

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

PUBLIC SESSION
MINUTES

September 19, 2005

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, September 19, 2005 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, Thomas Hazlehurst, Barbara Jackson, Michael E. McMahon, Anthony F. Miccolis, Jr., John A. Patterson, Sav Rebecchi and M. Paul Sams.

1. CALL TO ORDER

The meeting was called to order at 5:00 p.m. by Chairman McMahon.

2. APPROVAL OF MINUTES

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

VOTED: To approve the Public Session minutes of the meeting of August 15, 2005 as submitted to the Board of Directors.

Voting in favor were: Mr. Crowley, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi and Mr. Sams.

Voting against were: none.

Unanimously Approved.

3. STAFF REPORTS

A. Real Estate Services.

Steven King, Chief Operating Officer, reported with respect to the following:

- (a) The Public Access Plan for Quonset Business Park was approved by the Coastal Resources Management Council on September 13, 2005 and endorsed by the North Kingstown Town Council on August 1,

2005. Mr. King thanked the members of the Town Council of the Town of North Kingstown for their support in connection with the Public Access Plan.

- (b) Mr. King reported that a contract has been signed relating to the Rail Improvement Planning Study and that a contract has been signed relating to the Signage Program.

Ms. Jackson asked that the members of the Board receive a copy of the Public Access Plan.

B. Managing Director's Report.

Mr. Grout provided members of the Board with a report on activity at Quonset Business Park for the period January 2003 to date. Mr. Grout provided members of the Board with a chart reflecting new initiatives during the period and projects which are currently under construction. He also noted that major development initiatives are underway with respect to the Gateway Project, Flex Industrial Park and Logistics Facility.

Mr. Grout advised the Board that discussions are moving forward with New Boston Development Partners LLC in connection with the Gateway Project and also with respect to portions of the Flex Industrial Park. It is clear that the Flex Industrial Park and Gateway are related and development in the Flex Industrial Park will serve to support development at the Gateway. It is anticipated that a draft Development Agreement will be available for review at the October Board Meeting.

Discussions are continuing with respect to the logistics facility and once the specifics of the proposal have been worked out, the matter will be brought to the Board for review.

With respect to Marine Trades, Mr. Grout noted that there are still a number of permitting issues which have to be addressed and it is likely to be some time before those issues have been resolved.

Mr. Grout noted that moving forward Quonset Development Corporation is relying on the committed leadership of the Board, clarity of governance and an effective organization. Process has been improved through the master plan and development regulations and a repositioning of Quonset Business Park. The creation of a shared vision and the availability of capital funding through the bond issue will further serve to move the Corporation forward.

Chairman McMahon noted that the Corporation is not waiting for a single large project but is moving forward on a number of fronts and if we are delayed in proceeding on Plan A, we will not hesitate to move to Plan B to continue progress. Mr. McMahon noted that it was important for the Corporation to

continue to address the best way to maximize value and return to the stakeholders. In addition, the strategic planning process will continue to address issues such as sale versus lease.

Mr. Patterson inquired as to whether there was a document entitled "Strategic Plan". Mr. Grout responded that there is an operating plan which is being updated and that the Strategic Planning Committee will develop the "Strategic Plan" from the Operating Plan.

Mr. Patterson asked if the Corporation is considering a fire station at Quonset Business Park and whether the bond money could be used for a fire station. Mr. McMahon responded that if the Town wants the Corporation's assistance in connection with a fire station at Quonset Point that the Corporation will try to assist the Town. Mr. Miccolis requested a written legal opinion regarding use of bond funds for a fire station at Quonset.

4. COMMITTEE REPORTS

A. Audit and Finance Committee.

Mr. Crowley reported on behalf of the Audit and Finance Committee and stated that the Audit and Finance Committee recommended adoption of the budget which is on the agenda of today's meeting under Approvals.

5. APPROVALS.

A. Approval of Development Regulations.

Mr. King reported that a public hearing had been held on September 7, 2005 at which time comments were received from the Town of North Kingstown in connection with the Development Package.

Mr. Patterson noted that he had spent a great deal of time in his review of the Development Package and that while he was disappointed that the Corporation did not make all the changes that were requested by the Town, that the Development Package reflects a great deal of work on the part of many people and that he would be voting in favor of the Development Package. Mr. Patterson also suggested that the regulations be reviewed a year from now to determine how they are being implemented. Mr. Miccolis agreed with Mr. Patterson and noted that substantial progress has been made and that the Town will continue to be pro-active in terms of commenting and reviewing the implementation of the Development Package. Mr. McMahon noted that he felt it was important that the Board Members representing the Town of North Kingstown were supporting the Development Package.

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

VOTED: To approve the Development Package as presented to the Board.

Voting in favor were: Mr. Crowley, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi and Mr. Sams.

Voting against were: none.

Unanimously Approved.

B. Approval of Terminal Tariff No. 017.

Mr. Grout noted that on September 7, 2005, a Public Hearing on the proposed changes to the Port of Davisville Tariff was conducted at the Corporation's administrative offices and no comments were received at the hearing.

Michael Miranda of Norad indicated that he had not received notice of the hearing and he would like an opportunity to address the Board in connection with the proposed changes to the Tariff. While it was not customary for the Board to permit members of the public to comment during Board Meetings, the Board agreed that it would provide Mr. Miranda an opportunity to comment.

Mr. Miranda noted that he had concerns in two areas. First, the decrease in the number of free days from 6 to 4 and secondly the security charge. Mr. Jackvony, representing Norad, also commented and noted that Norad is the largest user of the port and asked that the vote on the Tariff be deferred so that the Board could receive further input from Mr. Miranda.

Mr. McMahon noted that with respect to the security costs, the Corporation was not looking to do anything more than pass through the security cost with a 20% mark up for administrative expenses. Mr. Grout also noted that the reduction in the number of days from 6 to 4 was consistent with tariffs at other facilities and that it would provide greater efficiency in port operations.

Mr. Miranda indicated that he had misinterpreted the security cost change and that he had no objection if the amount being billed was the actual cost plus 20%. He noted, however, that he was still concerned about the reduction of "free" days.

Ms. Jackson noted that the reduction in days would provide for better management of the port and a baseline for a logistics facility operator.

Mr. Miccolis noted that he would have no problem agreeing with Mr. Miranda's request to delay the vote on the tariff for one month because all interested parties should have same information and opportunity to be heard. Mr. Miccolis moved to defer the vote on the tariff to the October meeting but

noted that any action with respect to the tariff at the October meeting would be retroactive to September 19, 2005. Mr. Patterson seconded the motion.

Discussion on the motion followed and Ms. Jackson noted that at the Port of New York there are no "free" days. Mr. Rebecchi inquired as to the total area of the dock and lay down area. Mr. Grout responded that the two piers and the lay down area between the piers total approximately 38 acres. Mr. Rebecchi inquired as to how the Corporation's staff is able to determine how long cars are there. Mr. Sprengel responded that there is a Corporation employee who counts the cars.

Mr. Miranda noted that sometimes Norad is able to remove cars in one or two days.

The vote on Mr. Miccolis' motion to delay the vote on the tariff amendment was as follows:

Voting in favor: Mr. Miccolis and Mr. Patterson.

Voting against: Mr. Crowley, Mr. Hazlehurst, Ms. Jackson, Mr. Rebecchi and Mr. Sams.

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

VOTED: To approve the Terminal Tariff No. 017 as submitted to the Board.

Voting in favor were: Mr. Crowley, Mr. Hazlehurst, Ms. Jackson, Mr. Patterson, Mr. Rebecchi and Mr. Sams.

Voting against was: Mr. Miccolis

Approved.

C. Approval of FY 07 Operating Budget.

Ms. Lake, Director of Finance, provided a review of the FY 07 Operating Budget and noted that the budget reflects a reduction of rental income and that staff has taken a conservative approach in preparing the budget. At this point in the meeting, Mr. McMahon entertained a motion to adjourn to Executive Session to discuss issues related to the budget and projected rental income.

6. Motion to Adjourn to Executive Session.

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

VOTED: To adjourn to Executive session to consider such matters as permitted by Subsection (5) (Acquisition or Lease of Real Estate for Public Purposes or Disposition of Publicly Held Property) and Subsection (7) (Investment of Public Funds) of the Rhode Island General Laws Section 42-46-5(a) (the "Open Meeting Law").

Voting in favor were: Mr. Crowley, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi and Mr. Sams.

Voting against were: none.

Unanimously Approved.

The Board adjourned to Executive Session at 6:12 p.m. The Board reconvened at 6:30 p.m.

7. Vote to Maintain the Minutes of the Executive Session Closed.

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

VOTED: Pursuant to Section 42-46-4 and Section 42-46-5 of the General Laws, the minutes of the Executive Session shall not be made available to the public at the next regularly scheduled meeting of the Corporation.

Voting in favor were: Mr. Crowley, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi and Mr. Sams.

Voting against were: none.

Unanimously Approved.

8. Approval of FY 07 Operating Budget.

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

VOTED: To approve the FY 07 Operating Budget as submitted to the Board.

Voting in favor were: Mr. Crowley, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi and Mr. Sams.

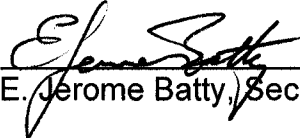
Voting against were: none.

Unanimously Approved.

Mr. Miccolis requested that the Corporation's counsel provide the members of the Board with an update with respect to recent developments in the Open Meetings Law specifically addressing the recent decisions involving electronic communications.

There being no further business to come before the meeting, upon motion duly made by Mr. Miccolis and seconded by Mr. Hazlehurst, the meeting was adjourned at 6:32 p.m.

Respectfully submitted by:

By: 
E. Jerome Batty, Secretary