

Board of Directors Meeting
May 27, 2010 @ 10:00am
Conference Room, Corporate Office

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

Directors Unable to Attend: John Ward

Also Present: Kevin R. Donovan, CEO
James Young, Project Manager
Bob Harding, Bond Consultant
James Wilson, Weymouth CFO
Beth Mitchell, Legal Counsel

The Chairman called the meeting to order at 10:17am.

SSTDC Conservation Commission

Mr. Young reviewed LNR's application for a Partial Certificate of Compliance for Phase 1A related to Memorial Grove Avenue and associated easement areas. The Board was informed that the punch list work was completed, the Conservation Agent was satisfied with the work completed, and that the area of interest was ready to accept from a conservation standpoint.

VOTED: Motion of Gerard Eramo, seconded by James Lavin, to approve a Partial Certificate of Compliance for that portion of Phase 1A Access Roadway and Infrastructure Order of Conditions (DEP File #SE 081-1005 consisting of Memorial Grove Avenue and its associated easements as shown on the Plans of Acceptance dated May 13, 2010, prepared by Surveying and Mapping Consultants Unanimous 4-0 vote

Minutes

The Board reviewed the minutes.

VOTED: Motion of Joseph Connolly, seconded by James Lavin, to approve the open session minutes of April 12, 2010 Unanimous 4-0 vote

VOTED: Motion of Gerard Eramo, seconded by James Lavin, to approve the open session minutes of April 27, 2010 Unanimous 4-0 vote

VOTED: Motion of James Lavin, seconded by Joseph Connolly, to approve the open session minutes of May 17, 2010 Unanimous 4-0 vote

Chief Executive Officer Update

Mr. Donovan noted that another bond market became available to the Corporation.

Mr. Harding attended the meeting to inform the Board of investor interest in Build America Bonds. Discussion ensued on interest rates, costs associated with issuing bonds, potential investors concerns with environmental issues and LNR's financial condition.

Mr. Donovan indicated language for taxable bonds was not included in the original preliminary offer and presented the Board with a resolution that incorporated Build America Bonds for the Board's consideration in order to get out to the market.

VOTED: Motion of Joseph Connolly, seconded by Gerard Eramo, WHEREAS, South Shore Tri-Town Development Corporation (the "Corporation") has determined that, without limiting the authorization previously granted to the Chairman and the Chief Executive Officer of the Corporation (each an "Authorized Officer") under the Board of Director's Resolution adopted on April 27, 2010 (the "Resolution"), which Resolution is attached hereto as Exhibit A, and in furtherance of the Resolution, it is necessary and desirable to authorize the Authorized Officers to make certain determinations with respect to the issuance of Bonds under Chapter 301 of the Acts of 1998, as amended by Chapter 303 of the Acts of 2008 (the "Act"). Capitalized terms used, but not defined, herein shall have the meanings ascribed to such terms in the Resolution.

NOW, THEREFORE, BE IT RESOLVED by the members of the Board of the Corporation, pursuant to Section 20(e) of the Act, as follows:

Section 1. That each Authorized officer, acting alone, be and hereby is authorized and directed, in the name and on behalf of the Corporation, in connection with the issuance by the Corporation of the Bonds, to make determinations as to the form of the bonds, the manner of execution of the Bonds, the amount of the Bonds (not to exceed \$15,275,000), the security for the Bonds, the interest on the Bonds, whether taxable or tax-exempt (including so-called "Build America Bonds" or "Recovery Zone Bonds"), the denominations of the Bonds, the places of payment or principal and interest on the Bonds, and other specific terms of the Bonds; and to make any and all other determinations necessary to the issuance of the Bonds as authorized by Section 20(e) of the Act (all such determinations, the "Determinations").

Section 2. That each Authorized officer, acting alone, be and hereby is authorized and directed, in the name and on behalf of the Corporation, based on the Determinations, to make any revisions necessary or appropriate (including revisions necessary or appropriate to provide for "Build America bonds" or "Recovery Zone Bonds") to the documents proposed to be entered into by the Corporation in connection with the bonds, including, without limitation, the Indenture, the Purchase Contract, the Preliminary Official Statement, the Official Statement, the Issuer Continuing Disclosure Agreement, the Administrative Services Agreement, and the Assessment Plan (all such documents, the "Bond Documents").

Section 3. That each Authorized Officer, acting alone, be and hereby is authorized and directed, in the name and on behalf of the Corporation, to execute and deliver the Bond documents, as revised, and any and all other documents, certificates and other instruments necessary or desirable to effectuate the issuance of the bonds based on the Determinations, the definitive form of such documents to be evidenced conclusively by execution thereof by an Authorized officer.

Section 4. This Resolution shall take effect immediately.

Unanimous 4-0 vote

Mr. Donovan had other matters related to a proposed amendment to the MOA by the Executive Office of Administration and Finance, and an associated amendment the DDA, to be discussed in Executive Session.

Public Comment

Mr. Galluzzo, Weymouth voiced concern over water and sewer impacts on local water sheds and that the development plan would further stress the regional eco system, and stated it was the Directors responsibility to come up with a plan for additional water supply and sewage discharge. He was

informed that the Board would deal with future sources before moving to the next phase of development. Mr. Galluzzo also voiced concern on the financial condition of LNR Property Corporation and the Board's confidence in the project.

Mr. Scannell, Weymouth, stated LNR's investment in infrastructure development was the developer's burden and should not be reimbursed by the Corporation. Mr. Scannell also voiced concern regarding the negative financial impact generated by 500 new residential units on the Weymouth School system, and agreed with Mr. Galluzzo that the Directors must supply a primary water source for development.

Mr. Kasperowkz, Cohasset, inquired how soon proceeds of initial bonding would be available to the developer, and was informed a timeline was not known yet, but probably less than a year. Mr. Kasperowkz was informed that the \$15M bonds were secured by the land currently owned by LNR and by five (5) years of escrow built into a reserve fund, to pay debt service.

Mrs. Hilbert, Weymouth, was informed that the interest rate on Build America Bonds was not known at this time.

Mr. Galluzzo stated the SouthField project was no longer a no-cost-benefit to the Communities; he looked to the Board to do the right thing and challenged the Board's decision to enter into Executive Session.

VOTED: Motion of James Lavin, seconded by Joseph Connolly to enter into Executive Session for the purpose of discussion of Land Transfer, Development Negotiations and Financial Strategies, to reconvene after Executive Session

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

Executive Session began at 11:25am and ended 11:51am.

VOTED: Motion of Joseph Connolly, seconded by James Lavin, to adjourn the meeting

Unanimous 4-0 vote

The meeting ended 11:51am

Mary Cordeiro, Recording Secretary

Jeffrey Wall, Chairman