

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

MARCH 19, 2007

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, March 19, 2007, 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, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Saul Kaplan, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson. Absent were: Robert Crowley. 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 5:00 p.m. by Chairman Kaplan. Chairman Kaplan welcomed the students of the North Kingstown High School Current Events class.

2. APPROVAL OF MINUTES:

Upon motion duly made by Mr. Sams and seconded by Ms. Jackson, the Committee:

VOTED: To approve the minutes of the Public Session meeting of February 27, 2007, as presented.

Voting in favor were: Steven Campo, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Saul Kaplan, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting Against: None.

Unanimously approved.

3. UPDATE FROM THE USS SARATOGA MUSEUM FOUNDATION:

Mr. Frank Lennon, President of the USS Saratoga Museum Foundation ("Foundation"), introduced himself to the Board of Directors. Introduced along with Mr. Lennon were retired Air Guard Brigadier General James D'Agostino., Board of Trustees, Bill Sheridan,

Deputy Director and former assistant chief of Statewide Planning and a founder of Quonset Air Museum, Fred Wilma, Engineer, and representatives from Independence Bank. Mr. Lennon stated that on September 19, 2006, the Board was provided with an update from the Foundation that focused on two main topics: (1) Status of Environmental Permitting and (2) Homeland Security issues. Mr. Lennon stated that this information would not be covered again but a copy of the report was provided to the Board for reference. Mr. Lennon stated that he would focus his current presentation on the status of funding for the USS Saratoga Museum and whether it can be environmentally permitted.

Mr. Lennon stated that the Foundation had an obligation to demonstrate the feasibility and long term stability of the project by raising \$10 million by May 2007, plus \$300,000 to cover an exit strategy in case the project did not succeed. Mr. Lennon further noted that any additional cost mandated by the Homeland Security and studies relating to environmental issues were in addition to the initial \$10 million. Mr. Lennon stated that over \$10.5 million have already been identified and a majority of the funds were private representing grants, donations, pledges, and loans from more than three thousand contributors nationwide as follows:

- \$520,000 in Securities
- Pledge of \$1.5 Million from Alan Shawn Feinstein, activated the day the Museum opens its doors
- \$500K bequest from Warren Galkin, irrevocable on the ship donation
- \$500K from Robert Galkin (half in art and half in cash), on ship donation
- Bessemer Trust Company in FL holds another \$500,000 bequest, irrevocable on ship donation
- About \$200,000 smaller cash pledges
- \$300,000 pledges for in-kind donations
- Independence Bank of East Greenwich has committed \$6.5 million loan

Mr. Lennon explained that the exit strategy would be funded by a \$300,000 escrow account to be established once the Navy donates the ship. Mr. Lennon further explained that environmental studies are funded through current donations, operations and lines of credit with completion expected this summer. Mr. Lennon stated that Homeland Security costs are also expected to be manageable.

Mr. Lennon asserted that this funding has been deemed acceptable by the US Navy for donation of the USS Saratoga. Mr. Lennon stated that the \$10 million funding goal has been increased by the Foundation to \$11 million to cover additional capital costs such as the construction of an access road.

Mr. Lennon indicated that QDC has isolated two potential sites for mooring of the USS Saratoga. Mr. Lennon noted that Director Kaplan has stated that final approval would require the following:

- 1) Safe and secure mooring scenario designed and implemented so that the shipping channel and training basin are not impacted.

