

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

December 13, 2010

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, December 13, 2010, 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 D. Berson, Robert H. Breslin, Jr., John G. Laramée, Barbara Jackson, Sav Rebecchi, and Keith Stokes. Absent were and Kas R. DeCarvalho, Richard Pastore, John A. Patterson, B. Michael Rauh, Jr. and John G. Simpson. 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 5:10 p.m. by Chairman Stokes.

Mr. Stokes expressed his gratitude to Mr. Rebecchi for his many years of service on the Quonset Development Corporation Board of Directors and presented him with a plaque of appreciation.

Mr. King announced that the Jamestown Town Council voted to appoint Mr. James Rugh as Mr. Rebecchi's replacement on the Board. Mr. Rugh previously served on the Board of the Seabee Museum at Quonset.

Mr. King also informed the Board that Mr. Rauh, recently appointed to the Board, had to resign as he has accepted new employment in Groton, CT.

2. APPROVAL OF MINUTES:

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

VOTED: To approve the Public Session minutes of the November 15, 2010 meeting, as presented.

Voting in favor were: James D. Berson, Robert H. Breslin, Jr., John G. Laramée, Barbara Jackson, and Sav Rebecchi.

Voting Against were: None

Unanimously Approved.

3. STAFF REPORTS:

Mr. King reviewed the Staff Reports with the Board:

Grants

- TIGER Grant – Small Business Firms (SBF)/ Disadvantaged Business Enterprise (DBE) plan has been submitted to MARAD identifying how the Corporation intends to meet the goal of 31% SBF/DBE participation required for TIGER projects.
- TIGER projects are moving along as expected.
- EDA Grant – is ahead of schedule.

Development

- Site Readiness – 28 engineering and permit applications have been submitted to DEM and CRMC for review. Permits have been received for 18 of those parcels to date.
- Development Regulations – this is item for vote tonight.
- West Davisville Land Purchase – scheduled to close at the end of December. Due to the discovery of arsenic on the property (not unusual discovery on the lands at Quonset), the Corporation has negotiated a reduction in the sale price of one hundred thousand (\$100,000) dollars. There will be some soil capping during development of the property due to environmental issues. Mr. King has spoken with DEM, which is aware of the situation, and the Corporation is satisfied that there are no ground water issues or other containments.

Construction

- Mainsail Avenue – Issued Substantial Completion. Close out scheduled for December 30, 2010.

Port Operations

- Port Activity continues strong with 12 ships carrying 13,613 cars inbound in November. Mr. King noted that a record number of inbound vehicles (455) came into Quonset by rail car in November.

Finance and Administration

- Financial picture continues to remain strong through October.

4. COMMITTEE REPORTS:

There were no committee meetings.

5. APPROVAL REQUESTS:

A. Approval of a License Agreement with USA Service Company, Inc. (“National Grid”):

Mr. King introduced National Grid representative, Nancy Sala. Mr. King explained that National Grid is hosting an International Electrical Engineers Conference in May 2011. The conference will be held at the Providence Convention Center but there are field demonstrations that need to be done and National Grid is proposing to use Quonset land to hold those demonstration activities. Mr. King noted the Corporation

is proposing sponsoring the event, gratis. The conference will only be a few days but there will be several months of preparation and set up for the event and clean up time as well.

Nancy Sala reviewed the details of the Conference with the Board.

- 4-Day International Conference – May 16 – 19, 2011. Outdoor Site Exhibits and Demonstrations proposed for May 17th and 19th at Quonset.
- Primary site is 53 acre flat parcel – corner of Davisville Road & Bailey Road.
- Electrical facilities will be built on site for mock demonstrations – demonstrate new techniques and technologies. Mr. Randy Wentworth, engineer, went over some of the demonstrations and facilities that will be necessary for the event.
- Conference Officials have met with the Airport to discuss necessary FAA approvals, North Kingstown officials for town permits, and hired environmental consultants for permitting.
- Good exposure for the state with 2,000 – 3,000 estimated attendees and 50 states and over 40 countries represented.
- Economic Impact – 7,000 to 10,000 hotel room nights/ local businesses and vendors used for various services.
- Restore site to original condition or better (grading and filling).
- 24 hours security on site once demonstrations have been set up. Police details will be based on Town requirements.
- Property currently under Option Agreement with Deepwater Wind Rhode Island, LLC. Agreement allows for the Corporation to lease in the interim. Notice condition have been met and Deepwater Wind Rhode Island, LLC has submitted precondition requirements.
- National Grid to include marketing of the Quonset Business Park in their Conference materials, signage, and handouts.

Upon motion duly made by Mr. Laramée and seconded by Mr. Rebecchi, 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 a License Agreement, and other agreements related thereto with National Grid USA Service Company, Inc., or its nominee (the "License") with respect to the ESMO Conference, substantially in accordance with the Request for Board Authorization presented to the Board (the License, 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 such Agreements or 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, licenses, 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 D. Berson, Robert H. Breslin, Jr., John G. Laramee, Barbara Jackson, and Sav Rebecchi.

Voting Against were: None

Unanimously Approved.

B. Approval of a Lease with Specialty Diving Services, Inc.

Mr. King explained that Specialty Diving Services, Inc. has been a land owner and tenant in the Park since 1997. Specialty Diving Services, Inc. has been leasing property on Zarbo Avenue waterfront area from the Corporation since 2008 on a month to month basis due to the now terminated option agreement with Atlantic Ethanol. Specialty Diving Services, Inc. has proposed a long term lease now that the property is no longer under option. The lease would be for a term of ten (10) years with one (1) five (5) year renewal option. Rent would be \$108,475 per year (land - \$20,000 per acre per year x 1.83 acres and bulkhead - \$125 per linear foot per year x 575 linear feet). Mr. King added that the proposed land is leased by Rhode Island Airport Corporation from the Rhode Island Department of Transportation and they will give final approval of the agreement.

Upon motion duly made by Mr. Rebecchi and seconded by Ms. Jackson, 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 a Lease, and other agreements related thereto with Specialty Diving Services, Inc. (the "Lease") substantially in accordance with the

Request for Board Authorization presented to the Board (the Lease, 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 such Agreements or 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, licenses, 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 D. Berson, Robert H. Breslin, Jr., John G. Laramee, Barbara Jackson, and Sav Rebecchi.

Voting Against were: None

Unanimously Approved.

C. Approval of a Lease with Reagan Construction Corp.

Mr. King advised the Board that Reagan Construction Corp. is seeking to rent two (2) acres and two hundred (200) linear feet of bulkhead on Zarbo Avenue. Reagan Construction Corp. will be using the space for marine construction staging and vessel berthing. The term of the lease will be five (5) years with one (1) five (5) year option to renew. The rent will be sixty thousand (\$60,000) dollars per year (land - \$20,000 per acre per year x 2 acres and bulkhead - \$100 per linear foot per year x 200 linear feet) with a six thousand (\$6,000) dollar deposit. The proposed lease is subject to receipt of CRMC and FAA permits. The land is leased by Rhode Island Airport Corporation from the Rhode Island Department of Transportation, who will have final approval.

Upon motion duly made by Mr. Rebecchi 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 a Lease, and other agreements related thereto with Reagan Construction Corp. (the "Lease") substantially in accordance with the Request for Board Authorization presented to the Board (the Lease, 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 such Agreements or 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, licenses, 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 D. Berson, Robert H. Breslin, Jr., John G. Laramee, Barbara Jackson, and Sav Rebecchi.

Voting Against were: None

Unanimously Approved.

D. Approval of a Memorandum of Agreement with the Town of North Kingstown in Connection with a Unified Development Process.

Mr. King noted that the North Kingstown Town Council was also meeting today to vote on the Memorandum of Agreement. Mr. King explained that the Memorandum of Agreement with the Town, in his opinion, will add certainty and clarity to the permitting process at Quonset.

Mr. King reviewed the agreement with the Board:

- Technical Review Committee (“TRC”) – will consist of North Kingstown staff and QDC staff.
- Quonset Zoning District – the Town will adopt a separate zone for the Quonset Business Park (“QBP”).
- QBP Permits – will be provided by QDC and the State (companies will no longer have to seek permits from the Town).
- TRC Approval – will require at least one affirmative finding of conformance by a Town representative.
- Waivers – QDC will continue to issue waivers to the development regulations as deemed necessary. Waivers will be referred to as Variances going forward. Variances will either be minor or major:
 1. Minor Variance – will be granted when the QDC Managing Director and North Kingstown Planning Director are in agreement.
 2. Major Variance – TRC will recommend to go to the Town Planning Commission and the QDC Board for approval.
- No Amendments – upon adoption, no amendment or modification to the either the Town or QDC’s development regulations will be allowed without written agreement from both parties.
- Termination – either party can terminate, at any time, the agreement with ninety (90) days written notice.
- Additional Property – any additional real estate acquired by QDC after the MOA has been initiated will be part of the agreement subject to approval.

The Board of Directors expressed their appreciation for the hard work of the QDC and Town staff and acknowledged that this agreement will create a much needed unified development process for businesses in the Park.

Upon motion duly made by Mr. Rebecchi 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 the Memorandum of Agreement, and other agreements related thereto with the Town of North Kingstown (the “Agreement”), and to enter into, execute and deliver the Agreement substantially in accordance with the Request for Board Authorization presented to the Board (the Agreement, 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 such Agreements or 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, licenses, 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 D. Berson, Robert H. Breslin, Jr., John G. Laramee, Barbara Jackson, and Sav Rebecchi.

Voting Against were: None

Unanimously Approved.

E. Approval of Modifications to the Development Package and the Land Use District Map.

Mr. King took a moment to acknowledge the hard work of the QDC staff, especially their efforts to bring the MOA with the Town of North Kingstown to fruition. Mr. King noted that these advances will help get new qualified businesses, cited in ninety (90) days; a huge advantage in this market. Mr. King introduced, Ms. Katherine Trapani, QDC Planning Manager, who reviewed the summary of proposed changes to the development regulations (Exhibit A).

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

VOTED: That the Corporation hereby approves the modification to the Development Package and the Land Use District Map substantially in accordance with the draft modifications presented to the Board, subject to

the execution of the Memorandum of Agreement by the Town of North Kingstown and the Town of North Kingstown's adoption of amendments to the Town's Comprehensive Plan and Zoning Ordinance in form satisfactory to the Corporation (as determined by the Managing Director, in his sole discretion).

Voting in favor were: James D. Berson, Robert H. Breslin, Jr., John G. Laramee, Barbara Jackson, and Sav Rebecchi.

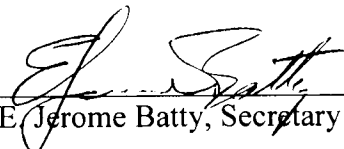
Voting Against were: None

Unanimously Approved.

Mr. Reiner, North Kingstown Town Planner, commented that working with the QDC staff was a pleasure and a monumental step in the Corporation's relationship with the Town.

There being no further business to come before the Board, upon motion duly made by Mr. Berson and seconded by Ms. Jackson, the meeting was adjourned at 5:55 p.m.

Respectfully submitted:

By: 
E. Jerome Batty, Secretary