

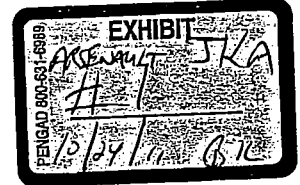
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**LITTLE NECK  
LEGAL ACTION COMMITTEE**

March 3, 2008

**VIA ELECTRONIC & U. S. MAIL**

Joan K. Arsenault, Chairperson  
Ipswich School Committee  
15 Randall Road  
Ipswich, MA 01988



Dear Madame Chair,

I am writing on behalf of the Little Neck Legal Action Committee ("Committee") with regard to the presentation made to the Ipswich School Committee on Wednesday, February 13, 2008 by James Foley, Chairman of the Feoffees of the Grammar School ("Feoffees") and the Feoffees' counsel, William H. Sheehan, III. As you will recall, I attended the meeting and spoke briefly after Messers. Foley and Sheehan had completed their presentation and I committed to supplement my remarks in writing to the School Committee.

Contrary to the inference advanced by Messers. Foley and Sheehan, the lease now proffered by the Feoffees was not the result of a negotiated agreement with the homeowners of Little Neck through the mediation process. The proclamation that the mediation is now over may in fact be true. If so, the mediation process was unilaterally terminated by the Feoffees. It was not, as intimated, a mutual determination. All participants in the mediation process signed a confidentiality agreement and I am constrained from providing you with specifics. However, given what Mr. Sheehan had to say, my comments are in the spirit of a fair reply.

At our most recent mediation session on December 13, 2007, which included both clients and counsel, the Committee made a detailed proposal on the rent formula for the lease. The day ended with the Feoffees making a counteroffer. It was agreed, given the late hour and the ongoing winter storm that the Committee would reflect on and respond to the Feoffees' counteroffer. It was even agreed that, for the convenience of the Feoffees, the next mediation session would be held in Ipswich. We subsequently approached the Feoffees to schedule another mediation session. However, instead of scheduling the session, our counsel was advised on the very morning of your February 13, 2008 School Committee meeting, that the Feoffees would appear at your meeting and announce that the mediation process was over and that the Feoffees would be offering leases to the homeowners.

At your meeting, Mr. Sheehan represented that the proffered lease contains many of the terms suggested by the homeowners. I can assure you that the lease does not contain most of the significant terms requested by the homeowners. Moreover, it does

not contain certain essential non-economic provisions that the Feoffees had previously agreed to during the course of our negotiations. Contrary to Mr. Foley's assertion, from the homeowners' perspective, the proposed lease is neither "fair" nor "equitable". Mr. Foley's and Mr. Sheehan's supposition that "most" of the homeowners will sign the lease is unrealistic and disingenuous. The essential terms of the proffered lease were rejected by the homeowners many months ago. It is not a lease that the Committee or its counsel can recommend that our members sign. At a meeting of our members just yesterday March 2<sup>nd</sup>, the terms of the lease proffered by the Feoffees at your meeting were in fact rejected unanimously by all of the members in attendance. As such, the expectation of funds encouraged by Messers. Foley and Sheehan as being forthcoming from the proffered lease are false and illusory.

We take particular umbrage at Mr. Sheehan's characterization that your neighbors on Little Neck do not care about the school children of Ipswich. We are citizens, taxpayers, parents and grandparents. We have continually recognized the ultimate beneficiaries are the ones who are hurt by this unfortunate dispute. So much so, that we have offered an option to the Feoffees that would afford far and away better and more certain annual returns to the School Committee than the schedule presented by the Feoffees. It would be our pleasure to make you aware, within the bounds of propriety, of the substance of this statement.

Any suggestion that the current situation is the fault of the homeowners is simply unfounded. The homeowners were compelled to file suit when the Feoffees distributed a lease that they said we must sign or be evicted. That draconian lease was unilaterally and outrageously favorable to the Feoffees as landlords. Among its many fatal flaws was its lack of a rent schedule for all but the first three years of the lease. In advance of filing suit, the homeowners attempted to negotiate a mutually acceptable lease. The Feoffees refused to negotiate in good faith and litigation became the homeowners' only viable option. Even after suit was filed, it was the homeowners who, on multiple occasions in both public and private, sought a mediated and negotiated resolution. Such offers were continually spurned and only assented to late in the process. Nevertheless, we believed that significant progress had been made and learned just the day of your meeting that all of our efforts appear to have been for naught. The present lease and the heavy-handed manner of delivery is sadly reminiscent of the first lease delivered by the Feoffees. This latest "take it or leave it" lease is not much better than the first.

The Feoffees' current untenable financial circumstances and their crushing debt service are, to a significant degree, the result of their mismanagement of the wastewater collection system construction project. They allowed the cost of this project to spiral out of control. The Feoffees' attempt to burden the homeowners with the result of their own negligence is unreasonable and intolerable. The Feoffees' deceptive attempt to disguise the cost of the wastewater system as part of the "rent" and to then justify that rent as a "return" on their asset is a transparent sham that the School Committee and everyone in Ipswich should recognize. The homeowners are quite willing to pay a fair market rent for the lots they rent. It is inequitable to confuse fair market rent with an inappropriate return

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on the value of the land itself. Moreover, setting the value based on inflated and unreasonable assessed value, rather than a more accurate appraised value, is inappropriate. The reason the Feoffees have not been able to make a contribution to the Ipswich School Department is because of the inexcusable way they have treated the homeowners, coupled with the way they mismanaged the wastewater construction project and the financing for this project.

We still believe that a reasonable agreement can be reached between honorable parties. However, the homeowners will not be intimidated into accepting an unacceptable lease. We are hopeful that the School Committee will encourage the Feoffees to offer a truly fair and equitable lease. We look forward to the day when the pending litigation and all such controversies are behind us.

Kind regards,

A handwritten signature in black ink, appearing to read 'Mark S. DiSalvo', with a stylized, cursive script.

Mark S. DiSalvo  
Little Neck Legal Action Committee

cc: Barry Hopping (via e-mail)  
Jeffrey Loeb (via e-mail)  
Hugh O'Flynn (via e-mail)  
Dianne Ross (via e-mail)  
Norman Sheppard (via c-mail)  
Edmund Traverso (via e-mail)