

December 3, 2010

Director
Financial Accounting Standards Board
401 Merritt 7
P O Box 5116
Norwalk, CT 06856-9714

Re: Comment Letter Concerning Proposed Changes to Standards for Lease Accounting

Dear Board Members:

On behalf of the Management of Mountain Development Corporation (MDC) we thank you for the opportunity to provide input regarding the proposed changes to the accounting for leases as contained in the Exposure Draft dated August 17, 2010.

MDC is a privately held New Jersey based full service real estate organization. We own, operate and manage a number of commercial, industrial and retail multi tenant properties in the North east. We believe that our organization is typical of many landlords across the country.

Through our reading of the Exposure Draft, a number of articles published by real estate experts as well as other "Comment Letters" from concerned parties, we recognize the magnitude and complexity of the project being undertaken.

As a privately held Lessor, our transactional objectives are always based on the true underlying economics of the deal and not on the accounting outcomes. As such we have concluded that the accounting implications and the resultant record keeping and financial reporting are not particularly relevant to our organization. We do believe however that it will have wide ranging implications to many of our tenants.

Therefore we would like to comment on certain aspects of the Exposure Draft as directly related to Lessees and the indirect impact upon Lessor organizations, such as ours.

As the financial standard becomes effective, many real estate experts anticipate a "knee jerk" reaction on the part of Lessee's as they negotiate future leases. While many of those same experts feel that the rating agencies and lenders are prepared to deal with the accounting change to the Lessee's books and feel a knee jerk reaction is not necessarily warranted it is likely to occur for some period. Our concern is that tenants may initially make decisions in prospective lease negotiations that can potentially alter the underlying economics of the property being leased. Thus negatively altering the economic assumptions upon which the owner has based its

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financial structuring for the property. Thus the debt covenants that could be in jeopardy aren't those of the tenant but rather those of the property owner.

Another exception that we have concerns the Board's goal to provide greater transparency and comparability between entities and their financial reporting. When one considers the expected ballooning of balance sheets, the roller coaster and complex impact upon earnings, as well as the many variables and assumptions that will now go into calculating lease related assets, liabilities and the resulting income and expense, we believe that it will in fact result in substantially less transparency and comparability. This will make it not less, but rather much more challenging for organizations like ours to perform meaningful underwriting and analyses of Lessees.

In closing, we find the current lease accounting guidance, while not perfect, to have more then served our industry well. We are very concerned as to the potential direct, as well as indirect, negative impact it will have upon the economics of our business and real estate in general and therefore do not support implementation of the Exposure Draft.

Once again we appreciate the opportunity to comment.

Sincerely,

Irene Fitzgerald

Chief Financial Officer

cc: L. Robert Lieb, Michael A. Seeve, Michael Donohue