



**CITY OF EAST PALO ALTO
OFFICE OF THE CITY ATTORNEY**

2415 University Avenue, East Palo Alto, CA 94303 650/853-3100

December 18, 2008

Jim Shore
Page Mill Properties
480 Cowper St. 2d Floor
Palo Alto, CA 94301

Dear Mr. Shore:

This letter demands that Page Mill Properties issue a retraction/correction to its patently erroneous press release dated November 25, 2008. That release commences with the statement:

After five consecutive court defeats, the City of East Palo Alto has agreed that rent increases initiated earlier this year by a major property owner are legal after all.

The press release goes on to state:

Now, under an agreement between the Page Mill owners group and the city, attorneys for the city acknowledge that the rent hikes weren't illegal and have chosen to simply give up and dismiss the case.

You know full well the first statement is untrue and the City and its legal counsel have not "acknowledged that the rent hikes weren't illegal." I refer you to the official court documents in the litigation which state solely:

In order to resolve the litigation, the parties have negotiated the present Settlement Agreement and hereby AGREE as follows:

1. Within 5 days of the execution of this Settlement Agreement, the City shall dismiss the litigation with prejudice. Each Party shall bear its own costs and fees.
2. Each named Defendant waives its right to move for attorneys fees and/or an award of costs.
3. This Agreement is entered into in the State of California and shall be construed and interpreted in accordance with its laws. It may be executed in counterparts and by facsimile signatures. Each party represents and warrants that each has full power and authority to enter into this Agreement. By executing this Agreement, each of the undersigned covenants, warrants, and represents that he or she has the power and authority to execute this Agreement on behalf of the organization or public agency for whom he or she is signing.

As you further know, the dismissal is on a standard court form which does not contain any admissions.

Jim Shore
December 18, 2008
Page 2

What the City concluded was it was not a productive use of resources to pursue this particular case since many of the tenants it hoped to help had already vacated the rental units or found a way to pay the increases.

“Spin” is one thing; outright misrepresentations are quite another.

Sincerely,

A handwritten signature in cursive script that reads "Valerie J. Armento".

Valerie J. Armento
Interim City Attorney

C: City Council
City Manager