

Subject: Little Neck - draft lease
From: Don Greenough <donald.greenough@verizon.net>
Date: Thu, 20 Oct 2005 15:48:59 -0400
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Charlie:

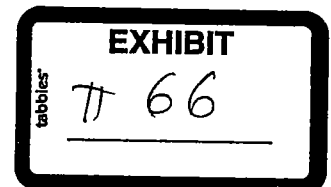
Attached is the current draft of the "base" lease for Little Neck. I may receive additional comments from Dick Allen, counsel for the School Committee, and Paul Gagliardi, counsel to Ipswich Co-operative Bank, the construction lender.

Exhibit A, which will establish the rent for FY2007, the frequency of adjustments, and the method for adjustments, is not included. The Feoffees will be discussing the format for adjustments with the School Committee. The FY2007 rent will not be set until additional information is received from LandVest concerning the effect on its previous valuation caused by the additional charges for the construction of the wastewater collection system and the annual use of the system.

I am out of the office on Friday. I look forward to reviewing your comments next week.

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LEASE

THIS INDENTURE is made this _____ day of _____, 2005.

WITNESSETH, that the Feoffees of Grammar School in the Town of Ipswich, existing under the laws of the Commonwealth of Massachusetts, hereinafter called the Landlord, does hereby lease, demise and let unto _____, with a mailing address of _____, hereinafter collectively referred to as the Tenant, certain parcel of land situated on Little Neck, Ipswich, Massachusetts, said premises being numbered _____, as maintained by the Landlord, for the purpose of erecting and/or maintaining a dwelling thereon, for a single family residence, in accordance with, and subject to, the Rules and Regulations of Landlord, as may be amended from time to time. The current Rules and Regulations, effective as of January 1, 2006, have been read by the Tenant and are incorporated herein by reference and made a part of this Lease.

TO HOLD for the term of twenty (20) years, 6 months, from the first day of January, 2006, yielding and paying therefore the rent described in Exhibit A attached hereto. In addition, the Tenant shall pay a proportionate part of the Landlord's operating costs which are reasonably allocable to the Tenant, as defined herein, subject to change annually upon sixty (60) days written notice by the Landlord.

The Town of Ipswich assesses a real estate tax against the Landlord for each structure maintained on Little Neck in addition to a tax assessed on the land itself.

The term "proportionate part of the Landlord's operating costs reasonably allocable to the Tenant", as used herein, shall be understood to include:

- (1) The portion of the real estate tax assessed to the Landlord fairly attributable to the land and the structure maintained on the land subject to this Lease, as determined by the Landlord; and
- (2) \$_____ as the initial portion of the total cost of the construction of the wastewater collection system attributable to the dwelling maintained on the land

subject to this Lease. Such amount may be adjusted for additional construction costs of the wastewater collection system, improvements to the system, the costs of connecting to the municipal sewer system, or for changes after June 1, 2010, in the interest rate charged to the Landlord on its construction loan which financed the wastewater collection system. Improvements required by municipal, state or federal law shall be made by the Landlord at any time. Voluntary improvements, e.g., the voluntary design and construction of a wastewater line to connect to the municipal system, shall be made by the Landlord only with the consent of a majority of the tenants in possession of leaseholds on Little Neck.

This lease is further subject to the following terms and conditions:

1. As between the Landlord and the Tenant, any building or other structure erected or maintained on the demised premises by the Tenant in accordance with the Landlord's Rules and Regulations, shall remain the personal property of the Tenant and shall not be deemed to be real estate property. This provision shall not require either party to protest the taxation of any such structure as an improvement to real estate.

2. The Tenant shall be responsible for the timely payment for all charges for its use of the wastewater collection system serving Little Neck. The Tenant shall be responsible for the proper maintenance of its connection to the system and shall cause the same to be in conformity with all laws, ordinances and regulations promulgated by any governmental authority with respect thereto.

3. All sums due the Landlord according to the terms of this Lease shall be considered as rent and shall be due and payable thirty (30) days after the invoice date of a bill or bills from the Landlord. It is further agreed that interest at the rate of fourteen (14%) percent per annum from the date of the invoice date of the bill shall be charged on any unpaid amount. Billing cycles may be adjusted to reflect changes in the real estate tax billing periods, or for other reasons, and the interest provisions of the preceding sentence shall apply to all bills from the Landlord which are not paid within thirty (30) days of their invoice date.

4. The Tenant will pay the rent as above provided. If the Tenant fails to pay rent when due, the Landlord shall send written notice of default to the Tenant by certified mail, return receipt requested, or by first class mail or by hand. In the event the Tenant fails to cure such default within fourteen (14) days of the date of receipt on such notice, the Landlord may terminate the Tenant's rights under this Lease, and the Tenant shall be responsible for payment of all of the Landlord's costs of collection, including reasonable attorney's fees.

5. The Tenant will quit and deliver up the demised premises to the Landlord, its agent or attorney, at the end of the term, peaceably and quietly, in as good order and condition as the same now are or may be put into by the Landlord.

6. The Tenant will not assign this Lease, nor make any sub-lease for more than one (1) year, nor give any license, written or oral, to occupy the demised premises, nor sell, transfer or convey any dwelling or structure erected or maintained on the premises without first obtaining written permission from the Landlord. Any attempted assignment, sub-lease, license, sale, transfer or conveyance in violation of this Paragraph shall render the subject dwelling or structure to the forfeiture and forced sale provisions of Paragraphs 10 and 11 below.

7. The Tenant will not erect any structure nor make any major additions, extensions, or alterations to the exterior of any building or structure without first obtaining permission from the Landlord, provided however, that any building or structure which has been damaged by casualty loss may be rebuilt to its former appearance (subject to obtaining and complying fully with all required governmental approvals after giving written notice to the Landlord of the Tenant's intent to rebuild.

8. The Tenant will permit the Landlord and its authorized agents or servants to enter to view the demised premises, upon reasonable notice, and to enter without notice in the event of an emergency or to abate a condition which constitutes an immediate danger to persons or property or an immediate nuisance if reasonable notice cannot be given.

9. The Landlord shall have, and the Tenant hereby grants to the Landlord, a lien and security interest in and on every dwelling and all other personal property brought or maintained on the demised premises by the Tenant to secure the obligations

of the Tenant under this Lease, and that the Landlord shall have, in addition to any other remedies available at law or in equity, the remedies of a secured party under the laws of Massachusetts. The Tenant shall execute such financing statements and other documents evidencing the grant of the within security interest as and when the Landlord shall request. In the event of a default, the Landlord, as a secured party, may proceed against all of the personal property, dwellings and structures given as security hereunder, or only against selected items of collateral, as the Landlord in its sole discretion shall determine. Notice of any intended secured party sale given in writing to the Tenant fourteen (14) business days prior to sale shall be deemed commercially reasonable notice.

10. If the Tenant or those claiming by, through or under the Tenant shall, in the judgment of the Landlord after due deliberation and consideration, fail to abide by the Rules and Regulations incorporated herein, or any of them, or violate any of the terms of this Lease, after first giving ten (10) days' notice in writing to the Tenant or those claiming by, through or under the Tenant, either by delivery in hand, by mailing postage prepaid, or by a recognized deliver service, or if the Tenant fails to cure a default for non-payment of rent, as set forth above in Paragraph 4, the Landlord may terminate the Tenant's rights hereunder and enter into or upon the said premises and repossess the same as of its former estate, and expel the Tenant and those claiming by, through or under the Tenant, and remove at the expense of the Tenant, his and their effects and any structures on said premises (forcibly if necessary) without being taken or deemed guilty of any manner of trespass, and upon entry as aforesaid the term of this lease shall cease. After entry, the Landlord may elect not to remove the Tenant's effects and structures, but may elect to exercise its option to purchase the same provided in Paragraph 11, below.

11. The Landlord shall have the option to purchase any and all dwellings, structures and/or personal property which, by reason of the Tenant's material breach of the covenants herein, places the leased property in a status of forfeiture, upon the following conditions: in the event of any breach, the Landlord shall have the option to purchase said leased property at a price not to exceed its then fair market value. If the parties cannot agree upon an independent appraiser, the determination of fair market value shall be made by a committee of three qualified appraisers, one appraiser to be selected by the Landlord, one selected by the Tenant and the third appraiser to be selected by the other two. The decision of this committee

shall be binding. In the event the Landlord elects to purchase under this Paragraph 11, it shall send written notice of such election to the Tenant, which notice shall contain the name of one appraiser. The Tenant shall send written notice to the Landlord within fourteen (14) days after receipt of the notice of the Landlord's election, which notice shall contain the name of the second appraiser. Should the Tenant fail to send notice as provided herein, a second appraiser shall be appointed by the Landlord.

12. The Landlord, upon written request of the Tenant duly made, shall make and prosecute applications for abatement of taxes. If, however, the Landlord fails to commence or thereafter diligently continues the prosecution of applications for abatement of taxes within fifteen (15) days of the Tenant's written request so to prosecute, then the Tenant shall have the right to prosecute said applications for abatement of taxes in the name of the Landlord or Tenant, provided, however, that the expenses of prosecuting such applications shall be borne by the Tenant. At the Tenant's request, Landlord shall furnish the Tenant with all data and information in the Landlord's possession concerning the premises, and shall execute and deliver all documents necessary for Tenant's application. If the Landlord shall receive any abatement or refund of said taxes for any tax year for which the Tenant shall have paid to the Landlord any amount for said taxes, the tenant shall be entitled to receive from the Landlord the amount thereof, less, however, the reasonable expenses (including reasonable attorney's fees) of the Landlord incurred in obtaining such abatement.

13. [] If this box is checked, Rider A "Covenants Relating to Leasehold Mortgages", shall be deemed incorporated herein and made a part hereof.

14. This Lease does not grant to the Tenant any right to extend the term of the Lease or any right to renew the Lease. Notwithstanding the terms of Paragraph 5, above, the Landlord agrees to provide a right of first refusal to the Tenant to enter into a new Lease for the premises prior to the expiration of the term. At least one hundred twenty (120) days prior to the expiration of the term, the Landlord shall provide the Tenant with the form of the Lease which the Landlord is then using for new tenancies. The proposed Lease shall include the anticipated rent and other charges as then calculated by the Landlord and imposed on similar leaseholds. The Tenant shall have sixty (60) days to notify the Landlord whether it wishes to enter into a new Lease upon the proposed terms. If the Tenant

so wishes, a new Lease shall be executed by the parties at least thirty (30) days prior to the expiration of the term and the new Lease shall be effective immediately upon the expiration of this Lease.

15. Every notice, approval, consent or other communication authorized or required by this Lease shall not be effective unless in writing and sent by United States registered or certified mail, return receipt requested, or by hand, or by a recognized delivery service, directed, if to the Tenant to the address listed below; and if to Landlord at the address listed herein or such other address as either party may designate by notice from time to time.

16. One or more waivers of any covenant or condition by the Landlord or the Tenant shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition, and the consent or approval by the Landlord requiring the other party's consent or approval to or of any similar subsequent act. The failure of either party to seek redress for violation of, or to insist upon strict performance of, any term, covenant or condition in this Lease shall not prevent a similar subsequent act from constituting a default under this Lease.

17. If any provision of this Lease shall be invalid or unenforceable, the remainder of the provisions of this Lease shall not be affected thereby and each and every provision of this Lease shall be enforceable to the fullest extent permitted by law.

18. The Landlord reserves the right to assign or transfer any and all of its rights, title and interest under this Lease, including but not limited to the benefit of all covenants of the Tenant hereunder.

19. The Tenant agrees to indemnify and defend the Landlord against, and to save the Landlord harmless from, any and all claims of whatever nature for injury or damage to persons or property in or about the premises caused by the negligence or intentional conduct of the Tenant or the Tenant, guests, invitees, employees, agents or contractors.

IN WITNESS WHEREOF, the Tenant_ ha__ hereunto set ___ hand_ and seal_ and the Landlord has caused this instrument to be signed by its Treasurer thereto duly authorized on the day and year first above written.

FEOFFEES OF THE GRAMMAR
SCHOOL IN THE TOWN OF
IPSWICH

Witness

By: _____
Treasurer

Witness

Tenant

Witness

Tenant

EXHIBIT A
RENT PAYMENTS

The rent for the first six (6) months of the term due the Landlord shall be \$_____, payable in advance in one installment on or before February 1, 2006.

The annual rent for the next three (3) years, six months, due from or to the Landlord (the "Initial Annual Rent") shall be as follows, payable in advance in semi-annual installments during the term of this Lease:

Annual Rent	Installment
\$ _____	\$ _____

The annual rent for July 1, 2009, through June 30, 2012, shall be established by increasing the Initial Annual Rent to reflect increases in values of similar parcels of land in Ipswich.

The percentage of increase shall be based on the changes in an index composed of the assessed values of the twenty (20) parcels of land in Ipswich identified in Exhibit A-1 attached hereto (the "Index"). The average assessed value for the lots in FY2005 was \$356,665, and such value shall be the base for calculations hereunder for the purposes of establishing the annual rent after June 30, 2009.

The rent for the next three years of the term (July 1, 2009 to June 30, 2012) shall be computed as follows:

The Initial Annual Rent shall be multiplied by the percentage by which the Index increased between FY2005 and FY2009 to arrive at the increase. The increase shall be added to the Initial Annual Rent to obtain the annual rent after adjustment.

For each subsequent three year period, the rental will be adjusted for increases in the Index in accordance with the above format of computation.

As of the date of this Lease, the Landlord has established two classes of leaseholds based upon occupancy: (1) seasonal, and (2) year-round. In addition to the foregoing adjustment upon the Index, the Landlord reserves the right to modify the rent payments based upon classification based upon the relative

market value of the respective leaseholds at Little Neck.
Notice of the imposition of additional classes will be provided
to the Tenants at least one (1) year in advance of the effective
date, which shall be a periodic adjustment date as described
above.

EXHIBIT A-1

North Ridge Road area

1.	15C	30
2.	15C	45
3.	15A	10
4.	15B	5
5.	15D	23

Clark Road area

6.	23B	8A
7.	24A	100
8.	24A	105
9.	24A	108
10.	24A	111

Hillside Road area

11.	24A	44
12.	24A	33
13.	24A	82

Little Neck Road area

14.	23D	14
15.	23D	43
16.	23D	28

Bulls Eye Road area

17.	23B	43
18.	23B	58

Eagle Hill Road area

19.	15C	63N
20.	15C	62B

RIDER A
COVENANTS RELATING TO LEASEHOLD MORTGAGE

INTRODUCTION

This Rider is attached to and forms a part of a Lease dated _____, 2005, by and between the Feoffees of the Grammar School in the Town of Ipswich, as the Landlord, and _____ and _____, as Tenant, concerning the land at Little Neck, Massachusetts, known as _____.

COVENANTS

1. The Lease to which this Rider is attached is amended by the provisions of this Rider. In the event of any conflict between the Lease and this Rider, the terms of this Rider will control.
2. The Tenant has assigned its interest under the Lease to _____ Bank ("Lender") and has granted to the Lender a Leasehold Mortgage of the Tenant's interests in the leased premises.
3. The Landlord hereby consents to the Assignment of the Tenant's interest to the Lender and the grant of the Leasehold Mortgage to the Lender.
4. The Landlord hereby agrees to subordinate its lien and security interest, as set forth in Paragraph 9 of the Lease, to the lien and security interest granted by the Tenant to the Lender.
5. The Landlord shall notify the Lender in writing of any event of default by the Tenant under the Lease at the same time the Landlord so notifies the Tenant, including specific dollar amounts due, and by signing below, the Tenant specifically consents to the release of such information. In the event of a monetary default, the Lender shall have the right to cure any such default within fourteen (14) days after having receiving notice. Should a default not be cured within such fourteen (14) day period, the Landlord may pursue any of its remedies provided under the Lease or applicable law and equity, subject to the terms of this Rider.

6. The Landlord hereby agrees that it shall not exercise its rights under Paragraph 10 of the Lease to remove any structure or building from the premises without first receiving written consent to such removal from the Lender.
7. In the event that the Leasehold Mortgage given to Lender to secure the extension of credit to the Tenant by the Lender shall be foreclosed by entry for possession and/or by sale, then and in either event, the Lender may, upon notice and payment to the Landlord of all amounts then outstanding under the Lease, take possession of the leasehold and assign the Lease and/or sublet the premises to any person or persons, natural or corporate, subject to the following provisions:
 - (a) The Lender shall give written notice to the Landlord of its intention to foreclose at such time as notice shall be given to the Tenant and agrees to commence such foreclosure proceeding within a reasonable time after default, subject to reasonable forbearance, and to proceed to conclude such foreclosure as provided by Massachusetts law. Such notice shall include a statement of the amount of principal, interest, attorneys fees and expenses due to that date, and by signing below, the Tenant specifically authorizes the Lender to release such information to the Landlord.
 - (b) Upon receipt of notice of the Lender's intention to foreclose, the Landlord may, within fourteen (14) days thereafter, give notice of its desire to assume the Tenant's indebtedness to the Lender and cure all outstanding defaults under the Leasehold Mortgage, in which event, the Landlord shall, at any time prior to the day before the foreclosure sale, cure all such defaults and tender all sums due and payable under the terms of said Leasehold Mortgage, including all principal, interest, reasonable attorney's fees and expenses outstanding to Lender as of the date of tender, and the Lender shall, upon receipt of such sums, assign all of its rights under said Leasehold Mortgage and the indebtedness secured thereby to the Landlord.

8. Notices given hereunder shall be in writing, and given by certified mail, return receipt requested, or by hand or by recognized delivery service, if to the Landlord, to Feoffees of the Grammar School in the Town of Ipswich, P.O. Box 166, Ipswich, MA 01938; and to the Lender,

9. The Landlord and Tenant represent to Lender that the Lease as herein amended is in full force and effect in accordance with its terms and has not heretofore been amended or modified.

10. Each party represents and warrants to each of the other parties, that, to the best of its present knowledge, information and belief, there exists no default by either party to the Lease, nor any other grounds for set-off or for ceasing or reducing the payment of rent, not for cancellation or termination of the Lease, nor any default by default by either party to the Leasehold.

11. The Landlord and the Tenant shall not agree to any alteration, modification or amendment of the Lease which materially adversely affects Lender, without first obtaining Lender's prior written approval.

IN WITNESS WHEREOF, the Landlord, Tenant and Lender have hereunto set their hands and seals, on this _____ day of _____, 2005.

Witness

Tenant

Tenant

FEOFFEES OF THE GRAMMAR
SCHOOL IN THE TOWN OF
IPSWICH
By:

Witness

Treasurer

_____ Bank

Witness

By: _____
Its: _____