

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

April 16, 2012

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, April 16, 2012, at the offices of the Corporation located at 95 Cripe Street, 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 members constituting a quorum were present and participated throughout the meeting as indicated: James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, John A. Patterson, James Rugh, John G. Simpson, and Keith Stokes. Absent were: Kas R. DeCarvalho and Anthony F. Miccolis, Jr. Also present were: Steven J. King, P.E., Managing Director; Kevin M. Barry, Finance Director; E. Jerome Batty, Secretary; and Corporation's staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:02 p.m. by Chairman Stokes.

2. APPROVAL OF MINUTES:

Upon motion duly made by Mr. Breslin and seconded by Mr. Berson, the Board:

VOTED: To approve the Public Session Minutes of the March 19, 2012 meeting, as presented.

Voting in favor were: James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, John A. Patterson, James Rugh, and John G. Simpson.

Voting Against were: None

Unanimously Approved

Upon motion duly made by Mr. Berson and seconded by Mr. Laramee, the Board:

VOTED: To approve the Executive Session Minutes of the March 19, 2012 meeting, as presented.

Voting in favor were: James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, John A. Patterson, James Rugh, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

3. STAFF REPORT:

Mr. King reviewed the Staff Report with the Board:

TIGER Project

- TIGER Grant construction work has been going well. Pier 2 Improvements are complete and the outstanding items previously discussed are rectified.
- 17.71 Full-time equivalent jobs were generated during the first quarter of 2012 under the grant.
- Davisville Road improvements will include modifying the port entry gate at the Port of Davisville. Davisville Road will bypass the port gates and go directly to Allen Harbor Road and the Port will now have a separate and distinct entrance.
- Mobile Harbor Crane is constructed and scheduled to be shipped in June 2012.

Construction Project

- Jones Road – contractor has returned from winter shut down and has started to install the roadway curbs.
- Davisville Road – drainage structures are being installed along Davisville Road in the vicinity of Wide World of Indoor Sports.
- Maintenance dredging – project is in order and moving along as anticipated.

Development

- Site Readiness – successful event was held on April 9th.
- Wide World of Indoor Sports – foundation work is complete and installation of the steel framing has begun.
- Gateway Shops - Verizon store is open for business and the Home Goods store is scheduled to open in October 2012. All but one of the available retail units in the Gateway has now been filled.
- Solar – The Corporation received 3 responses to the Solar RFP for the development of the Camp Avenue parcel. The selected developer plans to construct facilities that could generate up to 1.4 MW of power.

Operations

- Park wide winter clean up work continues.
- Buildings 314 and 315 have received interior electrical upgrades; including new energy efficient light fixtures, motion sensors, and new emergency lights and exit signs. All exterior light fixtures will also be replaced with new energy efficient LEED light fixtures. National Grid is funding 75% of this work through its energy efficiency program.

Port Operations

- Port Activity continues to be brisk with 14 ships carrying 18,248 vehicles inbound in March 2012.

Finance and Administration

- Corporation finances continue to remain strong.

4. COMMITTEE REPORTS:

There were no committee meetings.

5. APPROVALS:

A. Approval of an Amended and Restated Development Agreement with Deepwater Wind Rhode Island, LLC

Mr. King introduced Jeffrey Grybowski from Deepwater Wind Rhode Island, LLC (“DWW”) and Robert I. Stolzman from Adler, Pollock & Sheehan P.C. who assisted in the formation of the new agreement between the Corporation and DWW. Mr. King reminded the Board that DWW’s Development Agreement expired on October 31, 2011 and this new amended agreement and option to lease supersedes that previous agreement.

Mr. King noted the following highlights of the new agreement:

- The premises will now consist of a total of 47.3 acres off Maritime Way in the Davisville Waterfront District:
 - Parcels 27-29 consisting of 32.80 acres and terminal 5 consisting of 14.5 acres.
- 3 year option term:
 - Possible lease term of 10 years with two 5 year options.
- Annual option payments:
 1. Year 1 = \$325,000
 2. Year 2 = \$425,000
 3. Year 3 = \$525,000
- Annual rent payments:
 1. Year 1-10; \$1,895,040
 2. Year 11-15; \$2,131,920 (1st option)
 3. Year 16-20; \$2,398,711 (2nd option)
- Contingencies: Development Agreement obligates the tenant to:
 1. Demonstrate continual progress
 2. Begin planning for new infrastructure/terminal
 3. Submit site plan for on and off site improvements
 4. Submit plans, permits, agreements, and other government approvals necessary to construct the project
 5. Provide business and financial plans
 6. Provide progress reports on project feasibility, development, and implementation (including power purchase agreement(s) and submissions to federal agencies).
 7. Attend quarterly meetings and provide updates
- Special Provisions: Pre-conditions to execution of lease:
 1. All government permits and approvals necessary to construct the project
 2. Financing commitments
 3. All implementation items including but not limited to easements, rights of ways, leases, ocean area lease from US Government, equipment supply agreements; transmission, distribution, and power purchase agreements.

Mr. Breslin asked how many acres were included in the original agreement. Mr. King answered that the first agreement was for 117 acres but was spread throughout the business park. DWW and consultants Moffett and Nichol have worked to reduce the land area and keep it as close to the waterfront as possible.

Mr. Stolzman expressed his satisfaction with the agreement stating that the option is consistent with the current best practices at Quonset Development Corporation and reflects the current warranty and indemnification terms offering the broadest possible protection to the landlord. Continual monitoring and reporting to identify new issues under the option agreement further support the protection of the landlord.

Mr. King reassured the Board, upon questioning, that the use restrictions outlined in the agreement are very specific and would prevent the property from being used for any other type of project.

Mr. Simpson asked if the applicant had met all their financial obligations with the Corporation under their previous agreement. Mr. King advised the Board that DWW has paid in full all debts and their account is current.

Mr. King explained, upon questioning, that DWW has been backed by a hedge fund called DE Shaw; however, additional funding sources will be needed. DWW will have to continue to demonstrate their ability to fund the project and make continuous on-time payments.

Mr. Berson asked what the timeline is for DWW to fulfill their pre-conditions as outlined in the agreement. Mr. King noted that all pre-conditions must be met in the 3 year option period.

Upon motion duly made by Mr. Berson and seconded by Mr. Laramee, the Board:

VOTED: That the Corporation acting by and through its Chair, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver an Amended and Restated Development Agreement and Option to Lease, and other agreements related thereto with Deepwater Wind Rhode Island, LLC (the "Amendment") substantially in accordance with the Request for Board Authorization presented to the Board (the Amendment, and related documents are referred to herein collectively as the "Agreements").

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 the Agreements as any of the Authorized Officers acting singularly and 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 Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, assignments, and memorandums 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: James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramée, John A. Patterson, James Rugh, and John G. Simpson.

Voting Against were: None

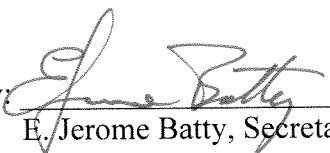
Unanimously Approved.

B. Adoption of the Amendment and Restatement of the Rhode Island Economic Development Corporation Pension Plan and Trust:

Mr. King stated that, currently, there was no need for the Board to act on the pension plan and the vote would be tabled. The IRS has changed their guidelines related to pensions and an amendment is needed to accommodate those changes. The changes do not affect QDC employee pension benefits or terms. Mr. King did note that the 2009 RIEDC Pension Plan does require some clean up as QDC's participation as an employer needs to be better defined.

There being no further business to come before the Board, upon motion duly made by Mr. Berson and seconded by Mr. Breslin, the meeting was adjourned at 5:22 p.m.

Respectfully submitted:

By: 
E. Jerome Batty, Secretary