. Crowley and seconded by Mr. Sams, the Board:

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director, 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 with Riggs & Gallagher, Inc., substantially, in accordance with the Request for 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 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 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.

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

3. Sale to PCM Capital (RI PODS):

Mr. Matthews indicated that this transaction was for a build to suit building of approximately 40,000 square feet for RI PODS, that is currently leasing warehouse space from QDC in Davisville.

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

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director, 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 with PCM Capital, substantially, in accordance with the Request for 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 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 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.

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

4. **Sale to RI Department of Transportation:**

Mr. Matthews noted that this transaction is for a fair market value real estate exchange with RIDOT to accommodate the airport expansion. Mr. Matthews noted that it has not yet been determined at this time what would be exchanged.

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

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director, 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 with RI Department of Transportation, substantially, in accordance with the Request for 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 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 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.

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

Mr. Rebecchi indicated that he would like the maps submitted with the Requests for Authorization to indicate the party responsible for maintaining the roads adjoining the property.

B. Finance:

Ms. Lake noted that the Capital Improvement Project budget in the Board package is in the form that is sent to the State of RI. Ms. Lake then turned the discussion over to Mr. King who asked the Board if there were any questions regarding the Capital Improvement Budget.

Mr. Sams asked where the “other” funding noted on the worksheets would come from.

Mr. King said that these funds would come from property sales and other internal and external funding. Mr. King turned the Board’s attention to the last few pages of the document to show that the approval request for the FY08 Capital Improvement Project budget is for a total of \$16.8M. Mr. King noted that FY09 is the year that is currently showing a significant gap in bond funding and estimated projects. Mr. King noted that there has always been a large gap in the projects to be completed and the bond funding of \$48M.

Mr. Crowley said that the Audit-Finance Committee recommends approval of the budget.

Mr. Miccolis asked about the status of the Davisville Road relocation project.

Mr. King indicated that there would be a draft on the recommended alternatives for the road relocation for next month’s Board meeting. Mr. King noted that the alternative, if approved, could save \$3M to \$4M on the project but that he was awaiting comment from RIDOT.

Mr. Miccolis asked about the Site Development line item and how a fire station fits into the Capital Improvement Project budget.

Mr. King indicated that there is still no funding for a fire station in the program. Mr. King indicated that the Site Development line item contains monies for the signage program and public access points but not a fire station.

Mr. Miccolis expressed his concern that there were no funds in the Capital Improvement Projects budget for the Business Park to consider a fire station at Quonset.

Upon motion duly made by Mr. Crowley and seconded by Mr. Doern, the Board:

VOTED: To approve the Fiscal 2008 Capital Budget as presented to the Board.

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: Anthony F. Miccolis and John A. Patterson.

Motion approved.

5. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Mr. Doern and seconded by Mr. Crowley, the Board:

VOTED: To adjourn to Executive Session pursuant to Subsection (1) – (job performance) of the RIGL §42-46-5(a) (the “Open Meetings Law”).

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: None.

Unanimously approved.

The meeting adjourned to Executive Session at 5:36 p.m. The meeting reconvened in Public Session at 6:10 p.m.

6. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Mr. Crowley and seconded by Mr. Sams, the Board:

VOTED: Pursuant to Section 42-46-4 and 42-46-5 of the General Laws, the minutes of the Executive Session shall not be made available to the public at the next regular scheduled meeting of the Corporation because such disclosure may adversely impact ongoing negotiations.

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams, 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. Miccolis and seconded by Ms. Jackson, the meeting was adjourned at 6:12 p.m.

Respectfully submitted by:

By: 
E. Jerome Batty, Secretary