

Don Greenough

From: "Don Greenough" <dona!d.greenough@verizon.net>
To: "Allen, Richard" <Allen@casneredwards.com>
Sent: Wednesday, April 26, 2006 4:47 PM
Subject: Feoffees // Little Neck // leases

Dick:

We have not received any written comments from the tenants' counsel concerning the draft lease, however the Feoffees have received a few calls from tenants inquiring about the 20-year term.

The Feoffees are opposed to the "evergreen" provision. However, they're still looking for something to provide the tenants with a little more comfort about the term while still reserving the right to change the basic lease document over the years. There are two situations when leases will be terminated prior to the end of the term: (1) a new tenant will be given a "fresh" 20-year lease, and (2) if required by a commercial lender, the Feoffees would allow a tenant to terminate an existing lease and execute a new 20-year lease.

The first situation arises because the Feoffees will not permit a buyer to assume the seller's lease. The second will arise when a tenant wants a 20-year mortgage but only has 14 years left on his lease at the time. The lender will require the longer term and the Feoffees believe it will be to the long-term benefit of the relationship and values to facilitate mortgage lending on the cottages.

I'm interested in your thoughts about providing a tenant with the option, to be exercised only on a periodic adjustment date and not more than once every six years, to surrender his lease and execute a new, 20-year lease in the form then currently used by the landlord. This would permit a tenant to roll his lease forward but also provide the Feoffees with the opportunity to implement changes in the lease document sooner. If a tenant was truly concerned about the remaining term of his lease, by exercising the option he would always have at least 14 years remaining. I'd want to restrict this to the adjustment date to simplify the process for the landlord.

I'm bringing this up because even though there will be a vocal minority complaining about virtually everything in the lease, the Feoffees have received feedback from a number of tenants who have expressed the sentiment that they can live with everything, even the obscene betterment, as long as they're protected against what happened at Conomo Point.

I hope that we might get the chance to discuss this issue on Thursday.

Donald M. Greenough, Attorney
P.O. Box 790
2 Depot Square
Ipswich, MA 01938-0790
978-356-1040 Phone
978-356-1042 Fax
dona!d.greenough@verizon.net

