

Board of Directors Meeting
October 27, 2008 @ 6:00pm
Conference Room, Corporation Office

Directors Present: James W. Lavin, Chairman,
John Ward
Jeffrey Wall
Joseph Connolly
Gerard Eramo

Also Present: Eric Kfoury, on behalf of SSTTDC
Jim Young, Project Manager
Keenan Rice, Emily Sproull, Kris A. Moussette, Dan
Gangwish, Bond Team
Beth Mitchell, Legal Counsel
Bill Ryan, LNR
Patricia Petrillo, Controller
Mike Nelligan, Powers & Sullivan

The Chairman called the meeting to order at 6:15pm.

Bond Issuance Documents

The Board reviewed the four Bond Trustee proposals (Bank of New York, US Bank, Deutsche Bank & Wells Fargo), consulted with the Bond Finance Team and accepted their recommendation of Bank of New York as the Trustee.

VOTED: Motion of John Ward, seconded by Joseph Connolly, to accept the service proposal of Bank of New York as the Corporation's Bond Trustee for Infrastructure Development Revenue Bonds.

Unanimous vote

The Board then reviewed the revisions to the final draft of the Preliminary Limited Offering Memorandum (PLOM). It was noted that the appraisal appendix and FY08 Audited Financial Statements were still pending, and that some final changes were likely.

Mr. Gangwish provided a complete summary of the bond transaction and the PLOM's full disclosure of what the investment entails.

Mr. Rice provided a summary of the Plan of Finance and the revenue streams of property tax and special assessments used to repay Infrastructure Development Revenue Bonds, and water/sewer user fees and connection fees used to repay State Revolving Fund (SRF) Bonds for water & sewer improvements and the Water Reclamation Facility (WRF). First bond issuance includes \$41.5M for infrastructure improvements repaid solely from a

combination of tax revenues and special assessments. SRF bonds would not be issued at this time.

Ms. Moussette explained the First Supplemental Trust Indenture, designed to cover the current and future issues of bonds, noting that the Trustee, Bank of New York, would hold a debt service reserve fund to draw on for all bond issuances if revenues were insufficient. This fund would need to be replenished.

Ms. Mitchell indicated the current schedule called for the Board to consider the PLOM at this meeting and that BAS would advise the Board when it was prudent for distribution to potential investors. The marketing period for bonds was two to three weeks and, at the time of closing, a final PLOM (with pricing) and bond purchase agreement (between SSTTDC and BAS) would be presented to the Board. BAS would then complete the transaction. It was expected that this process would be completed by Thanksgiving. The Board's vote would approve the mailing of the final document to the market place.

Mr. Gangwish provided an update on the current market condition noting that all financial institutions had moved their funds into insured deposits, which eliminated the opportunity to borrow money of any sort, and effectively shut down the market place – six weeks out and still not selling bonds was an unprecedented event. Mr. Gangwish indicated that the fear factor showed signs of subsiding and the market was gradually working back to normal, but was not there yet. Mr. Gangwish recommended the Board push ahead to be in a position to approve the mailing of the PLOM (when time is right), and invite investors out for a tour and presentation on the prospects of real estate development.

VOTED: Motion of Joseph Connolly, seconded by Gerard Eramo, that the Preliminary Limited Offering Memorandum for the South Shore Tri-Town Development Corporation Infrastructure Development Revenue Bonds, Series 2008A, and the distribution thereof by the Underwriter referred to therein, is hereby approved in the form presented at this meeting with such additions, deletions and other changes thereto as may be approved by the Chairman, Vice Chairman, Treasurer or Clerk of the Corporation (each an "Authorized Officer") prior to the delivery of the Preliminary Limited Offering Memorandum to the Underwriter by such Authorized Officer, such delivery to be conclusive evidence of his or her approval of such additions, deletions or other changes.

Unanimous vote

The Board thanked the Bond Finance Team for their time and exceptional performance to complete the Bond Issuance documents and staff for all the last minute deliveries to the Directors.

Executive Director Update

Mr. Kfoury informed the Board that permits from the Army Corp of Engineers and Dept. of Environmental Protection were issued and received for construction of the Parkway and other project elements. Mr. Kfoury noted that funds were not in place to issue the WRF slurry wall contract and that the firms bidding on the contract would be notified of the project's cancellation. Discussion ensued on reviewing alternatives to the WRF design and preparing contract documents next year.

2008 Audited Financial Statements

Mr. Nelligan reviewed the audit report including the FY08 Basic Financial Statements, and Statement of Receipts, Disbursements and Changes in Unexpended Proceeds – Cash Basis FOST 1 & 2. The Statement on FOST 1 & 2 was required by Navy for the No Cost EDC transfer, for a seven year period. Mr. Nelligan noted this Statement would continue for another three years. The Board was informed that the audit went smoothly again for the tenth year with full cooperation from the Controller, that all records were readily available and that there were no audit adjustments, just a straight forward single audit report. Mr. Nelligan reviewed the financial statements and summary information on liabilities, assets, revenues and expenditures, and the fiscal year end of \$1.4M revenue budgetary surplus.

Mrs. Petrillo reported on the MUNIS conversion (from Quick Books) noting that there were some difficulties. All FY08 numbers reconciled except for free cash, which would be resolved soon with assistance from the Town of Weymouth and Abrahams Group, and then work would begin on FY09.

Mr. Nelligan indicated next year's statements would expand quite a bit when development occurs.

Mr. Kfoury noted the footnotes were an excellent summary of the activities for the year – of everything that came into place.

VOTED: Motion of John Ward, seconded by Gerard Eramo, to accept the Basic Financial Statements of the Corporation for Fiscal year ended June 30, 2008 and the Statement of Receipts, Disbursements and Changes in Unexpended Proceeds – Cash Basis for FOST 1 & 2 for the Fiscal Year Ended May 12, 2008.

Unanimous vote

VOTED: Motion of John Ward, seconded by Jeffrey Wall, to place a letter of appreciation in the file of Mrs. Petrillo for her efforts in the FY08 Audit.

Unanimous vote

Mr. Nelligan stated he would provide a PDF file on the Basic Financial Statements for inclusion in the PLOM.

VOTED: Motion of John Ward, seconded by Jeffrey Wall, to enter into Executive Session for the purpose of Development Negotiations and Financial Strategies, to return to open session to discuss a contract.

Ward, aye, Wall, aye, Eramo, aye, Connolly, aye, Lavin, aye

Open Session recessed at 7:45pm and reconvened at 8:15pm.

The Board agreed to extend the contract with Mr. Kfoury, President, Gateway Strategies for another six months to April 30, 2009.

VOTED: Motion of Joseph Connolly, seconded by John Ward, to approve the First Amendment to Authorization to Perform Additional Work under the Agreement for Consultant Services between the Corporation and Gateway Strategies, LLC to expire on April 30, 2009 and to authorize the Chairman to sign the extension agreement.

Unanimous vote

VOTED: Motion of John Ward, seconded by Jeffrey Wall, to adjourn the meeting.

Unanimous vote

The meeting ended 8:30pm

Mary Cordeiro, Recording Secretary

James W. Lavin, Chairman