



March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

Dear Representatives McKelvey, Choy and Members of the Committee:

My name is Robert Creps, and I am the Senior Vice President of Administration for Grace Pacific Corporation, which holds five ground leases with affiliates of HRPT Properties Trust in the Mapunapuna and Sand Island areas. I have also served as the President of the Citizens for Fair Valuation since December 2007.

Act 189 was passed last year with a one year sunset provision, based on the belief that HRPT needed a little more time to get its act together in the rent re-setting process. I am attaching a letter from Mr. David Lepore of HRPT Properties Trust dated April 9, 2009 evidencing this hope.

Based upon my personal observations, HRPT has yet to get their act together.

HRPT claims that Act 189 re-writes the lease contract. Nothing could be further from the truth. It is HRPT who for the past two years has attempted to unilaterally change the language of our leases.

HRPT claims that Act 189 precludes their ability to negotiate with lessees. Again, nothing could be further from the truth. One year ago, prior to Act 189, there were more than 20 rent re-sets pending with dates of January 1, 2009 and earlier. Today they all remain in limbo.

HRPT has not changed as they had promised.

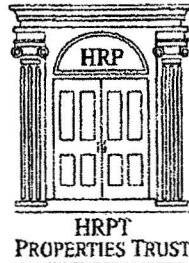
We need Act 189 extended for five years.

I respectfully request that you approve Senate Bill SB2020.

Thank you.

400 Centre Street, Newton, MA 02458-2076

tel: (617) 332-3990 fax: 617-332-2261



April 9, 2009

Robert Creps, Sr. VP
Hawaiian Bitumuls Paving
Grace Pacific Corp.
P.O. Box 78
Honolulu, HI 96810

Dear Mr. Creps:

I am the Chief Operating Officer and Senior Vice President of HRPT Properties Trust, and I would like to share with you some recent developments regarding HRPT and the Hawaii office of its affiliate and property manager Reit Management & Research LLC (RMR).

We have made a change in leadership, and for the interim Chris Woodard will be Acting Vice President in charge of our Hawaii office. Chris has been with HRPT and its affiliates for five years working in our headquarters office outside Boston and is highly respected throughout our organization. He has been on the ground in Honolulu for the past 10 weeks and is committed to remain in place until we fill the Hawaii Vice President role on a permanent basis. Chris can be reached by calling 808-599-5800 or via email at cwoodard@reitmr.com.

Our Honolulu office is fully committed to meeting its goal of responding to any tenant inquiry within one business day, and we are in the process of increasing our staffing levels to achieve this. I would remind you that we have an emergency hotline for property management issues (808-945-1185). Resolution of your request might take longer than one business day; however, you will receive a timely return call or email to let you know that your issue is being addressed. In addition, if you have questions regarding any upcoming rent re-opening, I encourage you to call our Honolulu office to schedule a meeting.

I also would like to inform you of two changes in our policies regarding rent negotiations and comparable market data. We no longer require tenants or potential tenants in our Oahu industrial market to sign confidentiality agreements before entering negotiations for rent re-sets, lease renewals or new

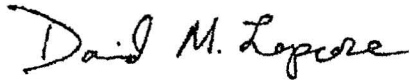
*A Maryland Real Estate Trust with transferable shares of beneficial interest listed on the New York Stock Exchange.
No shareholder, Trustee or officer is personally liable for any act or obligation of the Trust.*

leases. In addition, going forward, we will release transaction comparables to commercial real estate brokers and appraisers upon request, when contractually permitted. It is our hope that these changes will help tenants make better informed decisions and result in a smoother renegotiation process for all parties.

For our James Campbell Industrial Park tenants, we will be opening an onsite office and establishing regular business hours there. We will notify you when the office opens and of its hours of operations in a subsequent letter.

We remain committed to supporting our Hawaii tenants and thank you for the opportunity to strengthen our relationship.

Best regards,

A handwritten signature in cursive script that reads "David M. Lepore".

David M. Lepore
Senior Vice President and Chief Operating Officer
HRPT Properties Trust



P.O. Box 4319 Honolulu Hawaii 96812

Tel (808) 833 2502

Fax (808) 834 5630

www.GPRoadwaySolutions.com

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Dear Representatives McKelvey, Choy and Members of the Committee:

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The issues brought before the legislature during the last session have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing 4th many businesses in the Mapunapuna, Sand Island and Kalihi Kai areas. Please, stand your position and continue to support Act 189.

I respectfully request that you approve Senate Bill 2020.

Aloha,

A handwritten signature in black ink, appearing to read 'William Paik', written in a cursive style.

William Paik
3940 Harding Ave
Honolulu, Hawaii 96816
Phone Number: 226-4641
Email Address: williamapaik@aol.com



P.O. Box 4319, Honolulu, Hawaii 96812

Tel (808) 833-2502
Fax (808) 834-5630
www.GPRoadwaySolutions.com

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I respectfully request that you approve Senate Bill 2020.

Aloha,

Lenny Santos
660 Mapunapuna Street
Honolulu, Hawaii 96819
833-2502
Email Address

March 10, 2010

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I respectfully request that you approve Senate Bill SB2020.

Aloha,

A small, stylized signature or logo for Edunn Dunn, consisting of a few small, dark, irregular shapes.

edunn@gproadwaysolutions.com

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I respectfully request that you approve Senate Bill 2020.

Aloha,

Guy Guillermo
660 Mapunapuna Street
Honolulu, Hawaii 96819
(808) 275-5298
gguillermo@unistruthawaii.com

From: bbauer@gproadwaysolutions.com
Sent: Wednesday, March 10, 2010 11:33 AM
To: EBMtestimony
Subject: SB2020 Hearing Noticed for March 11 at 8:30 am Room 312 State Capitol

March 10, 2010

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As an employee of a company that operates in Mapunapuna, I have a vested interest in this bill as my livelihood is dependent upon its passage. As such, I respectfully request that you approve Senate Bill 2020.

Aloha,

Ben Bauer
General Manager
GP Roadway Solutions
660 Mapunapuna St.
Honolulu, HI 96819
(Ofc) 808-275-5287
(Fax) 808-834-5630
(Cell) 808-368-5209



GP ROADWAY SOLUTIONS

March 10, 2010

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I respectfully request that you approve Senate Bill 2020.

Aloha,

Jenny Campos
GP Roadway Solutions
P O Box 4319
Honolulu, HI 96812
(808) 833-2502
Email: jcampos@gproadwaysolutions.com

GP Roadway Solutions

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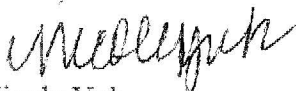
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I respectfully request that you approve Senate Bill 2020.

Aloha,



Nicole Yuh
660 Mapunapuna Street
Honolulu, HI 96819
(808) 833-2502
nyuh@gproadwaysolutions.com

GP Roadway Solutions

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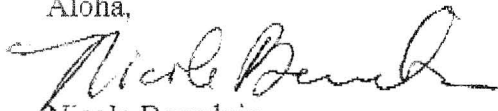
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I respectfully request that you approve Senate Bill 2020.

Aloha,



Nicole Beaudoin
660 Mapunapuna Street
Honolulu, HI 96819
(808) 833-2502
nbeaudoin@gproadwaysolutions.com

GP Roadway Solutions

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I respectfully request that you approve Senate Bill 2020.

Aloha,



Bridget Kawasaki
660 Mapunapuna Street
Honolulu, HI 96819
(808) 833-2502
bkawasaki@gproadwaysolutions.com

GP Roadway Solutions

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I respectfully request that you approve Senate Bill 2020.

Aloha,



Bill Turner
660 Mapunapuna Street
Honolulu, HI 96819
(808) 833-2502
bturner@zproadwaysolutions.com

Candice U. Aniya

March 10, 2010

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I respectfully request that you approve Senate Bill 2020.

Aloha,

Candice U. Aniya
91-1206 Kauiki St.
Ewa Beach, Hawaii 96706
808-689-5375
caniya@gproadwaysolutions.com

GP ROADWAY SOLUTIONS

March 10, 2010

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I respectfully request that you approve Senate Bill 2020.

Aloha,

JACINTA VILLANUEVA
436-C HUALANI ST.
KAILUA, HAWAII
808-687-0619
JVILLANUEVA@GPROADWAYSOLUTIONS.COM

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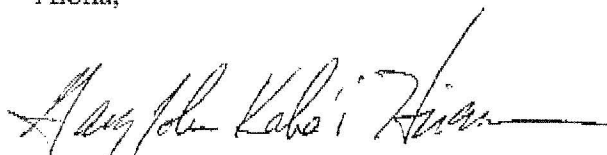
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I respectfully request that you approve Senate Bill 2020.

Aloha,



Gary John Kaha'i Hiram
660 Mapunapuna Street
Honolulu, Hawaii 96819
808.275.5267
ghiram@gproadwaysolutions.com

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I respectfully request that you approve Senate Bill 2020.

Aloha,

Gene Napoletano
91-1000 Lele'oi St.
Ewa Beach, Hawaii 96706
808-674-5223
gnapoletano@gproadwaysolutions.com

March 11, 2010

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Dear Representatives McKelvey, Choy and Members of the Committee:

I support passage of Senate Bill 2020 which is simply written to extend the sunset of Act 189. The issues brought before the legislature during the last session have only worsened. However, extending Act 189 by the passing of SB 2020 will help the welfare of the Hawaii community and businesses by stabilizing the rents lessors charge and lessees pay.

Please approve Senate Bill 2020.

Aloha,

Keali'i S. López
President and CEO
'Ōlelo Community Media
1122 Mapunapuna Street
Honolulu, HI 96819
834-0007
klopez@olelo.org

From: LJoaquin@gproadwaysolutions.com
Sent: Wednesday, March 10, 2010 10:55 AM
To: EBMtestimony
Cc: LJoaquin@gproadwaysolutions.com

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Representative Angus L.K. McKelvey, Chair Representative Isaac W. Choy, Vice-Chair House Committee on Economic Revitalization, Business, & Military Affairs State Capitol Honolulu, Hawaii 96813

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I respectfully request that you approve Senate Bill 2020.

Aloha,

Lori Joaquin
1691 Hauiki St
Honolulu, HI 96819
808-864-4967
ljoaquin@gproadwaysolutions.com

From: AKumano@gproadwaysolutions.com
Sent: Wednesday, March 10, 2010 10:50 AM
To: EBMtestimony
Subject: Testimony in Support for SB2020

Representative Angus L.K. McKelvey, Chair Representative Isaac W. Choy, Vice-Chair House Committee on Economic Revitalization, Business, & Military Affairs State Capitol Honolulu, Hawaii 96813

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I respectfully request that you approve Senate Bill 2020.

Aloha,
Alison Kumano

Alison Kumano
Graphic Designer/Sign Productions
GP Roadway Solutions
153A Alamaha Street
Kahului. HI 96732
p. 808.873-7461
f. 808.872-9794
e. akumano@gproadwaysolutions.com

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I support the passage of Senate Bill 2020 which is a bill to extend Act 189. The purpose of the Act is to help stabilize our economy by setting parameters that will encourage open and transparent negotiation in long-term ground leases which support Hawaii's critical commercial and industrial business community. Act 189 does not change the terms or language of the leases. In fact, Act 189 should strengthen the relationship between lessor and lessee. In 2009 Legislative session, SB764 was passed by both House and Senate and the Governor allowed it to become law as Act 189.

The issues brought before the legislature during the last session have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing eth many businesses in the Mapunapuna, Sand Island and Kalihi Kai areas. Please, stand your position and continue to support Act 189.

I respectfully request that you approve Senate Bill 2020.

Aloha,

Janel Bumanglag
P.O. Box 4319
Honolulu, Hawaii 96812
808-674-2112 x.229
jbumanglag@gproadwaysolutions.com

March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

Dear Representatives McKelvey, Choy and Members of the Committee:

I support the passage of Senate Bill 2020 which is a bill to extend Act 189. The purpose of the Act is to help stabilize our economy by setting parameters that will encourage open and transparent negotiation in long-term ground leases which support Hawaii's critical commercial and industrial business community. Act 189 does not change the terms or language of the leases. In fact, Act 189 should strengthen the relationship between lessor and lessee. In 2009 Legislative session, SB764 was passed by both House and Senate and the Governor allowed it to become law as Act 189.

The issues brought before the legislature during the last session have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing the many businesses in the Mapunapuna, Sand Island and Kalihi Kai areas. Please, stand your position and continue to support Act 189.

As an employee of one of the businesses that could be adversely impacted, I respectfully request that you approve SB 2020.

Aloha,

Shirley Fujimoto
95-1024 Aoakua Street
Mililani, HI. 96789

GP Roadway Solutions

March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
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The issues brought before the legislature during the last session have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing eth many businesses in the Mapunapuna, Sand Island and Kalihi Kai areas. Please, stand your position and continue to support Act 189.

I respectfully request that you approve Senate Bill 2020.

Aloha,

Jadelyne Lausterer
P.O. Box 4319
Honolulu, HI 96812
808-674-2112 ex. 252
jlausterer@gproadwaysolutions.com

Oahu Metal & Supply, Ltd.

204 Sand Island Access Rd.
Honolulu, HI 96819
Tel: (808) 842-6640
FAX: (808) 842-6733

March 9, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

Dear Representatives McKelvey, Choy and Members of the Committee:

I support the passage of Senate Bill 2020 which is a bill to extend Act 189. As a lessee in the Sand Island industrial area we need Act 189 extended to stabilize rents. Survival for many depends on tightening our belt and relying on savings to carry us through these lean times. This applies to individuals as well as businesses as more and more people will lose their homes after they deplete their savings depending on how long the recession continue during these uncertain times. This is not the time to be doubling the rent in one fell swoop and adding an annual inflation clause which will more than triple the rent by the end of its term.

The issues brought before the legislature during the last session have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing the many businesses in the Mapunapuna, Sand Island and Kalihi Kai areas.

I respectfully request that you approve Senate Bill SB2020.

Aloha,



Hansel Y. Fujino
President, Oahu Metal & Supply, Ltd.
204 Sand Island Access Rd.
Honolulu, HI 96819
808-842-6640
ofj@ohm001.hawaii.com



PHONE (808) 839-9076
FAX (808) 833-2085

March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
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The issues brought before the legislature during the last session have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing eth many businesses in the Mapunapuna, Sand Island and Kalihi Kai areas. Please, stand your position and continue to support Act 189.

I respectfully request that you approve Senate Bill SB2020.

Aloha,

Aaron Arii
2812 Awaawaloa Street
Honolulu, HI 96819
PH: (808) 839-9076
FAX: (808) 833-2085

MUTUAL PLUMBING SUPPLY

2812 Awaawaloa Street, Honolulu, Hawaii 96819 Phone 808-839-9076 Fax 808-833-2085

March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

Dear Representatives McKelvey, Choy and Members of the Committee:

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The issues brought before the legislature during the last session have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing eth many businesses in the Mapunapuna, Sand Island and Kalihi Kai areas. Please, stand your position and continue to support Act 189.

I respectfully request that you approve Senate Bill SB2020.

Aloha,

Clyde Kojima
2812 Awaawaloa Street
Honolulu, HI 96819
Ph. No. 839-9076
mutualpls@hawaiiantel.net

MUTUAL PLUMBING SUPPLY

2812 Awaawaloa Street, Honolulu, Hawaii 96819 Phone 808-839-9076 Fax 808-833-2085

March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

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The issues brought before the legislature during the last session have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing eth many businesses in the Mapunapuna, Sand Island and Kalihi Kai areas. Please, stand your position and continue to support Act 189.

I respectfully request that you approve Senate Bill SB2020.

Aloha,

Allison Kojima
2812 Awaawaloa Street
Honolulu, HI 96819
Ph. No. 839-9076
allisonkmps@hawaiiantel.net



COMPANY, INC.
918 Ahua Street
Honolulu, HI 96819
Phone: (808) 839-7202
Fax: (808) 839-9813
Email: psilich@baconuniversal.com

March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, HI 96813

RE: SB 2020 Re: Relating to Real Property – Testimony in Support
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

Dear Representatives McKelvey, Choy and Members of the Committee:

This testimony is in strong support of SB2020 which is designed to extend the life of Act 189.

You will recall last year a group of small businesses located in the Mapunapuna, Sand Island and Kalihi areas approached the legislature for assistance in improving the renegotiations of rent resets with the present land owner of HRPT who acquired all of the Damon Estates industrial holdings in 2004.

HRPT have simply ignored all of the conventions adopted between the Damon Trust and lessees, ignored the provision in the lease contracts that both parties work together in determining a rent review which is “fair and reasonable” to both parties.

HRPT’s approach to date has been to:

- 1. Not respond to tenants in timely manner.**
- 2. Procrastinate lease renegotiations.**
- 3. Insist on the tenants entering into “Non Binding Lease Contracts” – which in itself is an oxymoron.**
- 4. Offering new rent rates which are 100% to 175% over and above market rates.**
- 5. Have introduced annual escalations of between 3% and 4% per annum (compounded) which were never intended, (and are not incorporated in the leases) nor implemented in the approximately 40 years of the existence of the present leases.**
- 6. Insisting on tenants executing a waiver of their rights under Act 189 (in other words HRPT place themselves over and above the Hawaiian State Legislature!!!)**



COMPANY, INC.

918 Ahua Street

Honolulu, HI 96819

Phone: (808) 839-7202

Fax: (808) 839-9813

Email: psilich@baconuniversal.com

7. **Threaten tenants with costly and time consuming arbitration. For example in the last arbitration the three arbitrators charged \$45,000, for their fees and when one considers expert witnesses, realtors and legal council – a lessees arbitration costs can easily exceed \$100,000 to \$125,000 per each arbitration.**
8. **To avoid 7 above and help us retain as many of our loyal Hawaiian workers as possible may we respectfully seek your assistance in passing bill 2020 which if passed will significantly help the Hawaiian small businesses in this difficult recession.**

The issues brought before the legislature during the last session when taking the above factors into account) have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing the many businesses in Mapunapuna, Sand Island and Kalihi Kai areas, Please, stand your position and continue to support Act 189.

I respectfully request that you approve SB2020.

**Phillip J. Silich
President & CEO**

JACK ENDO ELECTRIC, INC.

2814 KILIHOU STREET
HONOLULU, HAWAII 96819-2024
LIC. NO. C-155 c-13 c-62

Telephone No. (808) 839-7717
Facsimile No. (808) 833-9178

E-mail address: herbert.endo@hawaiiantel.net

March 9, 2010
(Facsimile to 586-8479)

Representative Angus L. K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization,
Business & Military Affairs
State Capitol
Honolulu, HI 96813

Subject: Testimony in Support of SB 2020 Relating to Real Property
Hearing Date: Thursday, March 11, 2010, 8:30 a.m., Room 312

The Honorable Representatives McKelvey, Chair; Choy, Vice-Chair
And Members of the Committee:

We have been a lessee in the Mapunapuna Industrial Subdivision since 1966 and whole heartily support the Senate Bill 2020 which extends Act 189 and which encourages open and transparent negotiations in setting long-term ground lease rents.

In the past several months, we have experienced a contracted job being stopped due to lack of sales of commercial lots by the owner, a job with a signed contract that was halted due the developer unable to secure financing for the project and a contracted stimulus project under Act 150, with the City and County of Honolulu being challenged by a competitor after we had proceeded as directed and which now awaiting a court decision. Three projects with contract amount totaling approximately 8 million dollars could have kept all our employees working (38% at home due to the lack of work).

The last thing we need right now is rent increases that go beyond our means. We need all small businesses to survive these trying times.

Sincerely,

JACK ENDO ELECTRIC, INC.



Herbert K. Endo
President/Treasurer
2814 Kilihou Street
Honolulu, HI 96819-2024
(808) 839-7717
Herbert.Endo@endoelectric.com

Electricians, Inc.
2875 Paa Street - Honolulu, HI 96819
Telephone (808) 839-2242 - Fax (808) 839-1344

March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

Dear Representatives McKelvey, Choy and Members of the Committee:

I support passage of Senate Bill 2020 which is simply written to extend the sunset of Act 189. The issues brought before the legislature during the last session have only worsened. However, extending Act 189 by the passing of SB2020 will help the welfare of the Hawaii community and businesses and to stabilize the rents lessors charge and lessees pay.

Please approve Senate Bill SB2020.

Sincerely,



Lance Yamamura
2875 Paa Street
Honolulu, HI 96819
839-2242
lyamamura@electriciansinc.com

Electricians, Inc.
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Telephone (808) 839-2242 - Fax (808) 839-1344

March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

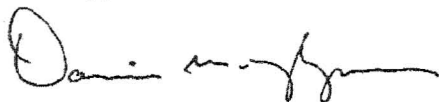
Dear Representatives McKelvey, Choy and Members of the Committee:

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The issues brought before the legislature during the last session have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing many businesses in the Mapunapuna, Sand Island and Kalihi Kai areas. Please, stand your position and continue to support Act 189.

I respectfully request that you approve Senate Bill SB2020.

Sincerely,



Darin M Yokoyama
2875 Paa Street
Honolulu, HI 96819
839-2242
dyokoyama@electriciansinc.com

McKILLICAN

March 9, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

Dear Representatives McKelvey, Choy and Members of the Committee:

I support the passage of Senate Bill 2020 which is a bill to extend Act 189. As a lessee of industrial property in the Mapunapuna area we need Act 189 extended to stabilize the rents lessors charge and the rents that we as lessees pay. I firmly believe Act 189 will strengthen the relationship between lessor and lessee.

Please extend Act 189 by passing SB 2020 as is. Please, continue to support Act 189.

Thank you.

Aloha,

Patrick K. Fujioka
2858 Kaihikapu Street
Honolulu, HI 96819
(808) 839-4404
pfujioka@mckillican.com



PLYWOOD HAWAII

1062 Kikowaena Place
Phone (808) 834-1144

Honolulu, Hawaii 96819
Fax (808) 834-1232

March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

Dear Representatives McKelvey, Choy and Members of the Committee:

I am writing in support of Senate Bill 2020 to extend Act 189, which was passed by the Legislature last year. The bill supported small business lessees who are bound by the terms of leases containing the words "fair and reasonable" with respect to rent renegotiation.

The terms referred to in Act 189, which for years have been clear in their meaning, are no longer being interpreted as being fair to both sides and the negotiation process, which in the past involved discussion and reasonableness, has been reduced to a "take it or leave it" proposition.

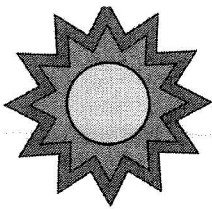
As the lessees are bound by the terms of the lease, their only recourse is a very expensive arbitration process for each business that is not willing to take the exorbitant offers. Some lessees have even been subject to requests for confidentiality, and signing away their rights to any future legislation that may be passed.

In addition, attempts are being made to alter the original lease terms by adding annual compounded step-ups which were not part of the original agreement, resulting in rents that will double the existing rates.

I urge you to continue Act 189 by passing this bill which otherwise will sunset in June of this year. Small business needs this clarification.

Sincerely yours,

Connie Smales, President



INTER-ISLAND SOLAR SUPPLY

Serving Hawaii and the Pacific Islands Since 1975

761 Ahua St., Honolulu, HI 96819
73-5569 Kauhola St., Kailua-Kona, HI 96740
400 Ala Makani St. #103, Kahului, HI 96732

Tel: (808)523-0711 Fax: (808)536-5586
Tel: (808)329-7890 Fax: (808)329-5753
Tel: (808)871-1030 Fax: (808)873-7825

March 9, 2010

COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, & MILITARY AFFAIRS
March 11, 2010 8:30 AM, Conference Room 312

In SUPPORT of SB2020, Re: Real Property

Chair Mckelvey, Vice Chair Choy and Members of the Committee,

My name is Meleana Judd and my family has owned and operated Inter-Island Solar Supply since 1975. We are a renewable energy wholesale distribution company with three state-wide locations and 45 employees who are contributing to the growing green collar industry in Hawaii. We have been at our Oahu branch location, 761 Ahua Street, for nearly ten years and would like to stay. Although we have a few years till rent renegotiations, the veil of secrecy created by HRPT's non-disclosure agreements and overly aggressive rent increase suggestions have resulted in our decision to join the efforts of Citizens for Fair Valuation to ensure businesses like ourselves continue to have a home in Mapunapuna.

While I applaud last year's passage of Act 189, I ask for your support of Senate Bill 2020 to provide a necessary 5 year extension to ensure "Fair and Reasonable" rent be reached through transparent negotiations for our fellow Mapunapuna, Kalihi Kai and Sand Island tenants who together create the industrial economic backbone of Honolulu. Act 189 is a reasonable mean to a legitimate public purpose of keeping our industrial type of services accessible to the core population of Honolulu. If the typical property valuation procedure of current assessment, and mediation were in place you would not be hearing from us tenants.

Instead we face TIOLI deals or the very real risk and financial burden of expensive arbitration that small businesses such as ours should not have to endure in order to keep our doors open. Neither Act 189 nor Senate Bill 2020 request money from the State or new definitions of our specific contract terms. Although HRPT identifies us SB2020 supporters as a 'small group of Lesees' (Jan Yokota of HRPT. Feb 18 testimony), if we were such a 'small group' I do not think they would be need to be putting so much effort into lobbying for the right to break promises made in last year's Legislative Session.

Please pass this measure.
Mahalo for your consideration,

Meleana McCully Judd

Senate Bill 2020

March 9, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business & Military Affairs
State Capitol
Honolulu, Hawaii 96813

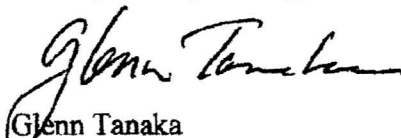
Re: SB 2020 Re: Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11, 2010, 8:30 AM, Room 312

Dear Representatives McKelvey, Choy and Members of the Committee:

I strongly support SB 2020. As a lessee of the Mapunapuna area, we need fair and stable rents to stay in business. **THIS IS A DOWN ECONOMY**, and we need your help.

Please keep the lease negotiations open and transparent (fair & reasonable to both sides).

Thank you for your support.



Glenn Tanaka
Plastic Design Hawaii
684 Mapunapuna St.
Honolulu, HI 96819
Ph: (808) 833-5993
Email: plasticdesignhawaii@gmail.com



March 10, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair

House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol,
Honolulu, Hawaii 96813

Re: SB2020 Relating to Real Property – **Testimony in Support**
Hearing Date: Thursday, March 11th, 2010, 8:30 AM, Room 312

Dear Chair McKelvey, Vice-Chair Choy and Members of the Committee:

I, with many others, strongly support SB2020, and ask that you pass this bill to extend the life of Act 189. Without your agreement and assistance in this matter Hawaii will suffer the loss of many local small businesses in the Mapunapuna, Sand Island and Kalihi Kai areas.

When we signed our lease with Damon, it stated leases would be renewed at a fair and reasonable price. Since the sale of the land to HRPT we business owners find ourselves at the mercy of a mainland company that appears to have only its' personal agenda in mind, with complete disregard for the lives and companies it is annihilating, with the outrageous long-term ground lease increases they are demanding.

Considering not only the state of the Hawaiian economy, but also the years of hard work we have put into maintaining our business and improving the property we lease, I do not see that it is proper or appropriate that HRPT should be allowed to continue to force the local businesses to either close their doors, or have to incur the considerable costs of relocating.

As a lessee, I interpret the terms of my lease, fair and reasonable rents, to mean just that. If it had another meaning, neither the Damon Estate, nor HRPT and/or its subsidiaries ever advised me to the contrary. Damon set rents for the neighborhood in such a way that they were not unfair to the lessee or the lessor.

I consider it a point of interest the during my first meeting with representatives from the new land owners in 2003, they clearly stated at that time, that we should consider ourselves "lucky" as we *should* be paying \$12.00 per square foot! That was the first sign for me, of troubles looming ahead with the new landlord.

Please extend Act 189 by passing SB2020 as is. Act 189 is needed to put right the harms I have noted above.

Yours truly,

Bonnie L. Cooper
Vice President & Co Owner
Bcooper@bigrockhawaii.com

March 9, 2010

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs
State Capitol
Honolulu, Hawaii 96813

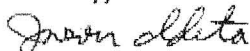
Re: SB 2020 Relating to Real Property in Support
Hearing Date: Thursday, March 9, 2010, 8:30 AM, Room 312

Dear Representative McKelvey, Choy and Members of the Committee:

My name is Jason Ideta and I strongly support SB2020. I vote in the Kaneohe District and I am a lessee in the Mapunapuna area. My company is a small locally owned wholesale business that distributes auto parts directly to mechanics and other auto parts distributors on Oahu and the outer islands. We own an 18,000 square foot warehouse on 35,000 square foot property with a ground lease originally from the Damon Estate, which is set to be renegotiated in 2012. We have 51 full-time and 2 part-time employees who have worked very hard to build the business over the last 24 years.

Since the passage of Act 189, HRPT has continued its unfair practices and has disrespected the intentions of the legislature to improve rent negotiations by encouraging the parties to be fair and reasonable. By passing this bill as is, you will send a message to the people of Hawaii that you care about the plight of small businesses and will not be intimidated or swayed by a large company with its fancy D.C. lawyers and well paid lobbyist. I respectfully ask for your support on this bill and thank you for the opportunity to testify.

Sincerely,



Jason Ideta
Pacific Jobbers Warehouse, Inc.
2809 Kaihikapu Street
Honolulu, HI 96819
772-5922

EDWARD R. BENDET
JAY M. FIDELL
YURIKO J. SUGIMURA
THOMAS R. SYLVESTER*
KEITH S. AGENA
LORI LEI Y. HIJII
DOMINIQUE M. TANSLEY

BENDET FIDELL

ATTORNEYS AT LAW
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WWW.BENDETFIDELL.COM

*Also licensed in California

March 9, 2010

VIA EMAIL

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization,
Business & Military Affairs
State Capitol
Honolulu, Hawaii 96813

RE: TESTIMONY IN SUPPORT OF SB 2020 RELATING TO REAL PROPERTY
HEARING DATE: THURSDAY, MARCH 11, 2010, 8:30 AM, ROOM 312

Dear Representatives McKelvey, Choy and Members of the Committee:

My name is Jay Fidell and I am general counsel for Citizens for Fair Valuation, Inc. a Hawaii non-profit corporation, and I write in ardent support of SB2020.

I support passage of Senate Bill 2020, a bill to extend Act 189. The purpose of the Act is to help stabilize our economy by setting parameters that will encourage open and transparent negotiation in long-term ground leases which support Hawaii's critical commercial and industrial business community.

Act 189 does not change the terms or language of the leases. In fact, Act 189 should strengthen the relationship between lessors and lessees. In the 2009 Legislative session, SB764 was passed by both House and Senate and the Governor allowed it to become law as Act 189.

The issues brought before the Legislature in 2009 have only worsened. Please extend Act 189 by passing SB2020 as is. Act 189 is needed to redress the problems facing the many businesses in Mapunapuna, Sand Island and Kalihi Kai. Please, stand your ground and continue to support Act 189.

Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice-Chair
House Committee
March 9, 2010
Page 2

I therefore respectfully request that you approve SB2020.

Very truly yours,

Jay M. Fidell

Jay M. Fidell
Of BENDET FIDELL

JMF:dt

JAMES W. Y. WONG

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Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice-Chair
House Committee on Economic Revitalization, Business, & Military Affairs

RE: **SENATE BILL SB2020 RELATING TO REAL PROPERTY
TESTIMONY IN SUPPORT
HEARING DATE: THURSDAY, 03/11/10, AT 8:30 A.M., ROOM 312**

Dear Honorable Chair Angus McKelvey and Vice-Chair Isaac Choy:

I support passage of Senate Bill SB2020 which is a bill to extend Act 189. The purpose of the Act was to help stabilize our economy by addressing some of the vague provisions of existing commercial and industrial leases by clarifying provisions in such leases without substantial impact of the economic benefit to the owners or impact their ownership of the land, without impairing their lease contracts or without taking any property rights without due process of law. In 2009 Senate (SB764) which preceded Act 189 was passed by both House and Senate and the Governor allowed it to become law.

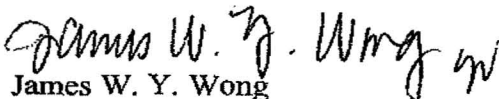
I am a lessee of commercial real estate and the Bill, if passed, would be a step in the right direction to help other Leasehold Reform to be enacted for the citizens of Hawaii.

The issues brought before the legislature during the last session have only worsened. However, extending Act 189 by the passing of SB2020 will help the welfare of the Hawaii community and businesses and to stabilize the rents lessors charge and lessees pay.

The leasehold properties for which I am or was a ground lessee includes King University Plaza, Moiliili Plaza, University Plaza, Hale Anue, Waiakamilo Shopping Center, Waialae Plaza, Central Plaza, Waipahu Shopping Plaza, Kapolei Medical Park, Kailua Post Office, Windward Town & Country Plaza Phase 1 and 2, Windward Shopping Center (former Kailua Daiei property), Kapalama Shopping Center, and Kapalama Industrial leases.

I urge your approving Senate Bill SB2020.

Aloha,


James W. Y. Wong

CITIZENS FOR FAIR VALUATION

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Honolulu, HI 96813

ROBERT M. CREPS, PRESIDENT
CAROL LAM, VICE PRESIDENT
CONNIE SMALES, SECRETARY
PHILLIP J. SILICH, TREASURER

CULLY JUDD, DIRECTOR
KEALI'I LOPEZ, DIRECTOR
GUS COSSETTE, DIRECTOR
MICHAEL STEINER, EXEC. DIRECTOR

March 10, 2010

TESTIMONY TO THE HOUSE COMMITTEE ON JUDICIARY
March 11, 2010 at 8:30 a.m., Room 325 Hawaii State Capitol

TESTIMONY IN STRONG SUPPORT OF SB 2020
Real Property; Leasehold; Lease Rent Renegotiation

Aloha Chair Karamatsu, Vice Chair Ito, and Members of the Committee:

My name is Michael Steiner. I am the Executive Director of Citizens for Fair Valuation ("CFV"), a non-profit coalition of businesses with long-term ground leases in the Mapunapuna, Kalihi Kai and Sand Island areas. These are the old Damon Estate lands which were purchased by HRPT, a large Real Estate Investment Trust (REIT) headquartered in Newton, Massachusetts.

Need for SB 2020

SB 2020 seeks to extend the sunset date of Act 189 from June 30, 2010 to June 30, 2015. No other changes or amendments are contained in the bill.

With the passage of Act 189, Citizens for Fair Valuation had hoped that HRPT and its subsidiaries would alter its business model such that open and transparent negotiations would lead to acceptable rents for both parties and that Act 189 would sunset as written.

Unfortunately, HRPT has instead chosen to continue its campaign to intimidate lessees through take-it-or-leave-it (TIOLI) offers that are twice the going market rate, demanding lease amendments to include terms favorable just to HRPT, and going so far as to ***require lessees to waive their Act 189 rights now and forever.***

SB 2020 is needed to again remind HRPT that its contracts call for good faith negotiation and ultimately "fair and reasonable rents." HRPT seems to have deliberately chosen to ignore Act 189 and the spirit of its commitments to its lessees and the legislators over these past many months.

Act 189

During the 2009 legislative session, testimony was presented before this committee as well as the Committee on Judiciary and Government Operations regarding SB 764 which sought to remind lessors with leases that call for "fair and reasonable rents" that those rents shall be fair and reasonable to both the lessor and the lessee.

SB 764 was approved and passed by both the Senate and House and, Governor Lingle allowed the bill to become law without her signature. Citizens for Fair Valuation is before this committee again to seek, through SB 2020, an amendment to Act 189 in order to extend the sunset provision to June 30, 2015.

In allowing Act 189 to become law, Governor Lingle wrote:

[T]his bill addresses a case where the free market between lessor and lessee is not functioning. We have seen a concentration of land ownership of urban commercial and industrial properties become centered in a few large firms that distort market forces and leave businesses in Hawaii with little recourse.

It is unfortunate that the actions of a single land owner have created the situation where the Legislature has intervened between the parties, albeit only for a single year.

Commercial and industrial businesses have long been recognized as a fundamental part of a community's economic base and that those businesses are often the engine of economic growth within a community. The Legislature was aware that "[t]he commercial and industrial properties that exist within the State's urban districts are primarily owned by a few landowners" and that the small businesses on these lands supply crucial goods and services to Honolulu businesses (Act 189, §1).

It is therefore appropriate and legitimate for the Legislature to extend Act 189 in order to reduce the likelihood that industrial operations serving Honolulu would have to reduce their workforce, raise consumer prices or worse, be forced to close their doors forever.

HRPT's Stated Objective

Please recall from prior testimony that in August of 2008, Adam D. Portnoy, Managing Director of HRPT, announced the company's plan during their 2nd Quarter Earnings call. Portnoy declared that,

We are pushing rates very hard especially in places like Hawaii. If you want to Google us and look at some of the articles written about us in Hawaii press, we've gotten a lot of flack in that market because we're pushing rates so hard and trying to push the rates so hard. In fact, there's been a little bit of backlash from a lot of the tenants. So rest assured that we're doing everything we can, as much as we can and as fast as we can to try to increase the rates there to push cash flow to HRPT.

HRPT's corporate attitudes have not changed since then. HRPT appears to be looking to Hawaii to satisfy its cash requirements without regard to our local businesses' ability to keep their employees working and their businesses operating. Despite the fact that comparable rents have been dropping during this recession, Portnoy reaffirmed that "[y]ou're going to see over the next 18-24 months [HRPT] continue to try to push rates as much as we can."

In February of 2009, Adam Portnoy told investors that, "[e]veryone wants to see what's going to happen [in Hawaii]? What's the state legislature going to do? Are they actually going to pass some sort of crazy bill that says that you can't raise rents ...?"

Act 189 does not change the terms of the existing leases. Act 189 does not set rents. Act 189 does not say rents should be below or above what is fair and reasonable to both the parties. Act 189 merely reminds HRPT of the terms of the contract and seeks rents that are fair and reasonable for both parties. It is not a measure that stops HRPT from raising rents, only from raising them far beyond fair and reasonable. Clearly, that is exactly what HRPT would like to do, and what it is trying very hard to accomplish.

Not a Single Company

When HRPT purchased the Damon Estate lands, it did so under seven different entities. As such, HRPT does not directly hold any of the leases in the Mapunapuna area. So, while we refer to the lessor as "HRPT," please know that HRPT is really the following seven separate subsidiaries: (1) Masters Properties, LLC; (2) Orville Properties, LLC; (3) Robin 1 Properties, LLC; (4) Tanaka Properties, LLC; (5) LtMac Properties, LLC; (6) TSM Properties, LLC; and, (7) Z&A Properties, LLC.

Under this legal structure, HRPT is not directly responsible for claims as each of the seven entities would bear its own burden. This gives HRPT a high level of legal cushioning. The seven entities provide a great deal of protection and yet, HRPT continues to claim that Act 189 targets a single entity?

With the Damon Estate purchase and others, the seven distinct subsidiaries of HRPT now control roughly 20 million square feet of commercial and industrial land. HRPT, through its subsidiaries, sets and controls rent on almost all of the near-town commercial and industrial land on Oahu.

HRPT – Intimidation Continues

Most ground leases in the Mapunapuna area have a term of 50 years. Damon would work with its tenants during tough times to ensure the viability of their businesses and protect its long-term relationship. Lessees have long relied upon this conduct, reminiscent of the "noblesse oblige" of much earlier days.

With the sale of the property to Massachusetts-based HRPT, the old ways were discarded. Instead of "fair and reasonable" good faith negotiations, HRPT originally demanded that lessees sign confidentiality agreements before negotiations could begin. This was clearly an attempt to control the disclosure of rent comparables and pit neighbor against neighbor.

During the legislative hearings last year, David Lepore announced in a widely disseminated letter of April 9, 2009 that HRPT would "no longer require tenants or potential tenants in our Oahu industrial market to sign confidentiality agreements before entering negotiations for rent re-sets, lease renewals or new leases." He added, "In addition, going forward, we will release transaction comparables to commercial real estate brokers and appraisers upon request, when contractually permitted." This was a public promise, and HRPT has abandoned it.

In the same letter, Lepore stated, "Our Honolulu office is fully committed to meeting its goal of responding to any tenant inquiry within one business day..." Unfortunately, lessees report that phone calls are not returned and letters with rent counter-offers never receive a reply. On point, a tenant wrote to the local office in the middle of June 2009 only to receive a reply in mid-January of 2010, a delay of seven (7) months. How can a business do any kind of meaningful budgeting when the company that controls your rent, and effectively your business livelihood, does not communicate in a timely and efficient manner?

To make matters worse, HRPT is now forcing lessees to waive their rights under Act 189 before negotiations can begin. Current offer letters, signed by Ms. Jan Yokota, include the following paragraph:

Act 189: Lessor and Lessee acknowledge and agree that Act 189 of the 2009 Hawaii State Legislature, together with any similar related and/or unrelated,

and/or successor act, statute, law, ordinance or regulation which purports to change existing lease terms, shall not apply to the terms of the Lease, and any and all rental and/or value determinations shall be made without regard thereto.

Is this fair and reasonable?

Fair and Reasonable

Merriam-Webster's Online Dictionary defines "fair" as, "marked by impartiality and honesty; free from self-interest, prejudice, or favoritism." To be fair, then, means not to be unfair. The same dictionary defines "reasonable" as, "being in accordance with reason; not extreme or excessive." To be reasonable, then, means not to be unreasonable.

By the nature of these definitions, the term "fair and reasonable rent" should imply negotiations that are good faith, open and honest with results that are not excessive. In other words, the conflicting interests of both the lessor and lessee are to be balanced in determining rent and that extremes on either side are to be avoided.

Arbitration

Should the lessor and lessee fail to reach agreement through negotiation, the lease requires the parties to enter arbitration. This process is extremely expensive, time consuming and intimidating. Lessees need to hire attorneys, appoint an appraiser to sit on the panel, contract with experts to provide economic information, and appraisers to express their expert opinion as to the rent. This is like a trial and the costs can be huge. For the everyday small business owner in the area, arbitration is an economically terrifying process. It means having to confront the oligarchic landowner in an arena that is alien and unknown.

During this past year, although some 20 businesses have been awaiting rent resets, only one company has gone through a completed arbitration - Servco. I instead of accepting HRPT's demand to pay \$7.00 per square foot **plus** a 4.0% annual increase, an average of \$8.40 per foot over the period, the arbitration panel awarded Servco a rate of \$5.26 **flat** with no other amendments.

Despite the Servco arbitration award, when other lessees have written to HRPT to set their rents in accordance with the \$5.26 flat rate, HRPT have responded with take-it-or-leave-it (TIOLI) offers back in the \$7.00 plus 3% to 4% per year range. And, if lessees do not accept the TIOLI offer, HRPT immediately initiates costly arbitration proceedings. Why does HRPT continue to bully and gouge its lessees? Is this unconscionable greed or profound insensitivity, or is it both?

Litigation

Shortly after Act 189 became law, HRPT and its subsidiaries challenged the constitutionality of the Act in federal court. The matter is being heard by Judge Susan Oki Mollway. HRPT's motion for summary judgment was denied by the court as were those filed by the Attorney General, on behalf of the State, and CFV as Intervenor. Judge Mollway requested the parties do limited discovery regarding the intent of the original parties.

HRPT has since filed another motion for summary judgment. CFV is completing its discovery and will file its opposition and other motions shortly. Assuming nothing affects the legal process, Judge Mollway set the next hearing for May 10, 2010. Plaintiff HRPT then filed a

motion to move the hearing date forward. In denying this motion, Judge Mollway noted, "This court does not see its role as seeking to influence prospective legislation."

CFV sincerely believes, as does the State Attorney General's office, that Act 189 is constitutional and will prevail in this matter. While this case may take many years to resolve, it is well within the legislature's mandate to create laws that serve the public good. Act 189 is such a law and we ask that you stand your position and pass SB 2020 as is.

Conclusion

The lessees with HRPT leases are hard working business people who need to attend to their businesses. Lessees do not object to paying rent that is fair and reasonable and fairly negotiated and determined by applicable economic and market factors including, but not limited to, applicable comparables, and the use and characteristics of property and neighborhood (i.e., regular flooding on the streets and in the streams). They do, however, strongly object to a lessor who uses "take-it-or leave-it" tactics while continuing to insist on rents from \$7.00 to \$10.00 per sq. ft., with annual increases from 3.0% to 4.5 % even after the Servco arbitration awarded a flat \$5.26 for the next 10 years.

In these hard times, small businesses need support and assistance from government. The state cannot afford to suffer more closures and loss of employment. In particular, the businesses in the Mapunapuna, Kalihi Kai and Sand Island area are an important part of the economy of these islands. Their proprietors are proud people who are not looking for a hand-out. They want so much to be able to trust their landlord. Absent that, they just want the comfort of knowing that their landlord will negotiate in good faith, in an open, transparent and fair-minded manner that will produce "fair and reasonable" rents for all concerned. It's not asking much, but without it they face disaster.

The members of CFV sincerely appreciate your consideration of their concerns and tribulations and respectfully request that you please pass SB 2020 extending the sunset date of Act 189 to June 30, 2015.

Thank you.

Michael Steiner

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