



**TENANTS
TOGETHER**

California's
Statewide Organization
for Renters' Rights

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July 25, 2011

Via Fax and U.S. Mail

Robert Maddox
Vice President, SSG - Institutional Clients Group
Wells Fargo Bank
301 South College Street, 4th Floor
Charlotte, NC 28202
Fax No.: 704-715-0066

Dear Mr. Maddox:

I am writing to follow up on our conversation last week about the East Palo Alto properties previously owned by Page Mill. You confirmed that finalists have been identified for the purchase of the entire Page Mill portfolio, but that Wells would not release any information to the public about the prospective purchasers or their business plans.

We are disappointed that community groups have not been involved in the selection and evaluation of these potential buyers. This conflicts with Wells Fargo's stated commitment to involve the community in transitioning the portfolio to new ownership.

As you know, this portfolio contains over half the rent-controlled housing stock of East Palo Alto. Wells' plan to sell the entire portfolio to a single investment group is troubling. The portfolio should be broken up to avoid the type of fiasco that East Palo Alto already experienced when Page Mill Properties acquired such a large share of the city's housing stock. This point has been made repeatedly to Wells by community members and elected officials.

Recent media reports have revealed the identities of potential buyers. At least two of those apparently under consideration are well known predatory equity firms and we are gathering information about the other potential buyer. (For a list of predatory equity investors assembled by advocates in New York, I recommend that you review *Predatory Equity, the Evolution of a Crisis*, a 2009 report by the Association for Neighborhood and Housing Development (see www.anhd.org.)

As California's statewide organization for renters' rights, Tenants Together respectfully requests:

1. Public release of (a) the identities of the investors on the shortlist for the purchase of this portfolio, (b) the proposed purchase price (or, at minimum, a price range), and (c) the business plan of each potential buyer. This should occur prior to any deal being finalized so that the public has a meaningful opportunity to weigh in on any proposed purchase before it is too late.
2. Enforceable commitments, including a community benefit agreement, to ensure that any buyer(s) of this portfolio continue to operate the property as rent-controlled housing.

Robert Maddox

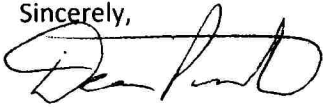
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3. Breaking up the portfolio to sell it to multiple, unaffiliated buyers who are committed to operating the property for the long-term as rent controlled housing.
4. Selling at a price that can be justified by current rents, rather than speculative alternative uses for the property which will inevitably result in displacement. It is essential that the properties not be overleveraged again.

The residents of East Palo Alto have suffered enough at the hands of a predatory investor. Please take the steps described above to make sure that those who survived the Page Mill era are not displaced from their homes by another reckless investor. Thank you for your consideration of these requests.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean Preston", written over a horizontal line.

Dean Preston

Executive Director