

Board of Directors Meeting
October 6, 2008 @ 7:00pm
Conference Room, Corporate Office

Directors Present: James W. Lavin, Chairman,
John Ward
Jeff Wall
Jerry Eramo
Joseph Connolly

Also Present: Eric J. Kfoury, Consultant on behalf of SSTTDC
Greg D'Agostino, Emily Sproull, Keenan Rice, Dan Gangwish and Bob Hale, SSTTDC Finance Team
Beth Mitchell, Legal Counsel
Bill Ryan, LNR

The Chairman called the meeting to order at 7:05pm and introduced Mr. Joseph Connolly, Weymouth Representative replacing David Chandler, to the Board

Mr. Kfoury noted the purpose of the meeting was to have members of the financial team present the Bond Process, Structure, Schedule and Summary of the Plan of Finance. Mr. Hale reported on the indenture and security of bonds, Mr. Gangwish reviewed the bond process and the bond market and Mr. Rice reviewed the Plan of Finance.

Discussion ensued on the overall plan for infrastructure and finance, including cost analysis, anticipated state contributions, private funds, bonds, and repayment of the bonds through special assessments, tax revenue and a combination of user and connection fees.

Mr. Hale noted an initial bond issuance was anticipated in November and a series of other issuances would take place over time. Mr. Hale also noted there was more than enough development to pay off the Bonds.

Mr. Lavin was informed that the Corporation would have opportunity for advanced refunding of the bonds, as development changes raw land into homes, commercial development, and a more diversified revenue base, resulting in significant improvements to credit quality

Mr. Eramo was informed that the second issuance would take place when additional public improvements were needed as development progressed resulting in increased value to support the bond.

Mr. Hale indicated the Finance Team contemplated having the transaction documents ready to go into the market by the end of October with a closing by Thanksgiving.

Mr. Rice reviewed WRF and SRF financing, costs of issuance, fees and rates for water/sewer connections and usage, enterprise funds, special assessment methodology and a water/sewer operating program.

Mr. Hale discussed the instruments needed to secure bonds for special obligation financing for phased construction of public infrastructure. Conditions and warranties would be established in the funding agreement. Mr. Rice would develop a tax rate methodology to establish assessment over time for subdivided vertical developers and future homeowners.

Discussion ensued on the Administrative Service Agreement between the Corporation and MuniCap to provide annual reports to Bond Holders. All Transaction Documents were expected to be provided in advance of the next Board meeting.

Mr. Gangwish reviewed the Sale of Bonds Preliminary Limited Offering Memorandum, an official statement describing the Bonds with supporting documentation including the finance plan, appraisal of the developed site, a buildout market study and an engineering feasibility study.

The Board would review a Bond Purchase Agreement between SSTDC and Banc of America Securities to buy and sell bonds. It was reaffirmed that the Host Towns had protection from cost exposure from development and repayment of the bonds.

Mr. Gangwish reviewed the bond offer, sales and timing process, noting it was a radically different format from a Town bonding process. Special Obligation Bonds would be secured by land and by the project. The Offering Memorandum would describe the Reuse Plan and everything accomplished to date including the creation of the Corporation, Navy transfer, infrastructure, appraisal, market study, engineering costs and vertical development. The Offering Memorandum would also describe all things taking place today, and the entitlement rights and obligations of both SSTDC and LNR, per the DDA.

The Board would review and approve the Finance Plan and Offering Memorandum, set up a site visit and grant permission for BAS to: 1) take orders, 2) call investors to offer bonds at an interest rate and 3) negotiate a purchase and sales contract obligating the Board to close the transaction. Mr. Gangwish cautioned that there may be a longer marketing period due to current market conditions.

Mr. Lavin was informed that the buyer base was not competing with Commonwealth of Massachusetts Bonds, and that a functioning market was needed to conduct a sale. Mr. Ward was informed the bonds were from a high grade tax exempt index.

Mr. Hale noted the finance team was working to get all the documents ready to mail when the market permits, and to return final documents and summaries back to the Board with recommendations for proceeding on distribution, execution and delivery of documents.

The Board considered a special meeting to review the final documents, and thanked Greg D'Agostino and the Finance Team for their diligent efforts.

Executive Director Update

Mr. Kfoury informed the Board of additional services contracted with Mr. Abrahams to create a Tax Recap Sheet for DOR, for a fee of \$12,000 already in the budget. Mr. Kfoury also reported on a recommendation from SSTDC's Insurance Broker to increase general liability from \$2M to \$10M as required to close with Navy. The Controller, Mrs. Petrillo, will shop around for discounted premium prices and will provide a summary of insurance indemnifications to the Board.

Discussion ensued on Board reorganization. Ms. Mitchell noted the vacant Vice Chairman position needed to be filled for the bond documents, and that a Board representative may need to be appointed to the Plymouth County Health Group.

VOTED: Motion of John Ward, seconded by Gerard Eramo, to appoint Jeffrey Wall as Vice President/Treasurer.

4-0-1 vote Mr. Connolly abstained

Mr. Kfoury informed the Board that CEO resumes had been reduced to five (5) candidates for the initial interview process by the Personnel Subcommittee.

Discussion ensued on Board meetings in addition to Oct. 27th. Mr. D'Agostino suggested the Board meet the week of Oct. 20th for a briefing on the revised Tax Plan. Oct. 20th was scheduled for the next Board meeting.

VOTED: Motion of John Ward, seconded by Gerard Eramo, to adjourn the meeting.

4-0-1 vote Mr. Connolly abstained

The meeting ended 8:45pm

Mary Cordeiro, Recording Secretary

James W. Lavin, Chairman