

MEMORANDUM

TO: REF Attorneys and Legal Assistants

DATE: 1/22/86

FROM: Mary Sabatini DiStephan/ Nancy Kramer *MSD*RE: Do or Die Amendments
(Replaces memo of 6/11/82)

The following is a restatement of our policy for amendments which automatically convert a plan from eviction to non-eviction on a fixed date: "do or die amendments".

I. If the sponsor does not expressly reserve the right to extend the fixed date on the terms discussed in Section II, no amendments should be accepted during this period and the fixed date for conversion to non-evict is absolute. Tenants who enter into subscription agreements shall be offered a right of rescission if the plan is not declared effective as an eviction plan.

II. The sponsor may reserve the right to subsequently extend the fixed date if sponsor can provide evidence that it is in the midst of good faith negotiations with the tenants. In such event, the do or die amendment must disclose:

- A. Sponsor's reservation to make this change;
- B. That any subsequent amendment will grant the tenants an additional 30-day period to purchase on the amended terms;
- C. That any subsequent amendment will either terminate the do or die threat or extend the fixed date for an additional 30 days;
- D. That any tenants who enter into subscription agreements before the final fixed date shall be offered a 30-day right of rescission if the plan is not declared effective as an eviction plan or if other material and adverse amendments are filed;
- E. That any tenants who enter into subscription agreements will be granted any improved terms offered in a subsequent amendment .

If the plan is reaching the end of a statutory cut-off period (15 months in eeee and 12 months in eee), the 30-day periods provided in paragraphs B and C cannot be given. In these cases, only amendments submitted in time to give tenants a full three days to consider will be accepted.