

**Date:** May 31, 2006

**From:** IHTA Board

**To:** Members

**Via:** Door Drop, Glass-Case Posting, Web Posting

**Subject:** Newsletter

Dorothy Davis, Chair  
 Graham Cannon, Vice Chair  
 Renato Folla, Vice Chair  
 Frank Farance, Secretary  
 Geoffrey Kerr, Treasurer

Paul Doganges, Director  
 Lee Edelman, Director  
 Owen Johnston, Director  
 Mark Tannen, Director

## LUCIDO EXTENDS LOI UNTIL JUNE 30th! NEGOTIATIONS WITH RIOC CONTINUE! RAND PRELIMINARY SUMMARY RECEIVED! NEED MONEY TO PAY LAWYER AND RAND!

### Executive Summary: WE'RE STILL MOVING AHEAD!

While there have been and will continue to be many twists and turns as we go forward in this process of conversion, there is no reason to get discouraged. It's a complex process and we will reach a successful end.

While we welcome any questions that you have, we may not always be able to answer them in an open forum or otherwise either because we don't have the answer or because of where we stand in the negotiating process. However, we will try to answer your questions as best as we can. Please send your questions to the IHTA reflector so that we can address them in our next newsletter: [ihta-board@islandhouse.us](mailto:ihta-board@islandhouse.us).

1. **Lucido has extended the Letter of Intent until June 30th.** The IHTA Board has also been informed by DHCR that there has been "no movement" by Lucido to withdraw us from the Mitchell-Lama program which he is entitled to do beginning June 29<sup>th</sup>.
2. **Negotiations:** IHTA Board has had second negotiating meeting with RIOC. (see details)
3. **We need money!** Despite good progress in staying current, our legal and engineering bill continue to mount as expected. Please continue to contribute at least an initial \$200 plus an additional \$50 per month. Your contribution now will convert to a repayable loan to you when we close the purchase and sale agreement. Treasurer Geof Kerr will send a separate notice to you. (see details)
4. **Rand and Engineering Survey:** IHTA Board has received a preliminary summary of the physical condition survey. Copies of the results of 114 questionnaires are available at the door station. (see details)
5. **Asbestos:** RY Management has submitted its report regarding the asbestos along with certified laboratory tests to DHCR for review and approval. Once approved by DHCR, bids will be solicited. Meanwhile, Rand will start its asbestos investigation in the next couple of weeks. Once it is completed, we will compare the results of both and determine what if any additional work will be required. (see details)
6. **Maintenance Committee:** Warning: to enhance your security, keep apartment doors locked at all times and get renters insurance! Maintenance Committee meets every Monday from 8 to 9 p.m. in Island House Community Room. Contact: [ihta-maintenance-chair@islandhouse.us](mailto:ihta-maintenance-chair@islandhouse.us) (see details)
7. **Floor Captains Task Force:** Renato Folla has returned. Meeting dates are forthcoming. Contact: [ihta-floor-captains@islandhouse.us](mailto:ihta-floor-captains@islandhouse.us) (see details)
8. **IHTA Special Events Coordinator:** Sharon Bermon is the new IHTA Special Events Coordinator.

Events are aimed at promoting good neighborliness and fundraising. Ideas include: an international food and arts festival; a welcoming event to new tenants of Island House, etc. To volunteer or give ideas, contact Sharon via [ihta-board@islandhouse.us](mailto:ihta-board@islandhouse.us) (see details)

### The Details

**1. EXTENSION OF LETTER OF INTENT:** The IHTA Board received a faxed letter from Charles Lucido on May 25th expressing his intent to extend the LOI for 31 days or until June 30th. This means that the Purchase and Sale Agreement should be signed by that date once negotiations are concluded with RIOC for the ground rent and the Empire State Development Corporation (ESDC) for the PILOT. Technically, we will then have 30 days to present the Purchase and Sale Agreement to the tenancy before a vote is taken. Given that many tenants are traveling over the summer, we are determining alternate methods of being able to include all of the tenancy in this process at that time.

**2. PROCESS OF CONVERTING OUR BUILDING:** Here are the major milestones towards conversion of our apartments to tenant ownership and control. **Purchase and Sale Agreement:** This document is, essentially, the Letter of Intent, but fully fleshed out in legal wording. The purpose of the Purchase and Sale Agreement is to agree on the terms and to commit to the closing of the deal, i.e., the transfer of ownership of the building. The Purchase and Sale Agreement does not cover individual apartments (e.g., co-op vs. condo) or ownership rules (e.g., co-op with condo rules). Although the tenants will first see the Purchase and Sale Agreement when the 30-day voting period begins with only an up-down vote as a possibility, the essence of the Purchase and Sale Agreement has already been described in the Letter of Intent. The tenancy should read the LOI to determine what will be in the Purchase and Sale Agreement. We expect to have completed the Purchase and Sale Agreement by June 30, and there will be a 30-day voting period thereafter.

- **Red Herring:** This is a preliminary offering plan that is intended to provide information to the Attorney General and to the tenants. At this point, we will decide whether we want a co-op style conversion (with or without condo rules) or a condo-style conversion. We expect the Red Herring to be submitted around September.
- **Black Book:** This is the actual offering plan. We will have 90 days to determine whether or not we want to purchase our apartments. We expect the Black Book to be submitted in January or February 2007, which means that tenants will need to choose purchasing or continuing to rent their apartments by April or May of 2007.

**3. Negotiations with RIOC:** A second meeting was held on Wednesday, May 24th with RIOC's representatives, Paul Mas and Jay Neveloff in attendance. After rejecting the initial proposal provided by IHTA at the first meeting in May, RIOC was more open to the most recent one. However, no decisions have been made. We have been told that Island House is at the forefront in our negotiations with RIOC and in the process as a whole. They are taking our proposal along with that of Westview and Rivercross to a June 1 meeting with DHCR Commissioner and Chair of Roosevelt Island Operating Corporation's Board of Directors, Judith Calogero. We are requesting an appointment with Commissioner Calogero.

**4. FUNDRAISING:** Please continue to contribute at least \$50 per month. We have only been able to give Stuart Saft's law firm \$15,000 towards the present total bill of approximately \$54,000. We want to keep him as our lawyer at this critical time in the process. As long as we are successful, we will pay you back everything that you have contributed to the conversion effort. Think of your contribution as a savings plan that will pay you just when you want to upgrade and improve your newly purchased apartment! We will be reaching out to you through the board and the floor captains to discuss our urgent and ongoing needs.

**5. RAND AND THE ENGINEERING SURVEY:** The third component (ground lease and PILOT) needed to complete the Purchase and Sale Agreement on June 30th is on the physical state of our building through the engineering survey currently being conducted by Rand. We received the preliminary summary from Rand on May 11th and met with Jamey Ehrman of Rand and members of his team on Wednesday, May 24th, to discuss the content. The revised version was re-submitted to the IHTA Board on May 26th.

Estimates were provided for the key areas of our building that need attention. It included the cost for a complete exterior restoration with asbestos abatement and the pool estimate provided by LZA. It also included the responses received from approximately 114 apartments to the questionnaire. (Copies of the results from the questionnaire are available at the door station.)

In addition to the upcoming asbestos investigation, Rand will review 40 apartments in order to finish its survey. These apartments will be determined from the list of apartments which participated in the questionnaire. If you did not participate in the questionnaire and would like your apartment to be considered for the Rand inspection, please send Frank Farance an e-mail at [ihta-engineering-chair@islandhouse.us](mailto:ihta-engineering-chair@islandhouse.us). Rand further states that it currently has more than sufficient information to be able to put together the final report for the Attorney General when we are ready to do so.

The information IHTA has received from Rand is included in our negotiating process. It will help us determine the carrying charges once we conclude our negotiations concerning the ground lease and the PILOT.

**6. ASBESTOS:** One area of particular concern is the asbestos on the exterior of the building. While we have been assured by Rand and RY Management that it does not pose ANY HEALTH HAZARD AT THIS TIME, we have asked Rand to begin its Asbestos Investigation as part of its ongoing survey of the building.

**7. MAINTENANCE COMMITTEE:** Ed Lucas, Chair of the Maintenance Committee, reports:

a. Façade specifications were sent by RY Management to DHCR on May 11<sup>th</sup>. Request for non-public bid was sent to DHCR May 19<sup>th</sup>. Still waiting for approval on both. The DHCR engineer is due to visit the building next week prior to any decision. Response is expected by June 16<sup>th</sup>.

b. Expect security walkthrough findings by end of June. Bottom line recommendations are:

- Keep your doors locked at all times
- Regarding external points of entry: management is responsible for either controlling them or closing them.

c. Servicing of air conditioning units has started and is done during the week. In July, service will also be available on Saturdays, July 8<sup>th</sup>, 15<sup>th</sup> and 22<sup>nd</sup>. Management will service a maximum of 2 A/C units. If you have more than 2 A/C units in your apartment (one A/C unit in a studio), you'll need to service those additional units yourself and also pay an extra cost of \$13/month/unit (annually) to cover the electricity costs.

d. Please put your garbage down the AVAC chute. Do not leave it on the AVAC room floor. A 4- or 5- gallon garbage bag filled to capacity will fit down the chute just fine. A 13-gallon kitchen garbage bag must be significantly underfilled and must be "finessed" in order for it to fit down the chute. Don't even think about the 33-gallon bags.

The Maintenance Committee meets every Monday from 8 to 9 p.m. in the Island House Community Room. Through Ed's guidance, we want to thank the Maintenance Committee for working with the Engineering Committee chaired by Frank Farance in the oversight of getting tenants to respond to the Rand questionnaire.

**8. FLOOR CAPTAINS TASK FORCE:** IHTA Vice Chair Renato Folla has returned from his business trip. Given that the weather is getting better and that the Task Force prefers to meet on weeknights instead of weekends, a meeting will be scheduled to discuss upcoming activities. The Task Force is needed to assist in advocacy, fundraising and logistical efforts. WE NEED MORE FLOOR CAPTAINS. PLEASE JOIN.

**9. PLEASE JOIN THE IHTA SPECIAL EVENTS TASK FORCE:** Sharon Bermon, a member of the Floor Captains Task Force and initiator of the very successful waffle brunches held over two consecutive weekends, has agreed to serve as IHTA's Special Events Coordinator.

Some of the events will revolve around neighbors getting to know each other and other events will serve as fundraisers for IHTA. Some possible ideas include: Welcome to New Tenants of Island House; Moveable Feast from one apartment to another with a wide variety of foods; possible boat ride with music; International Food and Arts Festival, Auction, etc. Sharon is open to new ideas and volunteers.

For now, please send your ideas to Sharon via the e-mail address. **WE NEED TO RAISE MONEY FOR THE WORK OF IHTA! PLEASE GET INVOLVED.**

**10. NEXT MEETINGS:**

- **Every Monday, 8:00 to 9:00 p.m.:** **Maintenance Committee Meeting**, Island House Community Room
- Wednesday, **June 14**, 8:00 p.m.: IHTA Members' Meeting, Church of the Good Shepherd
- Wednesday, **June 28**, 7:30 p.m.: IHTA Board meeting, Island House Community Room

**PLEASE PROVIDE IHTA WITH YOUR E-MAIL ADDRESS IF YOU WOULD LIKE TO RECEIVE NOTICES VIA E-MAIL: [ihta-board@islandhouse.us](mailto:ihta-board@islandhouse.us)**