

PRESS RELEASE

Rockport, July 3, 2018: The Rockport Board of Selectmen announces that it has reached an agreement to resolve two lawsuits brought against the Town by certain tenants at Long Beach. The Board believes that the terms of the agreement are highly favorable to the Town, and protect the Town's interests as a whole.

By way of brief background, Stephen Sheehan filed a lawsuit against the Town in June, 2015, claiming, among other things, that a provision in the Long Beach lease which required tenants to allow members of the public to cross leased property to get to Long Beach was unlawful. After the Superior Court denied Sheehan's request to bring the lawsuit as a Class action on behalf of all tenants at Long Beach, 82 additional Long Beach tenants filed a separate lawsuit, making the same claim as Sheehan.

The agreement was reached shortly before the Sheehan lawsuit was to go to trial. Terms of the agreement, which applies to all tenants, including those who were not plaintiffs in either lawsuit that sign the amendment, are:

1. The period of the year during which tenants must allow members of the public to cross leased land to reach the beach is reduced to December 2 through March 31. During the remaining months, tenants may, but are not required to, permit members of the public to cross leased land. Members of the public are still permitted to freely access the beach over public ways, including the firebreaks and access ways at either end of the beach.
2. If the Town continues leasing Long Beach properties after the current lease expires, rent increases will be capped at 4% year to year. In other words, each year's rent may be increased up to 4% over the previous year's rent.
3. If the Town decides to sell any part of the property in the future, tenants will have a right of first refusal on purchasing the property. In other words, if the Town decides to accept an offer from a third party to purchase any part of the property, a tenant who is leasing that property will have the right to "match" that offer and buy the property instead.
4. The Town will not pay the tenants any money as a result of these lawsuits.
5. Both lawsuits – the one by Sheehan and the one by the tenants – have been dismissed, and all tenants who were parties to these lawsuits have waived the right to bring any future claim that any provision in the current lease is unlawful.

The Board considered many factors when deciding whether to agree to settle these matters. Chief among these was the financial impact to the Town of continuing to litigate both lawsuits. The Board and the Town's attorneys firmly believe that the lease is lawful in every way, and were optimistic that the Town would prevail at trials against both Sheehan and the tenants. However, the litigation was expected to drag on for several more years (given that there would be two trials, and potential for appeals in both), at great expense to all of the Town's citizens and taxpayers. At the same time, the Board wanted to ensure that Long Beach continues to be a public resource for the Town, and it believes that the terms of the agreement accomplish this.

The Board believes that the above resolution promotes the Town's interests as a whole, as it ends three years of litigation regarding the Long Beach lease; prevents future litigation over the terms of the lease; avoids the continued expenditure of legal fees; and still protects the public's access to Long Beach.

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