

DISCUSSION ON POSSIBILITY OF SALE OF LITTLE NECK LAND

In attendance were J. Arsenault, J. Loeb, E. Traverso, N. Sheppard, H. O'Flynn, B. Hopping, D. Ross, Sup't. Korb, and Finance Director J. Cuff. Mr. Korb connected on speaker phone with Richard Allen, Attorney.

Mr. Allen stated that the Feoffees are seriously recommending the sale of Little Neck. A poll taken of the School Committee members resulted in the following: O'Flynn - yes, to sell; Traverso - open to exploring; Hopping - open to more lengthy discussion to possible sale; Ross - opposed to selling but willing to listen; Loeb - opposed to selling; Sheppard - yes, to sell; Arsenault - on the fence and will listen.

A question/answer period followed with Mr. Allen and members. Mr. Loeb asked if Feoffees/tenants' discussion included anything to restrict to 160 year-round homes. Allen replied that Sheehan has become concerned about how long the year-round/seasonal restriction can be continued. Mr. Allen thinks that Sheehan feels that, with a sale, restrictions would be off. Mr. Loeb stated that title restrictions are only good for a limited number of years and, if done through tenancy, it would mean occupancy at x-number of months a year.

To a question by Mrs. Ross of the sewer debt, Mr. Allen replied that the \$26.5 million proposal would mean that the debt for the sewer would be paid from it, leaving about \$20 million.

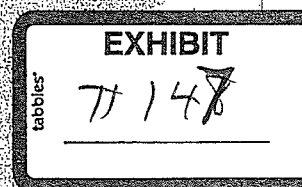
Mrs. Ross asked if the Feoffees' current holdings would stay with the Feoffees or would it go with the purchase of the land. Mr. Allen explained his understanding that it would be just purchase of the land and not anything about the tenants' purchasing of the Feoffees' trust.

Dr. O'Flynn asked if sale would nullify maintenance. Mr. Allen understands that all ownership responsibility is borne by the new owner. O'Flynn asked if this plan was agreed to between both attorneys, and Mr. Allen reported that it was mostly led by Sheehan, when after negotiating all day, there was no progress on the "rental" status. Feoffees were beginning to lean toward sale and kept pushing for \$32 million, finally down to \$26.5 million with attorneys' fees and sewer debt dropping it to \$20 million.

Dr. O'Flynn asked if Allen felt this is a fully negotiated and completed price. What if we say "yes" to concepts, but that it is not enough money? Mr. Allen wondered if the School Committee should get an appraisal. Fair value is not really known, he said, but he feels the tenants have gone pretty much as high as they will go.

Mr. Traverso asked if there would be a new trust agreement based on securities rather than the land, a Board of Trustees, and an investor. Mr. Allen agreed with all of it.

Mrs. Arsenault was concerned about the Town having access to the money realized from the sale and keeping it because of the original endowment. Mr. Allen felt strongly that it should be cleared in Court, that it be an "advised trust" arrangement because the original bequest never said anything about "over and above taxes". Having encountered a similar situation in the past,



Mr. Korb suggested that a separate trust with a separate Board of Directors be established and the principal never touched; 80% of the interest be available for utilization, and 20% of the interest continue to go back into the principal.

Mr. Hopping asked if, in selling (a direct violation of the bequest), does it compromise our position with the Town? Mr. Allen answered that, done legally through the Court, he wasn't sure how the Town would feel.

Mr. Traverso asked if the AG has a role. Mr. Allen said he thought the AG would sign off if the School Committee, Feoffees, and tenants, with support from the Town, were united in going to Court.

Mrs. Arsenault asked for a scenario if the School Committee chose not to explore sale of the property. Mr. Allen commented that the Feoffees would go forward in litigation, without the School Committee, in disappointment. Tenants would try to argue fraud and deception with no assurances of low rent. It could be a very long battle where the Feoffees should win in the end.

There was discussion of a working group to meet with Atty. Sheehan and Land Vest people to see what they have to say. While members would like another appraiser, Mr. Loeb couldn't see the tenants agreeing to a \$25,000 expense for another appraisal.

Mr. Loeb stated that he was against Executive Session for tonight for discussion of the sale. Whether or not it is going to be sold is a town-wide issue. He feels it will be a longer process which the tenants and Feoffees haven't thought out.

Dr. O'Flynn moved to explore the option of sale of Little Neck land, seconded by Mr. Traverso. IN FAVOR- O'Flynn, Traverso, Hopping, Sheppard, OPPOSED- Arsenault, Ross, Loeb.

Mrs. Arsenault, after appointing Mr. Traverso (for his historical knowledge), Mrs. Ross (for her real estate expertise), and Mr. Loeb (for his legal expertise), to the working group, directed Mr. Allen to let Mr. Sheehan know that the School Committee is willing to explore the possibility of selling but in no way has voted to sell. This working group will not be available until after November 1.

Mr. Loeb moved, seconded by Mr. Traverso, to adjourn Executive Session at 9:30 p.m. IN FAVOR- Traverso, O'Flynn, Sheppard, Hopping, Loeb, Arsenault, Ross.

School Committee
was that fair?

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now getting help
from paper