

October 31, 2016

Alliance Residential Company (A.R.C.)

STRS- Ohio Via registered mail

Re: Courtyard @ 65<sup>th</sup> Street, Emeryville, California

Dear Senior Management of A.R.C

Re: "A place to call home"

Today, I wrote my 122<sup>nd</sup> check to the Courtyard @ 65<sup>th</sup> Street for the rent of November 2016. With this check, I completed 10 years living at Courtyard @ 65<sup>th</sup> street and have begun my 11<sup>th</sup> year at the same one bed room apartment.

I would like to write this letter addressing a rent renewal for one more year- - 2017 without increasing the rent again. I had written to your attention three times during the past two years including on April 30, 2015 and Oct 21, 2015. However, without receiving a written responses from the management.

In Oct 2006, I rented a one bed room apartment of Courtyard @ 65<sup>th</sup> Street, and have stayed at the same apartment during the past 10 years. I have been a loyal renter at this property of your company for the continuous 10 years; and used the same apartment. I paid rent on time and stayed with Courtyard for good times and bad times; including during the major re construction works of the entire exterior walls of all buildings (as it is known some renters took the company to legal challenges).

The scale of my loyalty, possibly, is unparalleled. I have written 122 checks to Courtyard, with a record total rent over \$203,000 for the same apartment.

The rent increase during the past three years have been real financial burden. For example, \$175 increase per month in 2016 for my one bed room apartment is outrageous. That is about 10% increase while the inflation has been less than 2%. This resulted an accumulated total of \$425 increase per month during the past three years.

Courtyard is a relatively older apartment development compared with the other newer large scale apartment developments in Emeryville. As a result, Courtyard @ 65<sup>th</sup> has most likely has recovered significant construction and development costs. Increasing the rent for the existing renters in order to rush for reaching the rent level of the newer apartment development complexes in the city of Emeryville is really unfair to your loyal renters. It is a drain to financial resources of your middle class fellow citizens. In this election year season, much discussions have been focused as how the US middle class citizens have been financially drained.

The last year's Courtyard business management formatted letter issued about the rental renewal notices included a statement such as "residence like you make the Courtyard a great community to call home." That is true. I have borrowed the same term as shown on the top of my letter: "A Place to Call Home." I am calling home comparing to majority tenants --mostly transients.

This is an advantage to your company as staying at the same apartment for 10 years did not require the Company to incur the normal costs for re renting to other potential renters, leading to unoccupied apartment for extended period of time. For example, I noticed apartments around the area in my floor area many times changed tenants, resulting apartments unoccupied for extended period of time. What was shocking when I brought this point to the attention, I was informed that may be it is one reason about the rent increase for those tenants who continue to stay for recovering lost rents of unoccupied units. I hope this cruel strategy is not your business model.

Based on the above, I request consideration for a one year (2017) lease renewable without, please, rent increase. In fact, most, businesses reward loyal customers. I hope at a Company's Board policy level discussion, the Company would look into successful model of rewarding long term customers by initiating a process of loyalty reward program in rental apartment. Let's be part of a solution.

Since I did not receive a written response to my pervious letters, I would send this directly to the HQ address, CC to the business management team at Courtyard and with the copy to the Honorable Mayor of the City of Emeryville. Several Cities around the Bay Area have started a process of rent control. With the progress underway in the City of Emeryville about protecting renters, advances are made that could possibly look into such policy. It is a great City and it must allow the opportunity for multi generation tenants of middle class to survive in the City.

Yours truly,

Steve Kadivar, PhD, BCEE

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CC: Business Management Team, Courtyard at 65<sup>th</sup> Street

The Offices of Honorable Mayor of Emeryville, Dianne Martinez