

IHTA

MEMBERS MEETING

Island House Tenants Association, Inc. <http://islandhouse.us>

Date: **October 24, 2005**

To: **Island House Tenants Association**

From: **IHTA Board of Directors**

Subject: **Disclosures from Sheldrake & The Next Steps Moving Forward**

**IHTA MEMBERS MEETING WITH THE NEW BOARD
THE CHURCH OF THE GOOD SHEPHERD
WEDNESDAY OCTOBER 26, 2005 8:00 PM**

Dear IHTA Members,

On Tuesday, October 18, 2005 on behalf of the tenancy and as representatives of the new IHTA Board of Directors, Dorothy Davis, Lee Edelman and Renato Folla had an introductory meeting with Chris Daly, Robert Klehammer and Brian Haines of the Sheldrake Organization. This was an introductory meeting to discuss the status of our negotiations with Sheldrake. Although the disclosures were surprising, the meeting was conducted in an amiable way leaving the door open for further negotiations.

At this meeting Sheldrake made the following major disclosures and fundamental changes in their position:

- Sheldrake will be buying Island House from Lucido in the very near future.
- Sheldrake's offer for a tenant-sponsored buyout has increased from the initial \$295.00 per square foot to \$400 per square foot.
- According to Sheldrake, this increase is due to the inaction and lack of transparency of the previous IHTA Board and the costs Sheldrake has incurred as a result.
- Sheldrake's sponsored plan might possibly be less expensive.
- Island House tenants currently pay \$.27 per square foot annually for ground rent through RIOC. In the negotiations with RIOC, the ground rent could increase to \$3-\$5 per square foot.
- Sheldrake is trying to obtain a more favorable extension of the ground lease terms. In turn, this would lower the price for Sheldrake and ultimately the tenants.

We have a number of options and decisions to make in the next few months, including ensuring we have the financial reserves to pursue whichever strategy we choose: please bring your checkbook on Wednesday!

Additional issues that will be discussed at the October 26 meeting include:

- Fundraising effort to meet the November 20th requirements of the Attorney General
- New volunteer committee structure
- Tenant Education Programs
- IHTA Code of Conduct

THE FUTURE OF OUR HOMES DEPENDS ON US ALL WORKING TOGETHER

We hope to see you this Wednesday, October 26, at the Church of the Good Shepherd at 8:00 PM

Working Together for Our Homes, Our Community.