

Board of Directors Meeting
EXECUTIVE SESSION
Wednesday, July 13, 2011 @ 10:37am
Pentagon
400 Army Navy Drive, Arlington, Virginia

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

Directors Absent: John Ward

Also Present: Kevin R. Donovan, Chief Executive Officer
James Wilson, Chief Financial Officer
Beth Mitchell, Mary Ryan, SSTTDC Legal Counsel
P. J. O'Sullivan, Jeff Donohoe, SSTTDC Consultants
Dana Sanders, Chief Financial Officer, LNR
Kevin Chase, Ed Hershfield, Curt Toll, William Ryan, LNR Team
Roger Natsuhara, Principal Assistant Deputy Secretary of the Navy
Thomas Oppell, Special Assistant to the Secretary of the Navy
Commander Scott King
Andre Coleman, Office of Navy Legislative Affairs
Gregory Preston, David Drozd, David Barney, Ralph Lombardo, Navy Team
Drew O'Brien, representing U. S. Senator John Kerry
Garrett Donovan, representing Congressman William Keating

The Chairman called the meeting to order at 10:37am in the public area of the Pentagon.

VOTED: Motion of Gerard Eramo, seconded by Joseph Connolly, to enter into Executive Session for the purpose of real estate land negotiations with the US Navy and LNR, to return to Open Session to adjourn

Unanimous Roll Call vote

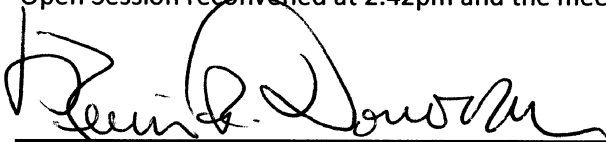
Executive Session convened at 10:40am

Discussion ensued with all parties involved, resulting in an executed Non-Binding Outline of Terms – EDC at NAS South Weymouth, dated July 13, 2011 (attached), signed into agreement by Mr. Donovan and Mr. Preston.

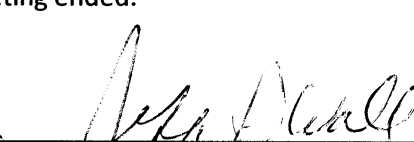
VOTED: Motion of Joseph Connolly, seconded by James Lavin, to return to Open Session and adjourn the meeting

Unanimous Roll Call vote

Open Session reconvened at 2:42pm and the meeting ended.



Kevin R. Donovan, CEO



Jeffrey Wall, Chairman

Non-Binding Outline of Terms – EDC at NAS South Weymouth July 13, 2011

1. **Property:** Approximately 681.04 acres more or less of Real Property and improvements at the former Naval Air Station South Weymouth, MA.

2. **\$25M Consideration:** (a) \$2 M to be paid at initial closing; and

 (b) \$10M to be paid over a ten year period. \$1M annual principal payment plus Interest accruing at a rate equal to the 10 year Treasury Rate plus 1.5%. Payment will be made in ten annual \$1M payments plus applicable interest commencing one year after the date of the initial closing. Each annual payment will be reduced by an amount equal to the percentage of the Property not yet conveyed to SSTITDC at the time the annual payment is due. The deferred amount will be added to the principal amount due the following year and will not accrue interest. The proportional deferral of payment will continue until all of the Property is conveyed to SSTITDC. The first five payments will be secured by a \$5M revolving letter of credit. The balance on the letter of credit may begin to decline as principal payments are made. There will be no tolling of SSTITDC's obligation to pay; and

 (c) For all gross real estate proceeds received on land sales or leases by the SSTITDC's Master Developer to any party the LRA shall pay the Government Five and Four One Hundredths Percent (5.04%) of such gross real estate proceeds. This amount is estimated, not guaranteed, to be \$13M and could be more or less.

3. **Schedule:** (a) A non-binding Term Sheet containing more definitive terms and conditions will be executed between Navy and SSTITDC not later than 31 August 2011.

 (b) A binding Purchase Agreement will be executed between Navy and SSTITDC not later than 15 November 2011. The Purchase Agreement shall provide that the Initial land conveyance will occur within 30 days of the execution of the Purchase Agreement.

4. **Other Provisions:** (a) Recoupment Provision, if necessary.

 (b) Navy right to appraise Master Developer sales agreements/leases to ensure FMV is achieved.

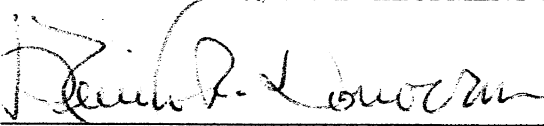
 (c) Time is of the essence. In the event that the Purchase Agreement is not executed on or before 15 November 2011, the Parties agree the pending EDC application will be deemed withdrawn and the Navy will proceed with disposal of the property by other means.

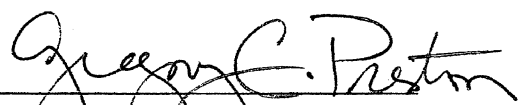
 (d) SSTITDC will execute a Lease in Furtherance of Conveyance (LIFOC) executed for property not available for conveyance.

5. **Environmental Due Diligence** SSTITDC shall be provided the opportunity to examine potential land use restrictions and institutional or engineering controls that may potentially be implemented by the Navy for the three sites within FOST 6 commonly referred to as the SRA, Building 81 and Building 82. The Navy agrees to cooperate with SSTITDC in its examination. Should SSTITDC determine that it, in its sole discretion, does not wish to enter into a Purchase Agreement by 15 November 2011, they will notify the Navy in writing. The parties further agree that the SSTITDC application for an EDC shall be deemed withdrawn, and the Navy can dispose of the Property by other means.

SOUTH SHORE TRI-TOWN DEVELOPMENT CORP

UNITED STATES OF AMERICA

By: 

By: 

KEVIN R. DONOVAN
Chief Executive Officer

GREGORY C. PRESTON
Real Estate Contracting Officer