



Island House Tenants Association  
January 24, 2006

Web Site: <http://islandhouse.us>

# **SIGNED!**

## **LETTER OF INTENT TO PURCHASE ISLAND HOUSE BY TENANTS**

Dorothy Davis, Chair  
Renato Folla, Vice Chair  
Lee Edelman, Vice Chair  
Frank Farance, Secretary  
Lydia Tang, Treasurer  
Graham Cannon, Director  
Owen Johnston, Director  
Mark Tannen, Director

Dear Tenants:

We are delighted and excited to be able to tell you that we have signed a letter of intent to purchase Island House at a very significant discount price, with a structure for funding all repairs and maintenance, and with the best rent protections we could have hoped for all tenants.

The Letter of Intent (LOI) sets out the terms for negotiating a full purchase agreement — a process that will require extensive consultation with the widest range of tenants, and requires a vote of the entire tenancy before it becomes binding.

How did we reach this point? It comes as the result of several months of intense negotiations with both Sheldrake and, since January 9, with Charles Lucido, who represents the owner of the building — negotiations that, unfortunately, have required more confidentiality than any of us would have liked, but we believe that the final result justifies our temporary lack of disclosure.

The Letter of Intent contains the following key provisions:

- (1) We purchase the building at the heavily discounted price of \$200/sq-ft which provides latitude to fully fund all the very significant building maintenance needs, the repairs, and a sufficient reserve fund, as well as costs we have yet to negotiate such as a RIOG ground lease and ESDC taxes.
- (2) The LOI requires the purchase agreement to contain a strong rent protection program for non-buyers, even with the withdrawal of the building from Mitchell-Lama and even if the purchase ultimately fails.
- (3) Lucido cannot negotiate or entertain offers with any other party while he is negotiating with us.
- (4) After purchase, we convert the building under a tenant-sponsored, non-eviction plan.

The Letter of Intent is not a contract, but a basis for negotiation — and very importantly, it provides us with the standing to negotiate directly with RIOG on the ground lease, and ESDC on the taxes.

**We hope you will join us for an expanded Board meeting tomorrow, Wednesday night, January 25, at 7:30PM in the Church of the Good Shepherd.** We, together with our attorney Stuart Saft, will explain and discuss the details and what they mean for you. You will also have the ability to review the full text of the LOI.

We also want to let you know that despite what you might have heard to the contrary, Westview has not yet reached an agreement with Mr. Lucido. We offer our help and support in any way we can so that the tenants of Westview are able to secure their goals.

Finally, thank you for your support during this difficult period — especially since we have had to be so careful with what we can discuss — we appreciate your confidence, patience, and trust.

Sincerely,  
IHTA Board

**Working Together for Our Homes, Our Community.**